

# THE

## House of Assembly Debates

### (OFFICIAL REPORT)

SECOND SESSION 1976 - 81

#### HOUSE OF ASSEMBLY

*Tuesday, 31st July, 1979*

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

#### PRESENT

His Honour W. C. B. HINDS, J.P. (Speaker); Mr. R. St.C. WEEKES, J.P.; Hon. L. S. CRAIG, (Minister of Housing, Lands and the Environment); Dr. R. B. CADDLE, M.D., Ch.B.; Mr. E. E. GREAVES, B.A., Ed.M.; Hon. Miss B. A. MILLER, (Minister of Health and National Insurance); Hon. L. B. BRATHWAITE, (Minister of Agriculture, Food and Consumer Affairs); Mr. J. G. ODLE, B.Sc., (Chairman of Committees); Mr. M. C. C. WARD; Hon. L. R. TULL, M.A., (Minister of Education and Culture); and His Honour E. E. ALLEYNE, LL.M., (Deputy Speaker).

*Prayers were read.*

*Hon. H. B. ST. JOHN entered the Chamber and took his seat.*

#### MINUTES

Mr. SPEAKER: The Minutes of the meeting of Tuesday the 17th day of July, 1979.

Hon. H. B. ST. JOHN: These Minutes have been circulated, Sir, and subject to any observations by any hon. member as to errors or amendments, I beg to move that they be confirmed.

Hon. L. S. CRAIG: I beg to second that.

Mr. SPEAKER: If there are no amendments, these Minutes stand confirmed.

#### ANNOUNCEMENTS BY HIS HONOUR

Mr. SPEAKER: I have to announce that I have received copies of Accounts and Statements for the month of April 1979 as prepared by the Accountant General.

*Hon. C. L. BOLDEN entered the Chamber and took his seat.*

#### PAPERS LAID

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to lay the following documents:

The Customs Tariff (Amendment) (No. 5) Order, 1979;

The Customs Tariff (Amendment) (No. 6) Order, 1979.

Hon. L. R. TULL: Mr. Speaker, I beg to lay the Annual Report, Statement of Accounts of the Barbados Community College and the Auditor's Report for the year 1977-78.

#### GOVERNMENT NOTICES

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to give notice of a Resolution to approve the borrowing by the Natural Gas Corporation of the amount of \$3 million. Also, a Resolution to approve the guarantee of the repayment by the Barbados Development Bank of a principal sum not exceeding \$10 million and of interest thereon.

Hon. L. S. CRAIG: Mr. Speaker, I beg to give notice of a Resolution to approve the compulsory acquisition of land at Collymore Rock, St. Michael for housing development.

Hon. H. B. ST. JOHN: Mr. Speaker, there are a couple of other Notices in relation to Bills but they have not arrived yet, and I beg to give the House notice that later on I will be asking leave to be able to do that at the stage when they arrive.

#### ORAL REPLIES TO QUESTIONS

Hon. L. B. BRATHWAITE: Mr. Speaker, I beg to give notice that the answer to Parliamentary Question No. 39 is ready.

#### SUSPENSION OF STANDING ORDERS

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move the suspension of Standing Orders 6, 16, 18, 20, 40 and 45 for the remainder of today's sitting without prejudice to Private Members' Time.

Hon. L. S. CRAIG: I beg to second that.

Mr. GREAVES: Mr. Speaker, speaking on this motion for the suspension of Standing Orders, one of the Standing Orders which the Leader of the House has indicated is Standing Order 20 which deals with the arrangement of business, and specifically it makes provision to deal with Private Members' Business. I know that the Leader of the House has indicated that in the suspension he is moving there is no prejudice to Private Members' Business, but I want to get an assurance from the Leader of the House that we will be able, in spite of the suspension of the Standing Orders, to do Private Members' Business today.

Mr. SPEAKER: The Hon. Leader need not reply. There is one thing about being a member of this Hon. House, one must be able to understand.

*The question that those several Standing Orders remain suspended for the remainder of the day's sitting was put and resolved in the affirmative without division.*

#### GOVERNMENT BUSINESS

Hon. H. B. ST. JOHN: I beg to move that Government Business be now taken and that Item No. 2 be the instant Order.

Mr. SPEAKER: Government Business is the instant Order of the Day, Item No. 2.

#### RESOLUTION TO SANCTION THE GOVERNMENT OF THE ST. MICHAEL SCHOOL SCHEME 1979

Hon. L. R. TULL: Mr. Speaker, in pursuance of Government's declared policy on the introduction of co-education throughout Barbados, the St. Michael's Girls' School will from September this year be admitting

boys in the first form. It is therefore necessary that there be a change in the name of the school to take out the word "girls" from it, and further, the Governing Body has recommended to the Ministry that the school be renamed the St. Michael's School. That has been accepted by the Ministry of Education.

In the circumstances, it will be necessary to amend the Schemes of Government of the school, and we are also taking the opportunity to update some aspects of the existing Schemes of Government to reflect changes of policy and constitution but without in fact altering any of the basic provisions in the Scheme of Government. 12.30 p.m.

Now, Mr. Speaker, perhaps it is an appropriate time for me in introducing this Resolution to put on record the appreciation of Government and people of Barbados for the fifty years of signal service that the St. Michael Girls' School has given the community. It is perhaps very well known that the school which was opened in 1928 was opened at a time when there were only three schools admitting girls to secondary education in Barbados, and in those days the social and political conditions obtaining made it extremely difficult for girls of the poor to get a secondary education in Barbados. It was through the initiative of the then St. Michael's Vestry and the initiative of men like Nathaniel Bullen, John Beckles, Chrissie Brathwaite and Washington Harper that plans were set afoot for the acquisition of land by the Vestry to set up a school for girls that would make provision for the daughters of the less-well off citizens of this country.

Over the last fifty years, the school has made a significant contribution to the education and training of young women of this country, and as it moves into its 51st year with this new development of taking in boys for the first time, I have every confidence that it will continue the fine tradition it has established.

I think it would be also appropriate for me at this time to pay tribute to the present Headmistress of the school, Miss Pat Symmonds, bearing in mind that it was her grandfather who was one of the pioneers in the establishment of the school. I want to pay tribute to her too because when the question was broached about the admission of boys I did not have to go through many of the stresses and strains that normally accompany a change of this nature in the educational system of Barbados. She was very cooperative from the beginning, and I am sure that this change will be accomplished all the more smoothly because of the headmistress and her staff.

I beg to move that the Resolution do now pass.

Mr. GREAVES: Mr. Speaker, I would like to say on behalf of the Opposition that we on this side see

that Government is continuing with the policy of co-education which was enunciated by the Democratic Labour Party in 1975 in a speech made by the then Minister of Education, the present member for St. Michael South. In the debate on the Education Act on 27th July, 1975, at page 5628 he had this to say:

"What I am saying, Mr. Deputy Speaker, is that without any equivocation we are stating that education in this country must become co-educational and the number of places or schools from which girls can choose will be increased and we will work towards the transformation of all of our schools into co-educational schools.

With effect from next year Combermere School will be permitted to admit girls into the first forms, and we will be consulting with the Heads of Departments in Government secondary schools so that whether you are the Headmaster of St. Lucy Secondary School or the Eilerslie Secondary School or you are the Headmaster of Harrison College they are all secondary schools and they will all be paid at the same level, and this will go for the Deputy Heads and the Heads of Departments who get allowances as well."

I think it is very clear that the policy which is now continuing is a policy enunciated then and I do not think that anybody can have any quarrel with a policy of coeducation in Barbados. Co-education is a natural development for living as it were, because as children are born into a family they are born into a situation of boys and girls, and when they go to work they work in a situation of males and females. So you have a situation where to educate boys and girls separately is not a natural situation. And so from the Democratic Labour Party point of view and the point of view of the Opposition this is a policy with which we are in total agreement, as it is the policy enunciated by the former administration in a policy statement since 1975.

Quite naturally in connection with this scheme the name of the school will have to be changed. We would like on this side to wish the school well in the new situation. We are satisfied that the St. Michael Girls' School has made an outstanding contribution towards education in this country. Their scholars have made an indelible mark on the society and we look forward to a similar contribution being made by the new school in the new situation in which it will find itself.

Dr. CADDLE: Mr. Speaker, I would like to join with the Minister of Education in praising St. Michael Girls' School for the work done over the past fifty years and also join with him in paying tribute to the present Headmistress. However, I would like to draw

to attention that while it is desirable to make all schools co-educational, sometimes there are problems encountered in doing so. I would like to draw to attention that one area you would have to look into is the provision of recreational facilities that will be necessary for boys at that school. The present playing area may not be sufficient to accommodate both boys and girls, bearing in mind that the girls may pursue different types of recreation. I would like to hear from the Minister what steps would be taken to get larger playing field facilities for the school in view of the fact that from next term they will be having boys and that in future there may be more boys than girls. As long as you have different sexes at the school it will be necessary to provide different accommodation.

Rt. Hon. E. W. BARROW: Mr. Speaker, I think I mentioned before when there was a proposal to amalgamate the Foundation Schools in Christ Church that the legal draftsmen tended to ignore the provisions of the Education Act. The Education Act Cap. 41 has various provisions for the establishment of secondary schools, and it is rather interesting that the St. Michael Girls' School which was established at the instigation of Mr. John Beckles and other members of the Vestry of St. Michael was the only school which was properly established under the Education Act.

12.40 p.m.

There have been very few Government Secondary Schools established under the Education Act since the establishment of St. Michael's Girls' School. There has certainly been amalgamation. There has been the amalgamation of the Coleridge-Parry Schools. There has been a more recent amalgamation of the Christ Church Foundation Boys' School and Girls' School. There has been not so much an amalgamation but an administrative decision to admit girls into two secondary schools, one of which was the so called first grade school at Harrison College and the other one, a second grade school, Combermere Boys' to admit girls into those schools in the parish of St. Michael. Boys and girls attend the Alleyne School without any alteration in the scheme of government of these schools as far as I know; but the remarkable thing about secondary education or post primary education in Barbados, quite apart from the innovation of that hybrid whose paternity nobody appears to wish to acknowledge, is the secondary modern modelled on the English Comprehensive School of the early 1950s, and a reluctance on the part of the education authorities to give these schools full status, and to have them all under a common education authority with transferability of teachers from one school to another.

This Government has asserted its intention to do away with the Teaching Service Commission. I would

like to call it one of my hopes that post primary education in Barbados should be democratised and it should not make any difference whether you went to Harrison College, Queen's College, St. George's Secondary, St. Leonards, St. Joseph's, the Alleyne School or Lodge School. And my concept of egalitarianism in education was that since it is an accepted principle that people with similar qualifications be paid the same salaries, that all of these people should come under one teaching service just as people in the public service, whether you work in the Waterworks Department or in the Ministry of Finance. You come under one Public Service Commission, so that there should be transferability from one school to another according to the exigencies of the educational system of the island.

But we have reverted now to the time honoured — and I use the word time honoured for one of a charitable expression of the system of "you in your small corner and I in mine". Teachers at the Lodge School are inviolate, and they cannot be transferred to the St. Leonards School because once you have worked with the Governing Body of the Lodge School, you are there until you decide to go somewhere else or until you are relieved of your post. I think that that is bad for education in Barbados, because you will never be upgrading the standards in your schools as long as you have this attitude that schools that have been here before the Education Act was passed in 1902 or whenever, schools were established like Harrison College for poor white boys and the Foundation School established for poor white boys should have a status which is superior.

Now, I can speak of these two institutions with impunity because I attended one and taught in the other. One was established under the will of a gentleman called Mr. Harrison, and the other one under the will of a gentleman called Mr. Williams in Christ Church; and it was clearly set out that they were set up for discriminatory purposes. We have removed the colour aspect, but we have still maintained the snobbishness which people may create when they say that they went to Harrison College or the Lodge School; and I think that it is bad for the kind of society that we are trying to create in this country. (*Aside*). I am not going any place. I am grateful to the hon. member... (*Asides*). I am hearing his ignorance all the time.

Mr. SPEAKER: Let us have some order, please.

Rt. Hon. E. W. BARROW: In the Education Act, Sir, if I may point out to the hon. member who has, I believe, some legal training, I believe that he is a barrister — he will be able to appreciate — I hope that the hon. member for St. James would not think that because I say that the Hon. Minister would be able to appreciate what I am saying is any aspersion on himself.

The Education Act, Sir, makes the provision for the establishment of secondary schools. If one looks at Part V of the Education Act, Section 38 says that the Chief Education Officer shall frame schemes for the establishment, either concurrently or from time to time, of second grade schools in such localities as may be deemed by him expedient.

I think that it is clear from the provisions of section 41 that the Education authorities — at this time it was not always the Chief Education Officer, but it was the Education Board which used to meet across the court yard from where we are now deliberating, from where Your Honour is sitting and from where I am standing. The Act makes provision for the authority, it is now the Chief Education Officer, to draw up schemes for the establishment of second grade schools; and what that implies in Part V dealing with second grade schools is that where there is no second grade schools, the Education Authority, the Chief Education Officer, draws up a scheme for the establishment of the setting up of such a school in an area where the Chief Education Officer considers that there should be a school of that kind.

That is clear, but I have had the greatest difficulty trying to explain. I remember spending hours when we had the inquiry into Combermere School over 20 years ago in the Other Place. I was appearing in there when Combermere School had been shifted from the old site to the new site; and when they set up a scheme for the establishment of Combermere School, Combermere School had been established for a very long time; but they did not set up a scheme for the establishment of Combermere School. They set up a scheme for the government of Combermere School.

12.50 p.m.

Now nowhere in the Education Act will you find that is in this matter that we are deliberating — a scheme of government for St. Michael's Girls' School. If the hon. member would tell me which section, which authority, I would be pleased to sit down. There are schemes for the establishment of a school under section 38. After the scheme for the establishment of a school containing all the things required by sections 38 and 39, the scheme has been drawn up and the school is functioning, a Governing Body appointed, you will find that under section 41 of the Education Act dealing with administration that in consideration of the grants given to second grade schools, the Chief Education Officer may call on the governing bodies to frame statutes and rules for the good government and regulation of such schools.

Now it is very simple, Sir. In other words, these rules of government are subject to the approval of the Chief Education Officer. I will not go on to deal with first grade schools because I think that as long as the

distinction remains in the provisions of the Education Act, that we accept that St. Michael's has unfortunately been described as a second grade school, whatever that is, because I think they get as good results at St. Michael's sometimes as at Coleridge Parry and as at any of the other schools. So what we really need is a new Education Act, but while we are operating under the Education Act of 1890, let us at least follow the rules. You draw up a scheme for the establishment of a school, and after the school is established, you draw up rules for the government of the school, rules and statutes and orders for the government of the school under section 41. From the time we started dealing with Combermere, and I drew it to the attention of the Minister when we were dealing with Foundation, I believe he went away and did something about the amalgamation of the two schools in Christ Church. I cannot remember whether I was in here on the actual day on which the Minister brought back in the legislation, but there of course it would be more problematical because you were now establishing a sort of joint enterprise where you were amalgamating two schools, where you could actually say perhaps that you were establishing something for the first time, a co-educational school, and you may draw up a scheme for the establishment of such a school. I say "you may"; I am not being dogmatic about it; but in so far as the proposed changes in St. Michael's are concerned, if we are now re-establishing the St. Michael's school, call it the amended scheme for the establishment of St. Michael's Girls' School, or the new rules of government. It sounds like a lawyer's quibble, Sir. The hon. member will appreciate what I am saying, I hope. Say that you are amending the rules which established the St. Michael's Girls' School. I believe that the scheme of government for St. Michael's Girls' School, because of the quality of the very small staff then available to the Attorney General's Office, was a good one. The quality of the staff in the Attorney General's Office then was very high; I am not saying it is not high now. I have not looked at the scheme for the establishment of St. Michael's Girls' School, but my recollection is that it is one of the schemes that was properly done, and therefore let us have an amended scheme amending the scheme for the establishment, but not this hybrid of a scheme for government, because the Education Act does not make any such provision.

That is the only point that I want to make apart from the opportunity I took to express my views on the discrimination which still exists either in fact, in law or in the minds of the community about this business of first and second grade schools, and I hope the Hon. Minister will be able to justify the hybridisation of the scheme for the establishment and the rules for government as appears now in the matter which we are considering.

Hon. L. R. TULL: Mr. Speaker, if I may first deal with the point raised by the hon. member for St. Michael

North Central, the Government is well aware of the need for increased facilities, playing-fields and otherwise when you admit boys to St. Michael's Girls' School, and we have in fact already provided the physical facilities required on the school grounds, toilet facilities, workshops and so on for the boys. In respect of the playing field we are in fact in the process of marking out an area opposite the school as a playing field with adequate dimensions for the boys of that school, so that point was taken very much in mind.

In respect of the number of points raised by the hon. member for St. John, I must confess that I did not quite understand the substance of his submission, and therefore I would not seek to answer it in detail, because I would be answering something I do not quite understand. If I start at the top and come down, I am in total agreement with the hon. member for St. John that post primary education should be democratised. I am also in agreement with him that all education in Barbados should be democratised; so there is no quarrel with that. I, like the hon. member for St. John, believe in the egalitarian system not only in education but in the total society, but it is passing strange to me to hear the hon. member for St. John, in whose mouth these strictures do not properly fit, when he could have been in a position to do something about the very point that he made and did nothing.

The Education Act was passed in Parliament in 1975 and up to the time at which I took over in the Ministry of Education, the Act was not proclaimed except the sections relating to scholarships and bursaries, and one has to ask how is it that the Act passed Parliament over a year and all the sections that would have solved the very problems identified by the hon. member today were never proclaimed. The reason is very easy to find. The Act was passed against a background of industrial dissatisfaction with what had been passed; the two teachers' unions, the Barbados Union of Teachers and the Barbados Secondary Teachers' Union were hostile to many of the provisions of the Act, and I am going to be charitable too like the hon. member; I would not say it was because an election was near and the Government did not want to take on the Unions. I would not be uncharitable and say that. I will be charitable in saying that the Government of that time, being well aware of the difficulty of proclaiming an Education Act that the teachers of the country did not agree with, would be inviting trouble to try to thrust it down their throats, so they decided to wait and study it again before they got it proclaimed.

1.00 p.m.

This Government is doing the same thing although the industrial climate has changed because I have had discussions with the Barbados Secondary Teachers Union with respect to certain amendments to the Act and I have not been experiencing any difficulty with them.

I have had discussions although only exploratory at this stage with the Barbados Union of Teachers and I have got some understanding to use the American expression "where there are at". There is continuing dialogue with them and as I have promised on a number of occasions, before the end of this year, I will be bringing before Parliament standing amendments to the Education Act and will get the Act proclaimed for the first time.

The hon. member is perfectly correct when he says that there is the whole notion of some schools being secondary where others are not. I think what he meant was that some schools are first grade and others are second grade. What he did in fact say was secondary but I understand what he meant. In the primary, children up to age 11 and after age 11 there are secondary. First grade is secondary.

I will put it to the hon. member, Mr. Speaker, that for the whole time that I have been in the Ministry of Education in no official communication has the term "first grade" and "second grade" ever been used because I feel as strongly about this as he does. We are trying to get rid of all the notions that secondary schools are good schools, that they are there to provide places for a certain elite whether it is social elite or intellectual elite whereas other schools are there for the others. We are working to do something about that, but it is not as easy as the hon. member will try to make it because it is not essentially an educational problem. It is essentially a social problem.

It is very easy for the Ministry of Education by edit, proclamation or what ever to say as from such and such a date this will no longer be the case. The Ministry of Education has to consider the social climate, the social attitude in which it is making its pronouncement and I do not care whether you pass legislation today or tomorrow saying that there is no longer to be any distinction in name or otherwise between Harrison College and St. Leonards, the people of Barbados will still continue to feel that there is a difference between Harrison College and St. Leonards.

When I was a student of political science in the university my professor used to say that there is no written constitution in Britain that Parliament was supreme and that Parliament any day with its Ministers can pass a law saying that the sun shall not shine and that would be a law of England but it makes no difference to the sun because the sun will still shine. It is very easy to bring legislation to say that there should be no distinction between Harrison College and St. Leonards. It will be a law of Barbados but as far as the people are concerned the sun will shine and there will be a difference.

This is not to suggest that we are doing nothing about this difficulty. What we are trying to do in the

Ministry of Education, and it is going to take time because Rome was not built in a day. What we are seeking to do in the Ministry of Education is to so upgrade the facilities, personnel, teaching staff and the facilities for courses in the Newer Secondary Schools, so-called, and also make it possible for the Ministry of Education, certainly as the Chief employer in education, to find the type of quality of teaching personnel, to put into the newer secondary schools and to bring their standards at the technical level as high or indeed even higher than it is now in the older secondary schools.

There will still be another problem and perhaps that is the more important of the problems that as long as we can continue a system of selection based on a common entrance examination in which the top 112 boys in the island will go to Harrison College, a system of which all the best children at age 11 will go to the two select schools whereas the children with lower achievements will go to other schools. I do not care how many buildings you build, how much equipment you put in them, what staff you employ, people of Barbados and in fact the standards in those schools will be different simply on the academic achievement alone.

I am not saying that those schools will not achieve indeed more than the Harrison Colleges of this island because I am satisfied that as long as children are given the training and education to help them to develop to the maximum their intellectual, moral and physical capacity, that that is all education is about. I am not concerned about how many Barbados Scholars and "O" level boys come out of a particular school as compared to another one. I am concerned that each school brings out the full potential of every child that is put in its class rooms so my criteria for the success of the schools and achievement differs in substance from the criteria used by many people in this country.

As I have said in this House already I have no special brief because I hold a brief for all the schools in Barbados. I have no special brief for Harrison College and I have no special brief for Lodge. I have a brief for all of these schools and as far as I am concerned Harrison College is not to be inviolate as the hon. member suggested. Lodge School is not to be inviolate as far as I am concerned. I note that a number of provisions in these schools were provisions for scholarships to be given only to white boys.

Only recently I was having discussions at the Lodge School and the Lodge School has got some provisions in the agreement with the SPG, some conditions that are repugnant to our modern day society. There are a lot of economic, social and political changes in Barbados that have taken place in the past 99 years and while at Lodge School today there is still the discriminatory provision that the Headmaster must be an Anglican and other provisions

about scholarships that do not seriously merit any comment or indepth look at this stage. All the Government can do is from time to time make the type of changes that will bring the arrangements more in line with the type of social and political situation in the country today.

The hon. member can be assured, and certainly as long as I am Minister of Education and Culture that a lot of the practices in the past will come to an end. Not only the practices that are hallowed by legislation over which the hon. member superintended for 15 years and did nothing about, but a number of practices that are not hallowed by legislation. A number of practices that are borne out of the weaknesses, out of the structure of Barbados and the social stigma in Barbados, as long as I am Minister I will wipe them out. They will be excavated from our system if I get a chance to do it. The hon. member need not worry about that at all.

I will go on to the point which he made about whether we are seeking to amend the rules to the establishment of the St. Michael's School or in fact talking about the governing of the school. I must confess that with my limited legal learning I do not quite understand the distinction.

1.10 p.m.

Rt. Hon. E. W. BARROW: I wonder if the hon. member would give way, because it is very important.

Mr. SPEAKER: On what do you rise?

Rt. Hon. E. W. BARROW: On a point of order, Sir, because on this point of order I am submitting that it is doubtful whether we are competent to deliberate this matter at all. The point I am making, quite mutually, to the hon. member is this, that it appears that what we should be discussing is an amendment to the Scheme of the Establishment of the St. Michael's Girls' School, an amended Scheme of Establishment. That amended scheme would properly be before the House, but when one looks at section 41 where the Governing Body makes the rules and statutes for the government of the school, a lot of little things that do not really concern us come under those rules and statutes, about what time the boys must come, how many hours they must put in, and that kind of thing. That is not before the House at all. This is not the first time I am raising this, I have raised it before.

I do not really want to hold up the House, but I am seriously submitting that the only jurisdiction that we have is to approve the scheme for the establishment of a new school, or approve a scheme amending that scheme for the establishment of a school which is already established, but there is no provision in the Education Act for a Scheme of Government.

Mr. SPEAKER: This is really a second speech on a point of order.

Rt. Hon. E. W. BARROW: No, Sir, I am elucidating a point. The hon. member gave way, but it is also a point of order.

Mr. SPEAKER: Please, you cannot have both at one and the same time. You either rise on a point of order or on a point of elucidation, but I am saying that you are making a second speech on a point of order.

Rt. Hon. E. W. BARROW: But the hon. member gave way.

Mr. SPEAKER: You could rise on a point of order and the hon. member could give way, but I am saying you cannot have both at the same time and I think you have made your point of order on which you did rise.

Rt. Hon. E. W. BARROW: Yes, Sir. May I just say something, Sir, in extenuation? The hon. member said he did not understand the point I was making.

Mr. SPEAKER: In such a case you should have risen to elucidate, but you did not.

Rt. Hon. E. W. BARROW: Maybe you are right, Sir.

Mr. SPEAKER: It is not a question of maybe.

Rt. Hon. E. W. BARROW: You are right, Sir.

Hon. L. R. TULL: Mr. Speaker, I think I take the point the hon. member is making at last, but as I understand it, the hon. member is reading from sections 38, 39 and 41 of the Education Act, but the Education Act in those sections have not been proclaimed, and the part of the Act that would seek to repeal any previous Acts is not in fact law until it is proclaimed. (Rt. Hon. E. W. BARROW: It is the old Act I am reading from, not the new one). I am confused, because as far as I am concerned the Education Act of 1975 from which the hon. member is citing has not been proclaimed, and therefore.....(Rt. Hon. E. W. BARROW: I am citing the 1890 Act). I am not sure and I cannot debate across the House like that.

Rt. Hon. E. W. BARROW: May I rise on a point of elucidation, Sir? The hon. member has given way. The hon. member said that I was citing from the 1975 Act, I am citing from the 1890 Education Act which has those sections that have not yet been proclaimed in the 1975 Act, and it was so from 1890 and I have been arguing this from 1952 and nobody has controverted it or tried to see the wisdom of what I am saying.

Hon. L. R. TULL: No, I was certainly under the impression, Mr. Speaker, that the hon. member was citing the Education Act of 1975, and when he read section 38, which he did in fact read, he said "The Chief Education Officer shall frame a scheme for the establishment, etc., etc...." and he went on to read from section 39 of the same 1975 Act in respect of schemes to be drawn up for the establishment of second grade schools, and finally he read the section dealing with the rules for secondary schools.

Now I can give the hon. member the assurance that the Schemes of Government of all the secondary schools in Barbados — the nine of them now — are being currently studied and that so far as is possible will be repealed *in toto* and that new rules and new legislation will be brought for the new government of all the secondary schools in Barbados on a basis that would render all the schools, new and old secondary, equal in the terms of the structure of their governments. The hon. member can be assured of that. I do not see any greater substance in the submission made by the hon. member that that assurance I have just given will not correct, and I am hoping to do something about it, as I have said repeatedly, before the end of this calendar year.

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

Rt. Hon. E. W. BARROW: Mr. Speaker, can I ask the hon. member for an assurance that if he finds out that my point is correct he will have the title amended in the Other Place?

Hon. L. R. TULL: Mr. Speaker, I will give the hon. member the assurance that when I have taken another look at it and he is right, not only will I get the amendment in the Other Place but I will admit that he is right. (Rt. Hon. E. W. BARROW: I know I am right, you do not have to admit it).

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

**RESOLUTION TO APPROVE THE GUARANTEE BY  
THE GOVERNMENT OF A LOAN OF US\$3.825  
MILLION BY THE EXPORT DEVELOPMENT  
CORPORATION OF CANADA TO THE  
BARBADOS TELEPHONE COMPANY  
LIMITED**

Hon. H. B. ST. JOHN: Mr. Speaker, the object of this Resolution is to guarantee the borrowing by the Telephone Company from the Export Development Corporation of Canada of the sum of US \$3.825 million.

The Telephone Company, in pursuance of its expansion programme, was in need of materials and services and

the Canadian suppliers were able to acquire EDC funds in accordance with the Government of Canada's policy of financing through the Statutory Corporation. The guarantee was required and the Government had no hesitation, pursuant to its assumption of ensuring that the public utility services in Barbados are kept equipped to satisfy the demands of industry, commerce and personal use in Barbados.

1.20 p.m.

In view of the fact that the purchase of these materials involved a foreign exchange component, the Government was advised — and agreed with the advice — that rather than run down the foreign reserves of Barbados we should take advantage of the facility of export credit which is granted by such Government institutions as the Government of Canada and the Canadian Export Development Corporation. Accordingly I beg to move that the Resolution do now pass.

Dr. CADDLE: Mr. Speaker, I would like to enquire from the Hon. Leader of the House what is the present level of liabilities of the Barbados Telephone Company. The reasons for asking this is that I would like to remind the hon. Minister that not very long ago — in 1975 — this Honourable House did approve the guarantee of a loan by the Government for a similar purpose and that loan was also to be repaid in twenty semi-annual repayments. What I am getting at is that here again we are approving another loan and I would like to know what is the financial position of the Telephone Company as regards its ability to repay these loans. On that former occasion I know that a lot of information was given as regards the liability and financial operations of the company and I would like to enquire if the Leader of the House has such information now because things may have changed a lot since then. What are the total liabilities of the Telephone Company at the present time? To go a step further I would like to point out that most of the public liabilities are owned and controlled by the people of this country. What consideration is Government giving that other public utilities will be owned and controlled by the people of this country?

Hon. H. B. ST. JOHN: Mr. Speaker, I take it that no other hon. member wants to speak. The position is very clear. I do not have the information the hon. member has asked for now. The Telephone Company is a public utility, and if the hon. member has been following the development of public utilities in Barbados in the course of the last twenty years he would recognise that they are voracious users of capital. The hon. member would also recognize that we are fortunate in Barbados in that our public utilities are in a position to satisfy a very large percentage of the demand, much larger than

any other public utilities in the whole of the Caribbean area. This is because of the fact that we indulge in forward planning rather than in trying to catch up with the demand. I have absolutely no doubt that the earnings ratio of the Telephone Company is such that it can adequately service the amount of capital that is required on this particular occasion which is the subject matter of this Resolution.

Normally the public utility companies in other countries which have developed capital markets would be able to go to a financing house and acquire the capital needed for expansion. Unfortunately, in a country like Barbados the demands for capital by utility companies and the undeveloped state of the capital markets are such that all public utility companies have to go to other areas for financing. We are fortunate in that today in the equipment industry throughout the world there is so much competition that countries which produce the equipment have established finance institutions with the object of facilitating sales of the equipment they manufacture. The Export Development Corporation of Canada is a corporation established by the Canadian Government to facilitate Canadian export. Even Barbados in its own way has just established a Credit Export Guarantee Scheme for the same purpose. In my opinion — and I have clear evidence of that in the form of the facts that if the Export Development Corporation approves a loan, they would have done all that is necessary to ensure that they get back their money. The hon. member knows that the world of banking is a world where banks do not want 100% security but rather 250%. The world of banking is an area of double security. If the hon. member wants specific information on the operational profits position of a company, that is a fit subject matter for a specific question. All I want to assure the hon. member is that the industrial commercial and personal standards of Barbados are enhanced by the fact that when you pick up a telephone it works. We are in the very fortunate position in Barbados and it redounds to the credit of all Governments which have been in power in Barbados for the last twenty years that we have such a fortunate position in relation to our Public Utilities System. And I say long may it be so. The Government of Barbados itself as a matter of policy recognizes the worth of good public utilities and has no hesitation in doing anything in its power to ensure that it remains so. And in respect of the Telephone Company the Government has participated in the shareholding and is willing to participate in the shareholding of any utility company in Barbados in order to ensure that the standard is such that the demand at any particular time can be satisfied. That is our policy. 1.30 p.m.

We do not have a doctrinaire position on this. Our position is that a public utility is a public utility, and must be under control. Such as it is today, a public utility, cannot waste money internationally with the

Government helping; and therefore the Government must be in a commanding position to ensure that utilities operate in the national interest. The Government participates on a commercial basis because we have to go out and borrow money too. When we borrow at 6% we cannot afford to lend them at 4% unless the hon. member is saying that we should subsidise them.

In our opinion, this is a loan which is worthy of our support. I am sorry that I cannot give the specific information asked for because I do not have the balance sheets and accounts in relation to that.

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

#### LEAVE TO DEAL WITH RESOLUTION

Hon. H. B. ST. JOHN: Mr. Speaker, there is a Resolution dealing with the Barbados Development Bank. I am asking leave to proceed with this Resolution today. It has been circulated. I am doing so rather than having to ask hon. members to come back next week when we intend that we should have a little time off until the last week in September. (*Aside*). We will definitely do Private Members Business today. There is another Resolution that we have to circulate dealing with the Student Revolving Loan Fund.

Mr. SPEAKER: The Hon. Leader of the House is seeking the leave of this Hon. House to deal with the Resolution respecting the Barbados Development Bank for borrowing the sum of \$10 million.

Dr. CADDLE: Mr. Speaker, on behalf of the Opposition we would like to assure the Leader of the House that we will accommodate him on this matter.

Mr. SPEAKER: There being no objection, leave will be granted.

*The next Order of the Day was called.*

#### RESOLUTION TO APPROVE THE BORROWING OF \$10 MILLION BY THE BARBADOS DEVELOPMENT BANK

Hon. H. B. ST. JOHN: Mr. Speaker, section 9 of the Barbados Development Bank Act, Cap. 323 provides that the Barbados Development Bank may borrow sums required by it for meeting its obligations or discharging any of its functions. Section 10(1) of the Act provides that the Minister may, with the approval of Parliament, guarantee in such manner and on such conditions as he may think fit the payment of the principal and of interest of any authorised borrowings of the Barbados Development Bank.

The object of this Resolution is to allow the Development Bank to borrow a sum not exceeding \$10 million so that it can float an issue, which will be the third issue of National Development Bonds to acquire funds to finance certain of its functions. The Barbados Development Bank, in the opinion of the Government is an institution which is playing a very vital role in ensuring that premium and long term finance is made available to Barbadians on terms and conditions which would permit Barbadians of skilled entrepreneurial capacity to participate in the economic development of Barbados.

The bank has been able to attract a considerable amount of capital by way of intermediate financing with such institutions as the Inter-American Development Bank, the European Investment Bank and other multi-lateral lending institutions. Unfortunately, the demands for capital upon the terms and conditions which are less onerous have been still unsatisfied. The only hope that we have, therefore, if we are to fill the void is to indulge in attempting to get capital from our own resources; and this is another reason why periodically the Barbados Development Bank has to issue national development bonds.

The Barbados Development Bank has been successful in the past in this issuing of national development bonds. In the present state in Barbados we feel that the time is appropriate when a third issue should be made available to the public of Barbados by the Barbados Development Bank. I will say, Sir, in respect of National Development Bank bonds, that the Income Tax Act would be amended so as to provide that an interest on holdings of national development bonds up to a minimum of \$25,000 per issue should be exempt from income tax.

This is a very important consideration especially in view of the fact that the Government places great emphasis on ensuring that not only capital in the area such as insurance companies, trusts and banks in Barbados should participate in the benefits to be derived from the issue of these bonds on favourable terms, but also individuals. However one looks at it, it provides another opportunity for many of the people who claim that they have been overburdened with taxation, to have a legitimate and legal area of activity to invest some of their money without fearing or having to account to the Commissioner of Inland Revenue, or without fear of the fact that the risk associated with investment is too great. 1.40 p.m.

I beg to move that this House approve the guarantee by the Government to the Barbados Development Bank of the issue of these bonds. The interest rate will be at 7%, the issue will be at par, the loans will be repayable within 15 years and the principal sum and the interest will be guaranteed by the Government of Barbados.

Hon. L. S. CRAIG: I beg to second that.

Mr. WARD: Mr. Speaker, I should just like to make a few comments. I do not believe that there is anyone that does not appreciate the role that the Development Bank is playing in Barbados, and as the Minister has already indicated it does not only lend very large sums, but within the last year or two it has been lending sums that the small man has been able to get the benefit of in starting off certain small industries, but in fact, Mr. Speaker, the majority of money I believe the Barbados Development Bank lends at present is in the field of tourism, and while a lot of people in Barbados may not be aware of it, the backbone of the economy of Barbados is tourism. I say this because a lot of people still believe that sugar is in that bracket, but in fact sugar is no longer the backbone of our economy, and tourism outstrips any large industry or any other collection of industries by a very long shot.

I should at this time say, Mr. Speaker, that the people of Barbados should realise that tourism is a fickle industry. Tourism is an industry which can be affected severely by very many factors, and therefore Government must keep an eye on the expansion of the tourist industry and just not allow people to borrow money without very thorough investigation to see that their investments are in the right place as far as tourism is concerned, and secondly that the country makes sure that we do not over-invest too rapidly the infra-structure of the country in tourism. This may sound strange coming from me because as Chairman of the Tourist Board it is my responsibility to push tourism for what it is worth, but I must give the warning about the fickleness of the tourist industry, that you must not go ahead believing that the tourist industry does not have cycles. The hon. member for St. John will remember that when they came into power in 1961 he got the crest of a wave on the sea of tourism. Things boomed throughout the sixties, Barbados could not do wrong, and then in the early seventies came the tremendous decline. I therefore, Mr. Speaker, say these few remarks that while our economy is predominantly based on tourism at the present time that we tread very softly with too rapid development.

Hon. H. B. ST. JOHN: Mr. Speaker, if I may just respond, there are one or two points which I think should be emphasised in relation to what the hon. member has said. It is true that the tourist industry is the most important provider at the present moment of gross earnings in Barbados, but I would not want it to be thought that the contribution of sugar or indeed of industrial development is insignificant. I want to also emphasise that we are in a position where at the present moment the greatest threat to further expansion of the

tourist industry in Barbados does not appear to be an external one, but to be an internal one, and the Government is well aware of the fact that the tourist industry is an industry which depends upon a congenial environment for its continual success. It is an industry now which has engaged the attention of all political philosophies, so there should not be too much controversy among various shades of opinion in any country as to the economic value of tourism.

I look at countries like Yugoslavia, Hungary, China, the Soviet Union and others and see that they are out there in the world in the visitor industry vigorously competing with people to try and attract some of the tourist dollars because they recognise its benefits as a valuable foreign exchange earner, and indeed more important to me even its benefit as an educational device to expose their citizens to the world of living in this world. It is because of the concentration of loans in the tourist sector that the Development Bank at the present moment in Barbados is seeking to diversify its source of capital so as to be able to cater to the demands for loans in other areas. I am very pleased with some of the other areas that have been developed by the Barbados Development Bank. I am also pleased with the fact that the Barbados Development Bank within the tourist industry not only has been building the hotels as such, but other adjuncts of the tourist industry command a tremendous amount of attention. In particular I am sure hon. members on the other side are pleased to know that it is now possible for taxi drivers in Barbados to obtain finance to convert their existing equipment to contribute to our energy conservation programme by switching from gasoline driven vehicles to diesel equipment. In addition to that, I am sure hon. members on the other side are pleased to know that the Development Bank has come forward and has lent money to the Taxi Association, Co-operatives, small people operating in the tourist business to take advantage of the duty free concessions granted by this Government to ensure that while we modernise our transport equipment in the light of the need to carry a larger number of passengers in a more fuel efficient vehicle, that the Taxi Associations can take advantage of that. Finance is no barrier. That is the institution and that is the kind of area outside of the traditional financing of infrastructure in the economy that the Development Bank has gone into with the full concurrence and backing of the Government of Barbados.

1.50 p.m.

We are seeking out the building up of skills in an entrepreneurial capacity but what the Bank cannot do and no Bank in any part of the world, under any party system can do it either, is to lend money to people who wish to use the money for their own private purposes or who wish to take an income that is generated by a Loan and syphon it off for their own private purposes without repaying the Bank under the terms of their application.

I am sure hon. members will concur in the view that it is totally irresponsible on the part of any applicant to expect that before they make their application they will satisfy their personal case. This Government will never be a party to that and we have no apology to make to anyone when a Bank as a matter of policy decides that. Borrowers should remember that the Bank itself is a borrower and it has its obligations to its lenders and therefore when it lends its borrowers, they must have their obligations too to the Bank.

I beg to move that this Resolution do now pass.

Hon. L. S. CRAIG: I beg to second that.

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

#### GOVERNMENT NOTICES

Hon. H. B. ST. JOHN: Mr. Speaker, Sir, as you will recall, earlier I intimated to you that we have a number of matters which we wish to give notice of but they were not available then. We want to proceed with one today but we want to give notice so that hon. members during the recess will have those documents for study.

I beg to move that Notice Time be now taken.

Hon. L. S. CRAIG: I beg to second that.

Mr. SPEAKER: You may proceed.

Hon. L. R. TULL: I beg to give notice of a Resolution that the sum of \$661,548 be granted from the Consolidated Fund and placed at the disposal of the Government to supplement the Estimates, 1979-80 Part I - Current as shown in the Supplementary Estimates, 1979-80 No. 7 which form the Schedule to this Resolution.

Mr. Speaker, I will be asking leave for this Resolution to be taken in all its stages today.

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to give notice of a Bill to establish a National Petroleum Corporation in Barbados.

I beg to move that having given notice of this Item that this Bill be read a first time so that it can be studied in the recess.

Hon. L. S. CRAIG: I beg to second that.

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

## SUSPENSION OF SITTING

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that this Sitting be now suspended until 3.30 p.m. When we return at 3.30 p.m. we propose to deal with Question Time first as on the Order Paper and then Private Members' Business.

Hon. L. S. CRAIG: I beg to second that.

*The question was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.*  
2.00 p.m.

*On Resumption:*

## QUESTION TIME

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that Question Time be now taken.

Mr. SPEAKER: If there is no objection Question Time will now be taken.

## QUESTION RE CORNED BEEF IMPORTED DURING 1979 FROM BRAZIL

Mr. SPEAKER: Question No. 39 asked by the hon. member for St. Michael South West whom I do not now see in his place. Let the answer be laid.

This brings us to the end of Question Time.

## PRIVATE MEMBERS' BUSINESS

Hon. H. B. ST. JOHN: Mr. Speaker, I beg to move that Private Members' Business be taken.

Mr. SPEAKER: It is now Private Members' Business.

## RESOLUTION CALLING ON GOVERNMENT TO EVOLVE A SCHEME TO ASSIST POLICY HOLDERS OF THE FIRST FEDERATION LIFE INSURANCE COMPANY

Mr. GREAVES: Mr. Speaker, the first Item under Private Members' Business is a Resolution standing in my name, which reads as follows:

"WHEREAS the First Federation Life Insurance Company has ceased business in Barbados without any provision being made to accommodate the 3,050 Barbadian policy holders and to protect their investments;

AND WHEREAS many of the policies written by the company will begin to mature in 1980;

AND WHEREAS there are a number of claims outstanding on the Company by policy holders for the payment of benefits;

AND WHEREAS this loss will bring about serious financial hardship and extreme disappointment to the policy holders;

AND WHEREAS these said policy holders are from the low income group in this society and therefore cannot afford to suffer this financial setback;

BE IT RESOLVED that this House call on the Government to evolve a scheme to rescue the 3,050 Barbadian policy holders from the plight which now faces them;

AND BE IT FURTHER RESOLVED that this House call on the Government to initiate this action without any further delay."

Mr. Speaker, notice of this Resolution was given last week, and in initiating the debate on this Resolution I would want to refer to the fact that in 1970 an Insurance Act was passed in this Parliament for the purpose of bringing some measure of control to the insurance industry or the insurance business in Barbados. I will necessarily have to quote from portions of the Act as I go along with the presentation of this case, because I think it is important that one realises the kind of provisions which we have in the legislation to offer protection to policy holders who find themselves in the kind of situation that the policy holders of the First Federation Life Insurance Company now find themselves.

I want, Mr. Speaker, to refer to a letter which I want to make a document of this House, a letter from the Ministry of Finance and Planning dated 21st October, 1974 when the First Federation Life Insurance Company had made application to be registered under the Insurance Act and this registration was refused. The application was made to the Supervisor of Insurance and under the provisions of the Act where the Supervisor of Insurance refuses to register a company, that company will apply to the Minister of Finance over and above the head of the Supervisor of Insurance for a decision, and the reply from the Permanent Secretary in the Ministry of Finance and Planning on the 21st October, 1974 to that request from the company reads as follows:

"Dear Sir,

I am directed by the Minister to inform you that after careful consideration of the request contained in your letter to the Supervisor of Insurance dated 19th August, 1974, that Section 8 of the Insurance Act 1970, should not be made to apply

to the First Federation Life Insurance Company until after the 28th January, 1975.

2. I regret to inform you that your request is not granted because of the continued insolvent state of your Company.

3. In making this decision the Minister wishes to emphasize that he considers it of paramount importance that the suitability of an Insurance Company to operate (i.e. to continue to write new business) in Barbados since the coming into being of the Insurance Act should be dependent on its overall solvency status, for which, of course, your Company does not at present qualify.

4. The Minister has taken note of your Company's efforts to improve its financial viability but is not satisfied that this is sufficient reason for him to exercise the powers vested in him under Section 9 of the Insurance Act, 1970.

5. With respect to the refusal of the Supervisor of Insurance to register your Company, the Minister wishes to confirm such action on the grounds set out in paragraph 2 of the Supervisor's letter to you of 11th July, 1974 and also wishes to remind your Company of its obligations to existing policy holders under Sections 19 and 20 of the Insurance Act, 1970.

6. You will no doubt wish to consider the submission of a new application to the Supervisor of Insurance in the prescribed form when your Company's financial position improves to the point where it may be registered under the Insurance Act, 1970."

I said, Mr. Speaker, I want to make this letter a document of the House. I think it is important at this point for me to make the point that the First Federation Life Insurance Company was registered, at least began operation and started business here in Barbados in the year 1960, and it is very clearly set out in this letter when the application was refused that the Government and the Minister of Finance had expected that the company would be looking after the interest of the existing policy holders. Now, it is significant that if we were to look at a notice that appeared in both the Advocate and in the Nation newspapers dated 4th July, 1979...

Mr. SPEAKER: I hear the hon. member for St. Lucy making mention of the Nation newspaper. Is it against that he is complaining, that the Nation newspaper has prevented debate in this Hon. House? If that is not the case I must warn the hon. member as to his reference or attempt to quote anything from the Nation or from any other newspaper.

Mr. GREAVES: Mr. Speaker, I am quoting from a Government Notice, a notice from the Supervisor of Insurance which was signed on the 4th July, 1979. The last paragraph of that notice reads as follows:

"By letter dated May 14, 1978 the Manager of the local office informed the Acting Supervisor of Insurance that outstanding claims at that date stood at \$29,871.52 and that some action should be taken to alleviate the embarrassment which his office was experiencing. The situation was drawn to the attention of the Ministry of Finance and it was decided that although the company was not registered and therefore not under the official control of the Supervisor of Insurance policy holders should be made aware that the company had been placed in liquidation since it appeared that they had not been informed by the management of the company. A Press release was issued on Friday, May 18, 1979. As a result of this Press release the local Branch ceased operations in Barbados with effect from May 21, 1979."

And this signed by I. A. Bradshaw, Supervisor of Insurance (Ag.).

I think it is important at this stage, Mr. Speaker, to recognise that there is an admission in the release that when the Government made it known to the policy holders that the company had gone into liquidation that the company was forced to close its doors.  
3.40 p.m.

So the Government by its action forced this kind of situation.

Mr. SPEAKER: I do not want to interfere with the hon. member in the course of his debate but I believe he would like to set the record straight and hold himself responsible for what he says.

Mr. GREAVES: Certainly, Mr. Speaker. I want at this stage to refer to sections of the Insurance Act Cap. 310 Sections 20 and 19. Under Section 20 it states: "The provisions of Section 19 shall apply with the necessary modification in relation to Insurance companies that were carrying on insurance business in Barbados immediately before the commencement of this Act and whose registration is refused, as they apply to an insurance company whose registration has been cancelled." Now Section 19 deals with the effect of the cancellation of the registration and says: "Notwithstanding Section 8, upon cancellation of an insurance company's registration it shall be lawful to continue to carry on business relating to policies issued before the date on which it is notified of such cancellation (hereinafter in this section referred to as the date of modification) and it shall continue to carry on such business unless the Supervisor is satisfied that it

has made suitable arrangements for its obligations under those policies to be met."

I am saying, Mr. Speaker, that to argue or indeed to state in the release issued by the Supervisor of Insurance that this company was not under the control of the Supervisor of Insurance is blatant nonsense, and indeed the Press release sought to convey the impression that the company and the Supervisor of Insurance had absolutely no control, but we will see that the 1970 Insurance Act Sections 19 and 20 provides for a situation as the one we are looking at and the Supervisor of Insurance who is under the control of the Minister of Finance has certain powers which he could have exercised in this particular situation.

Mr. SPEAKER: The hon. member has done very well up to this point, but in fairness to him I should draw his attention at this stage to Standing Order 29(2) which states: "A Minister may conclude a debate on any motion which is critical of the Government or reflects adversely on or is calculated to bring discredit upon the Government or a Government officer". Now at this stage I am ruling that enough has been said in support of Standing Order 29(2) coming into operation. The hon. member may proceed.

Mr. GREAVES: Mr. Speaker, any claims for the losses which any of those three thousand odd policy holders of First Federation Life Insurance Company will meet is the result of this blind, incompetent and inhuman act on the part of the Government and must be placed squarely on the shoulders of the Minister of Finance. Now we are concerned with people who, as my Resolution indicated, come from the poorer sections of the community. As you are aware, Sir, the people who are policy holders in this company are people who have been paying \$1 or \$1.25 a week; people who looked forward to the day when they would be able to benefit from the investment they were making over a period of time. But we have the situation now where they are placed in a position where it does not seem as though they will get anything out of their investment, and it is my view that given this situation, and given the content of the Insurance Act, the Government should act in order to prevent these policy holders from enduring the loss which it would seem at this moment they will be forced to undergo. And it certainly is not good for the people concerned to have the Government appear to wash its hands of this matter, and that is why I feel that we as a responsible body should be able to work out a scheme or impress upon the Government to deal with this matter. And I make the further point that there are a number of other factors relating to this particular matter which I think not many members of this House are aware of.

On 13th January, 1977 the Government through the Supervisor of Insurance appointed a Mr. Woods as an

official investigator of the company under Section 29 of the Insurance Act, and he was to enquire into the affairs of First Federation Life Insurance Company. His report was submitted to the Supervisor of Insurance on 12th May, 1977. On 14th May, 1977 the Supervisor of Insurance wrote a letter to the Governor of the Central Bank who had raised a matter with him officially pointing out that on 10th January...

Hon. H. B. ST. JOHN: All those documents must be made documents of the House.

Mr. GREAVES: They will be made documents of the House. On the 14th April, the Supervisor of Insurance wrote a letter to the Governor of the Central Bank pointing out that on 10th January, 1977 the Minister of Finance had appointed Mr. Woods to investigate the company. He further stated that it was his intention as Supervisor of Insurance – and obviously acting on the instructions of the Prime Minister – to initiate discussions designed to produce a scheme for the protection of the policy holders as soon as an actuarial report was made available. On 18th July, 1977 the then Supervisor of Insurance wrote a letter to Mr. Amit De, actuaries of London, as follows:

"Dear Mr. De,

I have received your letter of 4th July, 1977 and am to inform you that the Prime Minister and Minister of Finance has agreed to your company being appointed an investigator under the Insurance Act.

Your duties will be to investigate the Barbados business of the First Federation Life Insurance Company with a view to the preparation for Government's consideration of a scheme and arrangements designed to salvage some or all of the rights and benefits of the 3,050 local policy holders of this company..."

On 4th October, 1977 the then Supervisor of Insurance wrote Mr. Amit De informing him that First Federation Life was under liquidation in the Bahamas and that we have not admitted to the proceedings there. He further stated that he envisaged our entering into dialogue with the liquidator with a view to getting the Barbados portion of the situation severed from the main company.

Mr. SPEAKER: The hon. member is following his notes very copiously. I am merely warning him at this stage.  
3.50 p.m.

Mr. GREAVES: Now, if I may continue...

Mr. SPEAKER: Not if you may, I am begging you to continue. (*Asides*)

Mr. GREAVES: I am thankful to you, Sir. The Supervisor of Insurance indicated in a letter on Page 2 which reads as follows: Once it is agreed upon, it will be a question of an existing legal entity taking over the business. I would expect our new Insurance Corporation to take over this portfolio."

Now, on the 14th July, 1978, the Supervisor of Insurance wrote to the Governor of the Central Bank and he enclosed a copy of a report from the Actuary who was appointed by the Government, Mr. Amit De. Paragraph 2 of this letter stated: "As you know, we are hoping to devise a scheme of arrangement designed to salvage some or all of the rights and benefits of the 3,050 policy holders of this company, and would seek the assistance of the newly established Insurance Corporation in administering a scheme of resuscitation."

Now, it would be interesting, Mr. Speaker, to know what were the recommendations of the actuary, Mr. Amit De who was appointed by the Government to do this survey. In the first place the actuary discovered that the company had an area of land in Barbados — I think that it was 49,000 square feet of land.

Hon. H. B. ST. JOHN: Mr. Speaker, the hon. member must make a copy of the actuary's report a document of the House.

Mr. SPEAKER: I am not so much worried over the actuary's report or a copy of this report. What I am more concerned with is that the hon. member is introducing a 25th member into this Hon. House by reading his speech. Hon. members must be very serious about this matter. There are 24 members elected in this House. When a member stands up and reads a brief, in the way that the hon. member is attempting to do, he is introducing another member, which would be the 25th. I have got to warn against this.

Mr. GREAVES: Mr. Speaker, I will not be deterred.

Mr. SPEAKER: Listen to me. The hon. member must withdraw that remark forthwith.

Mr. GREAVES: I beg to withdraw that remark.

Mr. SPEAKER: You are attempting to cause me to lose my temper with you. You will carry on your debate as any other member is allowed to carry on his debate. I think that it is about time that the brief you have been reading be made a document of this Hon. House.

Mr. GREAVES: I take objection to your indicating that the notes which I have prepared for this debate is a brief.

Mr. SPEAKER: I rule that the notes from which the hon. member has been reading must be made a Docu-

ment of the House; and the hon. member must do so now.

Mr. GREAVES: I will do so, and I hope that they will appear in the records. I indicated that the actuary found that the company had an area of land of 49,000 square feet next to Purity Bakeries in Collymore Rock, and there was a valuation placed on that land of about \$250,000. The actuary further indicated in his report that if the land was sold, and the amount of money could have been realised, \$250,000, that could have gone into the company to assist in further financing the company. The report further stressed that a scheme of arrangement could have been arrived at, whether it was under judicial management which would enable the company to handle its operations, or under the Supervisor of Insurance. These are recommendations of the actuary, that some one could have been appointed as Judicial Manager of the First Federation Life Insurance Company; and he further indicated that...

Mr. SPEAKER: Now, I do not want to interrupt the hon. member; but he will not be allowed to continue to read a speech in this Hon. House. The member might take his notes to familiarise himself from time to time; but I will not sit here and have his speech read out. I do not want to rule that the hon. member should discontinue his speech. I want him to debate this matter.

Mr. GREAVES: Mr. Speaker, I would like to debate it too. I can quote from the actuary's report. As I was saying, Mr. Amit De, the actuary, indicated in his report that "in view of the margin of solvency of the company it could not be Government's intention to wind up the company's operation. It is confirmed that in winding up, the distribution available to the policy holders would not exceed a very small proportion of the guaranteed values under the life contracts, assuming the sale of the land. This will also mean a loss of coverage of risk for the policy holders who may no longer be insurable, and he concluded by recommending to the Government the way in which the Government could go about to salvage the insurance company in order to protect the interest of the policy holders.

What is amazing is that having all of this information available to himself, the Minister of Finance — one knows that he is after all the person ultimately responsible for the administration of insurance companies in this country under the Insurance Act — one wonders how with all of this information available, is it that the kind of decision could have been taken, as was reported by a public press release on the 4th July, 1979?  
4 p.m.

It is my view that the Minister of Finance failed to exercise what authority he had or should have exercised under the Insurance Act, and as a result of this we have

this kind of situation existing where we have so many policy holders throughout the length and breadth of Barbados who do not know where they stand. I would like to suggest that the First Federation Life Insurance Company was operated not only in Barbados but in other parts of the Caribbean, and in Antigua where the company was based with a similar situation, what did the Government do? The Government took over the operations of the First Federation Life Insurance Company and incorporated it into the State Insurance Corporation there as apparently was the intention of the Government up to some time around two or three months ago, but for some inexplicable reason, for some reason which one cannot understand and for some reason for which the Government owes an explanation to this country and to these policy holders, the Government in its wisdom or otherwise did not see it fit to act on behalf of these policy holders in the same way that the Government of Antigua acted on behalf of their policy holders, or as indeed in Jamaica where the Government gave permission or the Supervisor of Insurance was able to move in and take over the company and keep it going in the interest of policy holders. I am suggesting that our Insurance Act makes it possible for the Minister of Finance and the Supervisor of Insurance under him to move in and be able to take control of an insurance company which does not appear to be acting in the interest of the policy holders in order to protect the interest of policy holders, and I should like to think that at this point in time it is not too late to save the day, as it were, for these poor policy holders, the people who are expecting later on this year or next year to benefit from their 20 year insurance policies which would have matured at that point in time.

I think that we have a very serious responsibility, certainly the Government has a very important responsibility in this matter to do something to assist the policy holders of this particular area, and this is the reason why I brought this Resolution here to impress upon the Government the need to offer some kind of protection to save them, to save the policy holders, to even go ahead with the plan which it would seem they had in their minds up to May or so of this year to allow the Barbados Insurance Corporation which is a Government Corporation to take over the business of this company. I am suggesting that the Government should ensure that the land which the company has could be sold and turned into a living kind of asset which would enable the company to honour some of its responsibilities to the shareholders, and furthermore the Government as a Government has a responsibility to the shareholders to ensure that they are protected, and I therefore feel that this is a matter in which the Government should act swiftly and immediately in order to have this situation resolved.

I therefore beg to move, Mr. Speaker, that this Resolution do now pass.

Mr. WEEKES: Mr. Speaker, in seconding this Resolution, I do so with a full sense of responsibility as a representative of the people and in the interest of those poor policy holders of this company. But before I continue to deal with certain aspects of the matter, I would like to express my sincere and deep sympathy to these policy holders who through no fault of theirs are placed in a most awkward position at this the crucial moments in their lives, and especially those who I am fully aware have reached old age. This calamity has brought about grief to those policy holders. You, Sir, are fully aware that they are not in any one particular parish, but they are throughout the parishes in this Island.

While it is true, Sir, that this Resolution has been tabled by a member of the Opposition, I have no doubt in my mind that you, Sir, and all members of the Government are in sympathy with the plight suffered by these poor people, and therefore I do not see it as a political issue; I see it as a matter of paramount importance to both sides of this House. Our method of approach in dealing with this matter should be non-partisan, because when we take into consideration, Mr. Speaker, that we have all been elected here not only to represent our own constituency but to represent the entire Island, these policy holders are all residing through this Island. I do not know if you have received any complaints, but in the parish of St. Philip and especially in the area where I reside, Sir, people have been coming to me and expressing their grief concerning this big loss. When we consider that these policy holders are from the lowest bracket in our society, I think it is incumbent on us to do all that we possibly can to help them.

Mr. Speaker, you are fully aware, Sir, that these insurance companies send around agents weekly, I repeat, weekly to receive the contributions from these poor people. 4.10 p.m.

Therefore in this particular case, and in all cases where an Insurance Company receives contributions weekly, Mr. Speaker, the people consider those Companies as their Banks. When it comes to the termination of this business, it is a sad occasion for not only members of the Opposition, but all members of this Chamber.

Many policies will soon mature or some have already matured. People who are in it cannot get their benefits. People who die expecting their beneficiaries to receive certain benefits would not receive the amounts. Their relatives die hoping too with the understanding that their beneficiaries would have been entitled to these benefits. Therefore, you can also see, Sir, that this creates another problem and that is that their benefits have not been paid.

Now, Sir, what is the solution to this problem? I am not attaching any blame to the present Government

or the former Government in dealing with this ticklish issue. What I am saying, Sir, is that it has happened in this Island and we, the representatives of the people, must do everything possible to assist these poor people in any way we can.

Mr. Speaker, we have been very generous recently to assist others in another country and the assistance which we have given has my wholehearted support. Therefore, Mr. Speaker, if we can find funds to assist others, we can find funds to do other things.

Mr. Speaker, it is my opinion that we, and especially the members of the Government who have the purse-string under their control, it is my humble opinion that something tangible should be done to assist these people. Sir, while I am not dictating to the Government, I want to make certain suggestions. Now, Sir, how should we go about it to help these people?

Sir, I feel that the Government should appoint auditors to audit the books of this Company and try to find out the assets and liabilities of the Company and if there are assets which I have no doubt cannot cover the expenses, then I feel it is the duty of the Government, after dealing with all aspects of the matter, after having noted the accounts checked by competent auditors, then we, as representatives of the people would have to subsidize the Company and to help these poor people.

Now the question may be asked, where must the money come from? Mr. Speaker, I am submitting here today that many of these policyholders have contributed to the National Insurance. Many of their relatives, brothers and sisters have contributed to the National Insurance. I am saying that after a thorough check is made, I think that the Government should give favourable consideration in assisting, if not fully, to a certain extent, to assist these poor people with funds from the National Insurance.

This would be no liability to the Government, Mr. Speaker. It would be giving back perhaps a quarter or half a million dollars of the money which people have contributed in this Island and in which many sisters and brothers of these poor policyholders have contributed in some measure to the economy of this Island by hard work.

Mr. Speaker, these people tried to save something weekly and I am not ashamed to state it here because the facts should be known in this House that many of them are agricultural labourers.  
4.20 p.m.

Many of them are people who are in the lowest bracket, domestic servants, people of that type, who

could not afford to pay quarterly or annually but who paid a few cents weekly to this company as if they were depositing money in banks, but as you are aware, Sir, the banks would not receive say \$2.00 a week, or \$1.50 a week or \$2.50 a week, and therefore these people arrived at the conclusion that this was the best method of saving money.

Mr. Speaker, the most important point, as I see it, is to know the true financial position of the company. That is a matter which I can only suggest to the Government to put up the necessary machinery and to deal with this matter as a very urgent one. It affects the whole island.

Mr. Speaker, it grieves me to know that people can approach me concerning the matter and that I am not in a position to tell them what we can do to help them, but as you know, Sir, people in all constituencies when they have their grievances bring them to their representatives and in some cases they expect miracles.

I have great pleasure, Sir, in seconding this Resolution and I can only implore all members of the Government that favourable consideration be given to this Resolution and that prompt action be taken to alleviate the hardship which these people now face. Mr. Speaker, imagine a person who has been contributing to this Insurance Company for say 15 to 20 years and has attained the age of 68 to 70 depending on this Company in the time of need and now the answer is nil. This sad event reminds me of the days in the past. You, Sir, are in a position to know that in those days the poor people would rear a pig and that pig when they sold it they would be able to repair their homes and they considered that pig as their bank account. Imagine, Sir, someone going to the home and stealing that pig, you can understand how grievous it would be to those people, and in this case with the termination of the business of this company I compare it with that.

Finally, I would suggest to the Government to give careful consideration and not to come to the conclusion that it is being done for publicity of any particular party or person. Mr. Speaker, it is a genuine case, one which we regret has occurred in this island, and we do hope that Government will do its utmost in some way to find a solution to this problem to assist the poor policy holders who in most cases, if not all, are from the lowest bracket of our society and have made a contribution in some way to this country.

Hon. H. B. St. JOHN: Mr. Speaker, I have listened with great interest to the mover of this Resolution and the last speaker, and I am amazed at the bombastic way adopted by the mover of this Resolution in here today, for if there is wickedness, incompetence and a lack of consideration for the people who are involved in this, it is not on this side, it is on the side of the hon. member.

The facts will show that in 1972 when the Insurance Act was passed under the regime of the hon. member's Government the Accountant General, the Chief Accountant, on the 12th December, 1972 — and the public of Barbados knows who was in charge of finance and insurance in 1972 — made an investigation into this company when it applied for registration, and what are the facts? The accumulated losses from 1967 to the end of 1971 was \$5 million, not \$185,826.

4.30 p.m.

They dithered and pussyfooted as a hireling and lackey, and an hon. member on that side came to the House of Assembly and said that it was unfair, wicked, monstrous, nasty and deceitful — which it was — for permission of any kind to be granted for this company to continue. But today the hon. member is coming here to accuse the present Minister of Finance of wickedness because he had the courage to let the public know that if they were paying money to that dishonest organization they were just throwing good money after bad. I categorically reject the charges raised by the hon. member; the wickedness and cowardice were on the part of the hon. member's side, for if you have a situation where your Chief Accountant in 1972 said that the company was bankrupt, you should have had the courage then to nip it in the bud and be concerned about your people of whom you speak so much and should have done something about it.

Mr. SPEAKER: I take it you are referring to the hon. member for St. Lucy.

Hon. H. B. St. JOHN: Yes, Sir, that is whom I am referring to, the hon. member for St. Lucy. I say the hon. member should have known that the company was refused registration in 1972 because it was insolvent. And if he was so solicitous of the welfare of his constituents and others he would have made an investigation then.

Let us go further. This Government has taken steps — first of all we have stopped people from paying money to a manager and agents who were pocketing the money, well knowing that there was no hope that the people who were paying the money would get back a penny. That is obtaining money under false pretences, and they should be charged. You don't even know the Constitution of your country. You ought to know that the power to charge is in the hands of the Director of Public Prosecutions.

Mr. SPEAKER: The hon. Leader of the House must address the Chair.

Hon. H. B. St. JOHN: Yes, Mr. Speaker. The hon. member for St. Lucy does not even know that. After he reported to the Police the fact that those agents and the

manager were receiving money on false pretences, the company was bankrupt.

But I also want to say that it is this Government — as the hon. member has to concede — that caused an actuarial investigation to take place; first, by Mr. Woods, a well known actuary, and he also came up with the fact that when you valued the reserves of the company the company was bankrupt, thus confirming the other evidence, and that was early in 1977 soon after we came into power. We were landed with this baby, like with many more. From 1972 to 1976 the hon. member's party had it but they dithered and pussyfooted. In 1977 the Minister of Finance ordered an actuarial investigation. Another one was ordered with a view to determining whether there was any hope — having regard to the state of the premium income, expenses and reserves in Barbados — that a scheme of arrangement could take place as had been done in Trinidad after the liquidator was appointed. After a liquidator was appointed in 1976 in the Bahamas, hon. members on that side were still in power but they did not have the courage. There is a distinction when the judicial order is made and when the petition is filed. Everybody knows that when the order is made it dates back to the petition. What do I hear now after we have taken the two steps and the Amit De Report shows a suggested scheme of arrangement?

Now it is one thing for an actuary to suggest a scheme of arrangement; it is another thing to persuade an insurance company to accept the views of the actuary. Now they are saying that this Government — after setting up as a matter of national pride and national commitment an insurance corporation, — must start off the life of that corporation by saddling it with the incompetence and dishonesty of a previous insurance company. Let the hon. member understand that it was an act of courage and an act of faith which brought about that fundamental piece of legislation in Barbados and we intend to give it a good inheritance and birthright and we are not going to saddle it with other people's dishonesty. The Minister of Finance cannot force a new fledgling organization fighting for its reputation under the onslaught of people like the Leader of the Opposition who said he did not believe that black people could run an organization successfully. And you want us to prove the ex-Minister of Finance right? You want us to start off, instead of with a proper profit position so that we can build up confidence and look at the corporation with pride to start with a liability founded by a group of dishonest vagabonds from Clearwater in the United States who operated here under the guise of the Democratic Labour Party?

So, Mr. Speaker, other steps were taken and I will mention the steps that were taken after that report was made. No insurance company in Barbados would buy out the portfolio of First Federation Life Insurance Company.

4.40 p.m.

I am now hearing it being seriously said or suggested by the hon. member for St. Philip South that the poor peoples' insurance company, namely National Insurance funds must be used to rescue the Company. The hon. member for St. Philip South comes in here and seriously makes the suggestion that the National Insurance Fund which is contributed to by every working person in Barbados whose contribution must be accumulated and invested so that they can pay these liabilities when they mature in future.

The hon. member is seriously suggesting that this Government must saddle that organisation with the liabilities of this insurance company. I pity the hon. member. I honestly believe that he does not understand what he is saying when he says that. I honestly believe that he thinks that he is making a good suggestion. That I firmly believe; but let me tell this House this: only a month ago, long before this Resolution was brought, we made an investigation of what happened in other jurisdictions in the Caribbean in respect of First Federation Life. Obviously what happened was that they were able to persuade some insurance companies to take over their portfolio.

In addition we have found that we have offered other organisations to insure any assets that they had in Barbados; and the only asset they have ever been able to find in Barbados is one piece of land; and thank God for that. They cannot move that land; and steps have been taken to ensure that even if it is sold, it has to be sold under the best competitive conditions; and what is more, no one can remit that money until the position of the policy holders is clarified. In short, under the mechanism of the Central Bank control and judicial transfer of title, that asset cannot be used for any purpose other than for satisfying the liabilities here in Barbados.

Now the actuarial and other recommendations reveal that when that land is sold, having regard to existing surrender values, they will get 20 cents in the dollar, so that that asset is frozen. It will be realised for the benefit of the policy holders. From that notice in the newspaper we have prevented that asset from being further whittled down, as the hon. member should know. What was happening here in Barbados was that they were collecting premiums and paying out more in staff expenses, in short, incurring further losses; and the more premiums that are paid, the greater the surrender values in future. There was the same asset, and therefore every time that a man paid up, he would be paying up to satisfy the living standards of the agents and the manager and reducing his liability.

We have taken that step and have also done careful checking to have available to us what is the position in the Bahamas. This is a Bahamian company and it is clear that the company has no money. There are no assets in the Bahamas in excess of the Bahamian liabilities. There

are none in Antigua in excess of the Antigua liabilities. There are none in Guyana in excess of the Guyanese liabilities; and there are none in St. Lucia in excess of the St. Lucia liabilities.

In short, Sir, if we join the pool, it would be of no benefit. That is the unique situation about this company, because this company was a rip off from the very beginning. Now, Sir, I want to assure hon. members that far from wickedness, only a spiteful and malicious minded person, in the face of the true facts, could accuse anybody of wickedness in a situation such as this. The facts are as I have given them.

We have been checking further to find out if there are any mortgages and things of the kind. We have not been able to find anything; but their manager who was collecting poor people's premiums for First Federation Life was not co-operative with the Insurance Commissioner when we were carrying out our investigations after that report. So how can the hon. member state that when the actuary suggested that there was the possibility of a scheme of arrangement being worked out and the Government did nothing that it was wickedness?

There was no wickedness. It was because there was no one who was willing to enter into a scheme of arrangement; and we regard it as totally unfair and unreasonable to saddle the young Insurance Corporation with it; and the only alternative was to draw to the attention of the public the futility of continuing to pay premiums to an organisation whose expenses were greater than the revenue so that no contributions could be paid towards the building up of a reserve fund. Do you know, Sir, that those people in the office who were taking people's premiums for the company were saying that before anybody got paid out they had to give them their severance pay? They knew that the company was bankrupt, and they were looking after themselves; and were saying "Oh no. Before you pay anything you must pay us the severance pay." They said that while they were living off the fact — I say that that is a fact.

When Mr. Griffith in 1972 — the Accountant General — investigated the expenses of the company, the first conclusion that he came to — and I want hon. members to listen to this — the first conclusion that he came to was that the salaries, wages, commissions and all the other benefits to employees of the company exceeded 50 per cent of its total income. In other words, before they could make any contribution to reserves for liabilities undertaken to make good the contributions, 50 per cent was creamed off the top.

4.50 p.m.

That was the tragedy of industrial insurance; it was also the tragedy of health insurance in Barbados, and that

is why this Government had the courage to start a National Health Scheme in Barbados. That is what we found out, that is the same rip-off that was going on in health insurance, and that is why we will put an end to it. So, Mr. Speaker, far from doing nothing, I want to assure the House that this Government is pursuing a policy of ensuring that the assets that we came and found them with are preserved. It has a good piece of land; the passage of time will enhance its value and steps are being taken. If anybody can find a company which will take over this, we will be delighted to hear. The suggestion has been put to other industrial insurance companies in Barbados that if they value their future in this country as being something they wish to see, they had better come forward and decide in their minds. I long for the day when there is no more industrial insurance in this country. I hope that they will understand that on the question of industrial insurance in a small community that very often you are your brother's keeper. So those are the facts and I have spoken warmly because I resent the accusations that the Government has done nothing when we were the ones who tried desperately to look for alternative arrangements; we were the ones who have a scheme to ensure that that land cannot be disposed of, and when it was the other side in 1972, when it was drawn to the attention of the then Minister of Finance — it is no wonder he is not in here this evening, because in 1972 the Accountant General's Report was sent to the then Minister of Finance, and there is no doubt about that. The hon. member has produced documents in here. If he is speaking about documents, the documents will speak for themselves. We have them and I will give you the date and the file number if you want it. In view of this, I cannot accept the contentions as put forward by the Mover of this Resolution.

Dr. CADDLE: Mr. Speaker, this incident surrounding the First Federation Insurance Company should awaken us to the fact that all is not well in the operations of industrial insurance in this country, and while it is nice to hear the Hon. Leader of the House refuting the charges made by the hon. member for St. Lucy, I would like to point out that there is a humanitarian side to this matter, and I think while we get down to this political thrust, we should not overlook or forget the people in this country who are suffering due to no fault of their own. I put it as mildly as that. A case can be made out; not only should there be an enquiry or supporting enquiry or investigation into this particular insurance company, but an investigation should go even further afield to look very closely at the other insurance companies who operate along similar lines in this country.

Sir, I would like to point out here that during the last year the industrial insurance companies in this country collected \$1,928,088; the claims that they paid out were \$503,437. The benefits represent 26% and the money which went to overheads and profits represents 73.09%. The conventional insurance companies in this country who

pursue the same type of operations collected premiums of \$349,117, they paid out claims totalling \$170,353 which represent 48.8% and their overheads and profits came up to 51.2%. Roughly dealing with industrial insurance, for every premium dollar paid by the policy holder, he receives in benefits less than 30 cents. Eighty-five percent of the premiums are paid by the working class people or the lower income workers in Barbados, and I am concerned with this because it seems to me, and in this one respect I would agree with the Leader of the House, that there is some rip-off in this country carried on by this type of insurance. It is directed against the lower income worker in Barbados. They go around collecting this money which works out at between a little over \$2.00 and \$3.50 a week, so we can average it at \$100 a year, and they go religiously week after week and collect this money, but the actual benefits which the people get from this type of insurance are very small. You find that the industrial policy benefits paid are only 26 cents of the premium dollar, while 74 cents are retained by the insurance company and its salesmen.

There are about 23,000 Barbadians who subscribe to this type of operation and there are roughly 24 corporations most of which hail from outside Barbados who operate in this field, and this goes to indicate that this type of business is rather lucrative for the people who operate in it. I am aware of many cases of other companies where people are dissatisfied with the benefits. They pay their money every week and when the policy is matured they find that they get back less than they have actually subscribed over the years. They even have difficulty sometimes in getting the money because when the policy is matured, some excuse is made for retaining the money that should be paid out. Although the money is being retained, there is no guarantee that there will be any interest or additional benefit accrued to the people who permit their money to remain.

When you come down to the area of health insurance which is operated by these same 24 corporations in Barbados, there is a lot to be said against the continuation of this type of operation in this country. I am not putting any case at this point in time for a national health service; I am putting a case against the continuation of this type of operation, and I feel that a full-scale investigation should be launched into the operations of this type of insurance company.

5.00 p.m.

I am quite certain that when that investigation has been completed one of the recommendations could very well be that this type of exercise be excluded from the affairs of Barbados. People do not read the fine prints on some of these policies and the fine prints in many of these policies put the company in a position where it can operate or rip off, or I should say further rip off the policy holders.

People pay money and they expect that when they become ill they will be able to or should be able to go into the hospital into a private ward and pay for their operation but it is interesting to note that in the fine print of some of these policies, payment to Government institutions or institutions run by Government are excluded so that although the policy says that they will pay you X amount of money per week or per day when you go into hospital and so much money for the surgeon's fee, if you opt to go into the Queen Elizabeth Hospital or some other Government institution the Government cannot claim this money neither can the policy holder and as a result you will find that a lot of people in Barbados since they are not prepared to pay or cannot afford to pay if the Insurance Company defaults opt to go into public wards of the Queen Elizabeth Hospital.

I will go a step further. Doctors in Barbados can tell you that when they have attended to people who hold this type of insurance and when they try to get their fees that very often the patient comes to you secured in the belief that they have been paying their insurance and now that they are sick the Insurance Company will pay; only to find out later on there is always some excuse that the Insurance Company is refusing to pay.

I do not think we can allow this type of operation to continue in Barbados too long and I will support any action taken by the Government which will put a stop to that. If it means hustling them out of Barbados after the safeguards have been taken to protect the interest of the policy holders or to bring in legislation to ensure that if they are going to operate that they are going to operate in such a way that they are not going to defraud the public or the policy holders or the Government because I do not know of any reason why they should not pay the Queen Elizabeth Hospital as they should be paying them. Then they come to these people they paint pretty pictures about how wonderful this type of insurance is and what are the benefits if they happen to get sick but then they look for all types of excuses not to pay them. I would like to assure the hon. Leader that coming with this type of action he will have my support.

I revert to the humanitarian side. We have to accept in Barbados that many people are not aware of the fine print. Many people are not even aware that the said company might have been bankrupt for so long and may have been paying their small monies when the week comes because the agent comes and collects it.

Something must be done to show that we have some compassion for those people who stand to lose. If, as the Hon. Leader has pointed out, a case can be brought against these people for collecting money by fraudulent methods, then we should hope that some-

thing would be done to ensure that the people who have collected the money compensate the people from whom the money has been collected. We know that this is unlikely to be the case because those people who have collected the money from these workers might not be in a position to repay them and we are hoping that after the political fire has been passed by both sides that we will get down seriously and look at the humanitarian aspects and see what can be done for these unfortunate people.

These people cannot afford to lose money. I am not saying that the National Insurance Corporation should be saddled with that responsibility but what I am appealing to Government to do is to further continue to examine ways and means in which assistance can be brought to these people because they are all Barbadian brothers and sisters who have these policies, those who are in the lower income group who could least afford to lose this money and we feel that with all the good wishes and all the concern that we as leaders like to express for the people in Barbados, and come to some plan in which some measure of relief and comfort can be given to these policy holders.

I am not saying that we will be in a position to give them back everything that is due to them but I am saying that people will be satisfied if only a fraction of that money which they have paid up and stand to lose will be given back to them. If Government can bring about the necessary machinery to achieve this, I am certain that these policy holders would be grateful to the Government for that expression.

## GOVERNMENT BUSINESS

Hon. H. B. St. JOHN: Mr. Speaker, I believe that the usual period of time for Private Members' Business has come to a close, an hour and a half or two hours.

Mr. SPEAKER: We should have ended at 4.45 p.m. It is now 5.08 p.m.

Hon. H. B. St. JOHN: Yes, Sir, but I did not wish to interrupt the hon. member.

I beg to move that Government Business be now resumed.

Hon. L. S. CRAIG: I beg to second that.

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

Mr. SPEAKER: Government Business is now the instant Order of the Day.

The Hon. Minister of Education is seeking leave of this Hon. House to deal with a money resolution dealing with the Student Revolving Fund. If there is no objection the Minister may proceed.

Hon. L. R. TULL: Mr. Speaker, I beg to move that Your Honour do now leave the Chair and the House go into Committee of Supply to consider a money resolution for the service of the island.

Hon. Miss B. A. MILLER: I beg to second that.

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

Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. ODLE in the Chair. 5.10 p.m.

#### SUPPLEMENTARY ESTIMATES 1979-80 NO. 7

Hon. L. R. TULL: Mr. Chairman, in pursuance of Government's enlightened policy in providing greater opportunities for study at university level, indeed at the secondary level, to as many people as possible in Barbados, the operation of the Student Revolving Loan Fund which provides loans for the students in a number of subject areas has been set up through an arrangement between the Government of Barbados and the Inter-American Development Bank which has provided a substantial part of the funding.

Since the loan agreement was made with the Inter-American Development Bank some two years ago, Government has committed itself to a total of \$1,332,299 in loans to students to pursue studies in higher education at a number of institutions in the Caribbean and beyond. This figure that we are now seeking at \$661,548 is the sum required at this moment to replenish the Fund to make it possible for new money to be given to students, both those who are already in programmes and those who will be starting programmes in their fields at the end of this financial year.

The scheme, Mr. Chairman, started in 1977-78 and we have so far had a total of 96 loans, and I am advised in the Ministry of Education that there are some hundred or more applications now pending in the Ministry.

I beg to move that this Resolution do now pass.

Hon. L. B. BRATHWAITE: I beg to second that.

Mr. TAITT: Mr. Chairman, just a few questions of the Minister. I will ignore his attempt to suggest that his Government has a new enlightened policy on education as far as this is concerned, because I think he must be facetious. The concept of a Student Revolving Loan Fund

is one which was established with the IADB before the hon. member became Minister of Education.

I think, since he is asking for a sum in excess of half million dollars, that he ought to give us some indication of the use to which the fund has been made and the special areas, unless he considers it to be so exhaustive that it will be tiresome and we can get the information otherwise, but if it is not going to detain the House unnecessarily I think the Minister ought to give us some idea of the special areas within which this fund is operating and the areas which his Ministry now considers to be the priority areas.

I ask that question, Mr. Chairman, because I have reason to feel that there are some persons who would wish to participate in the Student Revolving Loan Fund who are unable to participate to the detriment of the country and perhaps I had better let the Minister respond before I go any further with my queries.

Hon. L. R. TULL: Mr. Chairman, as the hon. member is no doubt aware, the number of priority areas of study have been established and agreement between the Government of Barbados and the Inter-American Development Bank, and if I may just parenthetically state this, I signed the agreement with the Inter-American Development Bank for the setting up of this fund. When the hon. member talks about some concept that took place before I had been in the Ministry he is only repeating things I hear all the time. They always had a lot of ideas, but what I did was to execute the concept because I signed an agreement with the Inter-American Development Bank.

There are some priority areas which were established and agreed on between the Government and the IADB representing areas in which there was some urgent national need, and the areas are engineering, technology in the various specialties including principally chemical, electrical, electronic and mechanical fields, hotel, public administration, business administration, other specialisation in certain behavioural sciences, teacher training, agriculture, agricultural technology, veterinary medicine and animal husbandry, natural science including physics, chemistry, botany, geology, mathematics, geography and zoology, architecture, land surveying, medicine and chemistry.

I can also give the hon. member the assurance that since the agreement was signed I have identified other areas as areas of urgent national need, and I have started off negotiations with the Inter-American Development Bank for a change in the agreement, amending the agreement to include other areas not now covered under the existing agreement.

Mr. TAITT: Mr. Chairman, since the Minister has pointed out the areas of priority agreed to by the Inter-American Development Bank and his Ministry, parenthetically I might add that he might have had negotiations, but negotiations take a long time, so we have to assume that for negotiations to reach the point of signature must have taken some time, but as he said, that is just by the way.

I wonder if the Minister could enlighten us as to how many loans have been made in the respective fields. I would not think they were a large number of loans, and while he is at it, could he take this opportunity to explain an apparently erroneous report suggesting in the newspaper that the Minister was going to prevent persons from studying outside the Caribbean? I myself am going to give the Minister the credit of saying that the report misrepresented what he intended to say, and I wonder if he would take the opportunity to clarify that position, because as I understand it this fund is used for purposes similar to the Barbados Scholarship, the National Scholarship — I do not know what they call them — but scholarships granted by the people of Barbados to a number of people. It would seem to me, with the greatest respect, that public administration would have to be done outside of Barbados in the first instance, it would seem that business administration and hotel training to a large extent at the academic level would have to be done outside of Barbados, architecture and dentistry among others.

5.20 p.m.

I believe that the Minister is too intelligent to have made the statement as reported in the way it was reported, and I would like him to give us some indication of the funds used so far in the respective field and to take the opportunity briefly to clarify his policy in this regard. I know that he did not specify the new areas he is contemplating and I do not know if he has reason for so doing. If not, I would appreciate hearing on this, and we may be able to assist him with things that have not come to his mind.

Hon. L. R. TULL: I would like to tell the hon. member that that was one of the rare occasions when the Press did not mis-report me.

It is not the policy of the Ministry of Education to prevent any Barbadian from studying in any part of the world he wants. What I said is that the University of the West Indies is a regional institution of which Barbados is a participating member. I have recently taken part in the University Grants Committee meetings that will require Barbados to spend \$22 million over the next three years, and we have a responsibility to build up that institution. The point made in the statement referred to is that people who are given scholarships and exhibitions by the

Government of Barbados must be required to study at the University of the West Indies if their study courses are offered by that institution. Obviously if we are dealing with architecture or courses not offered, they will have to study outside the West Indies. But the point we must bear in mind is that it is cheaper to go to the University of the West Indies than to North America or Europe, so it costs Barbados less to have someone do a degree in, say, Modern Languages at the West Indies University than in the United States. Secondly, we believe that our scholars and exhibitioners are needed in our institutions to raise the level and prestige of those institutions; there is no point in the people of Barbados paying more than half million dollars a year for scholarships and exhibitions if these students are giving of their quality to other institutions and by-passing the West Indies University. Obviously if you do not have the particular course at the West Indies University you must go overseas, but I will not be putting up any longer with students getting scholarships in Barbados and making up their minds not to go to the West Indies University. Britain has just decided to raise the fees of students by 20%. It costs almost three times as much for a student to do a course in Modern Languages in England as in the West Indies and in many cases the West Indies University has a higher rating than many of the other Universities. I make the point again that I am not discriminating.

In respect of the other point about the areas in which loans are made: We have given 13 students so far loans in Engineering, 10 in Technology, 32 in Administration and the Behavioural Sciences, 12 in Teacher Training, 3 in Agriculture, 17 in Natural Sciences, 2 in Architecture, 8 in Medicine and 1 in Dentistry, making a total of 98. Of the 12 students given loans for Teacher Training, 1 is at the West Indies University and 11 outside; of the 32 students given loans in Administration and Behavioural Sciences 12 are at the University of the West Indies and 20 are outside the Caribbean. The one student in Dentistry is at Howard University in the United States. What I am saying is that where the course is not offered in the region students are entitled with the approval of the Ministry to study outside the region.

With respect to the Barbados Scholarships there is a residual power given the Minister of Education to approve any student studying outside the West Indies if the Minister thinks it reasonable, and it is my policy to exercise the widest possible discretion in this respect. I cannot recall a single person since I was Minister of Education who asked to go outside the region and the request was not granted. There will be no reversal of that policy.

I beg to move that the Resolution do now pass.

Mr. TAITT: Mr. Chairman, I am not going to prolong what seems to be an argument between the hon.

Minister and myself. The impression given me by the newspaper article I read was that the people given scholarships were playing possum and going outside the West Indies and the Minister was going to put a stop to it. Furthermore it had to do with the question of four or five students having gone to specialist schools to learn the art of interpretation. But the Minister gets up and tries to suggest that I did not understand a simple article in a newspaper.

5.30 p.m.

I wish to draw to his attention that it is right and proper that we in the Caribbean utilise the resources of the Caribbean. Anyone who exploits that policy is pushing an open door with me. The Democratic Labour Party spent a long time; and I have no hesitation in saying that I spent all of my political life pushing that field. So, I have no compunction about agreeing with that side.

In the area of education, as the very Minister of Education himself knows — he has had the benefit of education in Barbados, in Canada and at Oxford. I would like to feel that that has made him a better man, not because of where he went, but because of the opportunities to exchange ideas and to observe phenomena that we do not have available in the Caribbean. What I am saying to the Minister is that we must temper a policy of utilising our local resources with, what for want of a better word, I would call the mercy of realising that we must have intellectual intercourse between this region and other regions lest we suffer from the inbreeding which was a characteristic of an era in this country not so long ago.

I do not want to go into any sociological speech, but there are some persons who will not study in Barbados or in the Caribbean anyhow; so, they should pay for themselves. I have no quarrel with that; but when a young man wins a scholarship, winning a scholarship is felt to be understood as some sense of achievement, some sense of having risen above his or her fellow; and inherent in the granting of scholarships is the recognition that the person has won something.

Now, there are some people who believe that when you say something about the Barbados Scholarship, that you have a chip on your shoulder. Well, I have two boulders on mine, Sir; because I believe that the Barbados Scholarship has done some good which has been because — let me say this slowly because on a statement that I made about the Dean last week there seems to have been created a little problem; so let me be certain when I say this. I want to say too that the Barbados Scholarship has created at least as much confusion and psychological difficulties as it has done well; and if anyone wants to check to find who have been the greatest contributors to this country, all that they have to do is to go back to 1914 and

examine what winners of the Barbados Scholarship came back and examine all those who came 2nd, 3rd, 4th or 5th; and see what contributions those who came down the line made to the country, and how many Barbados Scholars made a contribution, and you will be surprised to discover that only one in every seven of those who won Barbados Scholarships ever came back and made a contribution to this country.

The hon. member, the Leader of the House did not win a Barbados Scholarship; but he has made a contribution to this country; and this House has had a number of people on both sides; and Your Honour in the Chair who have made significant contributions to this country. One or two Barbadian Scholars have made significant contributions. I do not have the time or the inclination to get involved with that kind of scholarship syndrome. The point I am making, however, is that the reason why the Barbados Scholarship, as named was considered undesirable was because a number of persons felt that having reached that particular point, there was nothing else to do insofar as Barbados was concerned. They believed that they were on top of the rest and separated from the rest; and only one in every seven considered it desirable to come back and make any contribution to this country.

So, I do not mind if anyone says that I have a chip on my shoulders about the Barbados Scholarship. I say that persons who have won the Barbados Scholarship in the past have turned their backs on Barbados. That notwithstanding, I think that it will be a negative policy if we attempted to close off the avenue provided for such scholarships for Barbadians to go outside Barbados and to have intellectual intercourse in different environments and with different persons in the particular fields.

Mr. Chairman, one of the dangers about teaching in the Caribbean is that if you look at some of the institutions in the Caribbean you will find that there is a tremendous amount of inbreeding. You, Sir, as a Scientist, know what is the final result of inbreeding. We have a number of operations which we see reflected in the social strata of Barbados. I will go no further on that point. I am merely saying to the Minister that I myself have no brief for the people who are going to study as interpreters.

I believe that there are very few specialised schools in the world that can teach people to be interpreters. An interpreter is different from a translator. An interpreter is a person who speaks simultaneously with the person he is translating, including the projection of his nuances and voice gestures, thus conveying not only the words of the person speaking but the meaning and the feeling which the person intends to convey as he or she speaks. I had the privilege of working at the United Nations; and worked in an area where one had to produce the English equivalent in Chinese, Russian, French and Spanish, these

with English being the five official working languages; and it was amazing, Mr. Chairman, that after a while you got accustomed to how Krishna Menon used to speak for India. You got accustomed hearing Krishna Menon speaking and using what used to pass as English in his accent, that when the interpreter was interpreting into French, he used to convey the same inability which Krishna Menon used to convey in the proper cadence usually associated with the speaking of the English Language.

If someone wishes to learn to work as an interpreter, they are unlikely to learn to be an interpreter in the Caribbean at this point in time. If the Minister feels — I had better put it this way — there are persons who believe that the Minister felt that some people, in order to get away from studying in the Caribbean, decided to become interpreters.

Mr. Chairman, if that is so, I ask the Minister to let about twenty more become interpreters; because if we can get about twenty Barbadians via that route to become interpreters, they will bring tremendous credit to Barbados in the end. Very soon we will be having international conferences here where mere translation would not be enough; and we will be able to use our own interpreters as well as our own translators. I have spoken a little too long on this, and I think that I had better stop at this point.

Mr. CHAIRMAN: Does any other member wish to make a contribution?

Hon. L. R. TULL: Mr. Chairman, the hon. member is so mistaken about so much that he has said, and his contribution has been characterised by so many *non sequiturs*, that it is going to pose a difficulty for me to reply; but I will try, nevertheless. First of all, I thought that I had driven home the point to the hon. member to any course that is not offered in the University of the West Indies, students are perfectly entitled, supported by the Ministry, to study overseas. There is no school of interpreting in the West Indies, and we can expect that anybody who is doing a course of interpreting will go overseas. That is not the point that I am striking at alone. The gist of what I was saying on that occasion is that a number of people supposed to be taking a particular course to get outside of the Caribbean, start the course and then drift right back into the course that they could have got in the University of the West Indies.

5.40 p.m.

Anybody who wants to study interpreting must of necessity study interpreting outside the Caribbean area, and there is no quarrel with that. The other point that the hon. member made that confuses me is the one about these Barbados scholarships. He seems almost to be saying to me that you are pushing an open door with

him when you say that you should use your local resources. On the other hand he comes back and says that Barbados scholars have been going overseas for the longest time and it is a retrograde step to stop them from going overseas anymore. I am not giving way.

Mr. TAITT: On a point of elucidation. You said you are not giving way? Oh, well then, I mean, he is a gentleman.

Hon. L. R. TULL: That is the impression I got. It is all right, don't interfere with the Barbados scholars going overseas; they have always been going, but you are pushing an open door.

Mr. TAITT: On a point of order, the hon. member is misrepresenting what I said. I remember using the word "notwithstanding"; after pointing out about the Barbados scholars not coming back to the country, I said notwithstanding that it is a dangerous policy to attempt to stop people from going out. That is what I said.

Hon. L. R. TULL: Mr. Chairman, that is precisely what I am saying. The hon. member is saying on the one hand to use your local resources, and on the other hand it is a dangerous step to tell people not to go to Britain to study. That is a contradiction. But let me just tell the hon. member this: it is not the policy of this Government to tell anybody that they should not go to Britain to study, and this question of stopping people from going is not the policy of the Government, and I have never articulated this. I have never said people cannot go wherever they feel on this earth and study. This is a free country and people can go wherever they feel like studying and that is the policy of the Government of Barbados.

The other point that the hon. member has made in respect of Barbados scholarships; he says he has not got any chips on his shoulders. Do not let the hon. member get in here and put his special pleading on me. If he has got a problem on his side with a Barbados scholar who is over there choking him, that is his problem. It is quite plain to me that is what it is all about. He is trying to tell this Honourable Chamber that if you look back from 1914 you will see that people who did not get Barbados scholarships made big impressions and contributions to this community, but only about one out of seven Barbados scholars did it. If he has got Barbados scholars over there who put him in his place.....

Mr. TAITT: On a point of order, Mr. Chairman, the first person that ever drew that suggestion to my mind was the hon. member. The very first person that ever pointed out that particular phenomenon to me was the hon. member who is speaking now.

Hon. L. R. TULL: But, Mr. Chairman, they say one man's meat is another man's poison. I have no fight with any Barbados scholar. I have no chip on my shoulder and if the hon. member has got his personal problem with the hon. member for St. Michael South Central, good for him. I have had a problem with him for years, but of a different kind; but do not come in here and try to cry on the shoulders of other hon. members in here.

One other thing, Mr. Chairman. I must make the point clear once again because I do not want any misrepresentation of this point. I have not said and I do not intend ever to say that Barbadians will not be allowed to study outside the Caribbean. How can I sit down and make a point like that?

*The question that the Resolution do now pass, was put and resolved in the affirmative without division.*

*On the motion of Hon. L. R. TULL seconded by Hon. L. B. BRATHWAITE, Mr. CHAIRMAN reported the passing of one Resolution in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.*

*On the motion of Hon. L. R. TULL seconded by Hon. L. B. BRATHWAITE, the Resolution was passed.*

#### ADJOURNMENT

Hon. H. B. St. JOHN: Mr. Speaker, that concludes Government Business for the day.

I beg to move that this House do now adjourn until Tuesday, 2nd October, 1979 at 12 o'clock noon.

Hon. L. B. BRATHWAITE: I beg to second that.

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

5.50 p.m.