

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986 - 91

HOUSE OF ASSEMBLY

Tuesday, July 10, 1990.

Pursuant to the adjournment, the House of Assembly met at 12.15 p.m. o'clock.

PRESENT

His Honour L. A. WEEKES, G.C.M., J.P., (Speaker)

His Honour J. J. PAYNE, (Deputy Speaker)

Rt. Hon. L. E. SANDIFORD, B.A., (Econ.), J.P.,
(Prime Minister and Minister of Finance and Economic Affairs)

Hon. H. dcB. FORDE, Q.C., M.A., LL.B.

Hon. E. E. GREAVES, B.A., Ed.M., (Minister of Trade, Industry and Commerce)

Dr. R. C. HAYNES, M.B., Ch.B., F.R.C.P.(Edin.),
(Leader of the Opposition)

Hon. M. A. KING, Q.C., LL.B., (Attorney General,
Minister of Legal Affairs and Minister of Foreign Affairs)

Hon. W. O. FRANKLIN, A.I.C., M.I.A.S., J.P.,
(Minister of Agriculture, Food and Fisheries)

Hon. N. K. SIMMONS, (Minister of Employment,
Labour Relations and Community Development)

Hon. H. A. BLACKMAN, B.Sc.(Econ.), (Minister of Housing and Lands)

Mr. D. A. C. SIMMONS, Q.C., LL.M.

Mr. O. S. ARTHUR, M.Sc.(Econ.)

Mrs. M. BARKER-WELCH, (Parliamentary Secretary, Ministry of Education and Culture)

Hon. C. V. WALKER, (Minister of Education and Culture)

Mr. L. L. BRATHWAITE, J.P., (Chairman of Committees)

Mr. E. BOURNE

Dr. E. A. SIMMONS, M.D.

Hon. W. W. HALL, G.C.M., H.B.M., (Minister of Tourism and Sports)

Hon. C. A. NEBLETT, B.A., (Parliamentary Secretary, Ministry of the Civil Service) (Acting Minister of Health)

Mr. C. LeR. TROTMAN, M.A.

Mr. R. L. MORRIS, B.A., Cert. Ed.

Mr. P. J. M. MILLER

Mr. R. P. BYER, LL.B.

Mr. D. J. H. THOMPSON, LL.B.

Prayers were led by Fr. Ivan Harewood. Mr.

DEPUTY SPEAKER: The House is in session.

MINUTES

Mr. DEPUTY SPEAKER: Minutes of the meeting of Tuesday, 3rd July, 1990.

Hon. M. A. KING: Mr. Deputy Speaker, I move that the Minutes of the meeting of Tuesday, 3rd July, 1990 be taken as read, and if there is no objection that they be confirmed.

Hon. E. E. GREAVES: I beg to second that.

Mr. DEPUTY SPEAKER: If there are no additions or deletions, those Minutes stand confirmed.

PAPERS

Rt. Hon. L. E. SANDIFORD: Mr. Deputy Speaker, I am commanded to lay the Annual Report of the National Petroleum Corporation for the year 1988-1989.

NOTICES OF QUESTIONS

Mr. DEPUTY SPEAKER: The Honourable Member for St. Thomas, his question about the St. Thomas Primary School.

Mr. D. A. C. SIMMONS: Mr. Deputy Speaker, to ask the Minister of Education and Culture:

1. Is the Minister aware that the St. Thomas Primary School is designated as a Hurricane Shelter?
2. Is the Minister also aware that the said school is in a terrible state of disrepair? In particular, the roof leaks incessantly, major woodwork is termite infested, masonry and painting repairs are required and the garden needs to be fenced against the intrusion of stray animals.
3. If the answers to the said questions are in the affirmative, will the Minister, as a matter of urgency and having regard to the onset of the hurricane season and the ensuing school vacation, please cause the necessary remedial work to be done as soon as possible?

ORAL REPLIES TO QUESTIONS

Rt. Hon. L. E. SANDIFORD: Mr. Deputy Speaker, I beg to give notice that Replies to Parliamentary Questions 133, 135, 136, 137 and 138 asked by the Honourable Member for St. Thomas are now ready.

SUSPENSION OF STANDING ORDERS

Hon. M. A. KING: Mr. Deputy Speaker, before the business of Government is embarked on, I beg to move the suspension of Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 for the remainder of the day's sitting.

Hon. E. E. GREAVES: I beg to second that.

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

ORDERS OF THE DAY

Mr. DEPUTY SPEAKER: Government Business is the instant Order of the day.

GOVERNMENT BUSINESS

ORDER NO. 1 - CO-OPERATIVE SOCIETIES BILL, 1990

On the motion of Hon. M. A. KING, seconded by Hon. E. E. GREAVES, Mr. DEPUTY SPEAKER left the Chair and the House went into Committee on the Bill, Mr. L. L. BRATHWAITE in the Chair.

Mr. CHAIRMAN: The House is in Committee.

Hon. E. E. GREAVES: Mr. Chairman, it is my understanding from the Clerk that the amendments have

been circulated, and I would therefore beg to move that the Bill be taken in Parts.

Hon. M. A. KING: I beg to second that.
12.25 p.m.

Clause 1 was called and passed.

Clause 2 as amended was called and passed.

Clause 3 was called and passed.

Clause 4 was called.

Hon. E. E. GREAVES: Mr. Chairman, in making the motion, I just want to indicate that Honourable Members in the debate drew reference to clause 4 (l)(a) and the representations which were made were taken into consideration, and as a result I propose to make a motion that clause 4(a) be amended as indicated in the circulated amendments, that is, that 4(l)(a) would now read "No member or delegate has more than one vote."

I therefore beg to move that clause 4 as amended stand part.

Hon. M. A. KING: I beg to second that.

Mr. D. A. C. SIMMONS: Mr. Chairman, during the second reading I had queried why Government found it necessary to prevent proxy voting. There is no change in the amendments, nor has alteration been made to clause 4(l)(b), so that as it now stands, no member or delegate is entitled to vote by proxy, which I still maintain is an unnecessary restriction on the right of the member of the Co-op who is unavoidably absent from a meeting to have somebody vote for him. There may be policy considerations that I don't know about, but I think that this is, as I say, an unnecessary restriction on the freedom of the individual to operate through an agent. I should be obliged if the Minister would explain what is the policy reason for keeping it as it is.

Hon. E. E. GREAVES: Mr. Chairman, this matter as the Honourable Member for St. Thomas has indicated was raised by him last week when we debated the substantive Bill. I want to make the point that the very nature of the co-operative movement and what we are seeking to preserve here is the participation of the actual membership in decisions of the co-operative, and the requirement for their presence. The whole idea behind a co-operative is to ensure that members are present and participating in the decisions which are made. One of the difficulties sometimes which you would find in organisations like this is that sometimes the membership does not have the kind of interest to be attending meetings in the way that they should be attending, and it is the belief that if we allow or make provision for proxy voting that this would provide an additional reason

for persons not to be present at meetings. It is for this reason that we have taken the decision that we would not allow proxy voting, because of the nature of the co-operative movement. I could very well understand that reasoning if it is advanced for a company, but because of the nature of the co-operative movement, we consider that it was not necessary.

Dr. R. C. HAYNES: Mr. Chairman, I believe that the Honourable Member's belief is a very mistaken one. I think when one is trying to bring in modern legislation of this nature, it is important to make sure that in the legislation there are appropriate modern concepts. The reality is that whatever organisation you have, whether it be a company or whether it be a co-operative, that the chances are that less than 30 per cent of people would at any time except in the most extraordinary circumstances turn up to meetings to exercise their vote. Indeed, Sir, that has been a universal experience, not only a Barbadian experience, to the extent that it is generally recognised that any group of people who can control 30 per cent of either a major company, particularly a major public company, or in the alternate who can get 30 per cent of people supporting you in an organisation like this, then virtually you have effective control of the organisation. That is why it is important to have enshrined in the legislation the whole principle of voting by proxy, because it certainly leads to wider democratisation and opportunities for democratisation of the decision-making process, and it gives all members the opportunity to seek support from those who may not wish to attend meetings.

I think that contrary to what the Honourable Minister has said, the effect is going to be a reduction in effective participation by not having provisions in here for proxy. In fact what he has said goes completely counter to the general experience in this area. What I would have thought is that in modern legislation of this nature you would not only provide legislation to ensure that there is proxy voting, but also that somewhere in the legislation laws would be provided governing the informational requirements in order to ensure that a proxy vote is exercised with the best information being made available to all members. So I think that the general thrust in modern relationships of this nature, whether it be a co-operative or a company, is to enshrine in it the principle of voting by proxy and at the same time enshrine in the legislation appropriate informational requirements, because there is no point having proxy voting and not having in the legislation the type of informational requirements that would be necessary in order that a proxy can be exercised with information that is up to date, appropriate and can bear scrutiny in the full light of day. So I don't think, Sir, that the exclusion of voting by proxy will enhance participation. I think it would have the opposite effect and certainly it would not enhance the democratisation of the policy-making decisions. 12.35p.m.

As I said, the net effect of the exclusion of this would be as in all similar organisations that the minority who show an active interest to participate in meetings and so on will have that particular advantage and proxy voting plus effective informational requirements tends to give a broader base of power to the membership and also enhances the democratisation of the whole process. I think, Sir, that this is so much recognised nowadays that I think that even in all modern Company Acts now, provision is being made not only for proxy voting but also for the informational requirements because proxy voting without that informational component can have a problem.

I would suggest that the Honourable Member for St. Thomas is quite right in suggesting that there should be provision for voting by proxy and I would go further and say that somewhere along the line as we go through this Bill one should probably look and see whether we could not slip in somewhere something relating to the informational requirements at the time of the exercise of a proxy vote.

Thank you very much.

Mr. D. A. C. SIMMONS: I heard the Minister's explanation. I remain unconvinced. The objective of having members of the co-op take a deep and abiding interest in the affairs of the co-operatives is laudable but that is also an objective that we have for public companies, private companies and clubs.

Mr. Chairman, I am sure it has been your experience that clubs have great difficulty in attracting the total membership for discussions or meetings of the club. Similarly political parties and even groups within the political party, have meetings set for something and you hope that everybody will turn up and many do not turn up. In constituency branches we would wish all of the members to come to every meeting but you have a list with 200 names and you cannot attract full membership.

Aside.

Mr. D. A. C. SIMMONS: I am in your hands, Sir.

Mr. CHAIRMAN: The Honourable Member may proceed.

Mr. D. A. C. SIMMONS: I am saying, Sir, that even though in every kind of organisation that we can all think of, there is an objective to have full participation and active participation by the total membership, it is hardly ever achieved. I do not believe that a co-operative is of a genus that makes it a race apart and the type of organisation to which the objectives which are set for it will be maintained through the rigour of the law.

It is a voluntary organisation and the interest that members pay in that organisation depends upon their own -

there is a word called "voluntarism" - that is an essential of the co-op movement. The fact that you vote by proxy - if you are ill, absent from the island or otherwise unable to attend the meeting, but that you send somebody to vote for you by proxy shows the extent of your interest in the business. You could stay home and sit down, lie down on your bed, rub with some Shilling oil, and say "I am not going to the meeting tonight" You are sick. Everybody understands you cannot go but you go the next step and you fill up the proxy form and ask somebody to go - they are discussing so and so - I would like you to make this point on my behalf or vote for this. You are being denied that, even though you are showing the interest in having your representative vote.

I can only describe this provision as an unreasonable, unusual and unnecessary restriction on the freedom of the individual to act through his friend or agent in a spirit of co-operation in something that is little different now from the objective and operation of a company. I say I remain unconvinced. We are taking the law back to the days - I mean bubble Act and all of that - of the 18th Century.

Hon. M. A. KING: Mr. Chairman, my understanding of the birth of this legislation was that the co-operative societies met, they discussed the measures at length, that this issue of proxy voting was discussed and that this Bill reflects the wishes of the co-operative societies.

Aside.

Hon. M. A. KING: I am saying my understanding is that it reflects their wishes. If we are talking about democracy....

Mr. CHAIRMAN: Can we have some order, please?

Hon. M. A. KING:... do you have no respect for the rights and wishes of the people....

Mr. CHAIRMAN: Will Honourable Members observe....

Aside.

Hon. M. A. KING: Whenever you shout and finish, you are going to court on it, you say?

Mr. CHAIRMAN: I would like to remind Honourable Members that we are in Committee and that each member is permitted to speak as long as he catches the eye of the Chairman. I will not have those kinds of interruptions.

The Honourable Member may proceed.

Hon. M. A. KING: Yes. I was making the point, Mr. Chairman, that, as I understand it, the Bill on this issue reflects the wishes of the society. I am not sure that if in the

process of time if the members - one has to respect the wishes of the members of societies. We cannot like the oracle from on high dictate to them what the position is. If in the course of time the membership of co-operative societies decide that they want to vote by proxy, then, in my view, respect has to be given to their wishes but you cannot say for them, (you are talking about democracy) what the position must be. Let them say what they want and if they * wish included in the legislation a right for them, because after all, it is their business, not yours, or mine, or anybody else's, it is the business of the membership of co-operative societies and if we are talking about democracy, let us respect their wishes. Let us hear what they say and if they say that they want the right to vote by proxy, I am sure that no reasonable Government, that is what we are, will refuse to include that in the legislation.

I am saying that as it stands now, our understanding is that it reflects the wishes of the societies. But I give the ** assurance, Mr. Chairman, and I am sure that I speak for all of us, that if the co-operative societies and the members of the societies rather than those who wish to manipulate the societies, wish to exercise a right to vote by proxy, legislation in due course will reflect that.

Mr. R. L. MORRIS: Mr. Chairman, I rise to support the position that the voting by proxy is not, to me, a desirable condition to this legislation. I believe strongly that * the nature of the co-operative is that it is an institution where people should pay close attention to the business of the institution, where the performance of the principals, the owners of shares is vitally important to ensure, as I said, the nature of the institution we are talking about. Provision for proxy, I think, will probably not encourage that. At any rate, I do not think that the circumstances, I am talking as a person who was a founder member of a co-operative, now serving out my last of six years which constitutionally I am allowed by the by-laws of that co-operative, and who has been given the responsibility of calling meetings and trying " to ensure that a quorum exists the first time around. 12.45 p.m.

I believe we have a difficulty, in this country, of persuading people of the importance of participating in the actions of organizations. Anything that would encourage them to stay away further, I am against. I want to register my own objection to that. Because I believe that, if you firmly believe in the institution to which you belong, your presence is vitally important, whether it is coming to Parliament each time a meeting is called or coming to the meetings of your division in a trade union, or, if you are a shareholder of a company, making sure you come to the Annual General Meeting. I believe that merely subscribing to shares, does not build an institution. But that » participation is vital. Therefore, if we discourage the idea of proxy, we are telling people that if you are interested in this organization, you should turn up for the meetings.

Aside.

Mr. R. L. MORRIS: But why are you going to be sick every time there is an Annual General Meeting? If you are dealing with these exigencies of sickness and so on, these will happen in human business. Therefore you cannot make legislation to deal with those exigencies when people are sick and that sort of thing because the time will come when they will be sick, anyhow. But I am talking about the principle of ensuring that people participate and that they do not get escapes not to come. Because that, again, could be manipulated.

I should like to suggest that, perhaps, we should go with the issue of no proxies in the situation. And, also, if the members have not - this has gone through a lot of checking with the members - been vehemently asking for it, I do not think we should really delay this, at this time.

Thank you very much, Sir.

Mr. CHAIRMAN: The Honourable Member for St. Thomas.

Mr. D. A. C. SIMMONS: Mr. Chairman, let me get myself firmly on the record with this. The Attorney-General, in his intervention, has now set the parameters for future debate on this type of legislation. I understand him.

The argument that because the various co-operative societies have had a considerable input, insight and overview of this legislation, because they approved the Act, and then say that it is satisfactory, that argument, Sir, presupposes omniscience on the part of that broad mass of persons who had to deal with this. At the same time, it underlines the assumption that the role of a Member of Parliament, in these sorts of circumstances, where legislation has gone through a broadening is that the role of the MP is to come in here and rubber-stamp. That is the essence and the guts of what he has told this House today. I want it clearly understood. It may be all right for the others. I do not see my role, as rubber-stamping anything which may come in here, where there may be errors or, there may be an alternative point of view. The Government itself has accepted some of the amendments. That acceptance destroys the general argument that was made by the Attorney-General. I want it clearly understood, Sir, that I do not see myself as any rubber-stamp in here. That is why I went through this thing last week with a fine tooth comb. I believe that Honourable Members appreciated the contribution that was made last week.

I am not saying that the Government must not stand on its policy. I understand the argument....

Asides.

Mr. CHAIRMAN: Order please.

Mr. D. A. C. SIMMONS:... by the Member for....

Mr. CHAIRMAN: Can we have some order, please?

Asides.

Mr. D. A. C. SIMMONS:.... Christ Church East Central. I respect that argument. I respect the Minister's argument. That is why I asked him, in my first intervention, if there were....

Mr. CHAIRMAN: Would the Honourable Member for St. Thomas give way for a minute, please? I am having some difficulty in following your line of debate because of the interference with the debate from Members on my left. They are ignoring my rulings on the matter. If I am making you laugh, then you will laugh outside.

The Honourable Member for St. Thomas may continue.

Mr. D. A. C. SIMMONS: Sir, I was making the point that I understand the Minister's position and the Honourable Member's for Christ Church East Central. I respect them. Both are policy positions and they can be right or wrong. I respect their right to ventilate them in here, But I do not respect the Attorney-General's argument, put up in justification of this, Sir, to the extent that, because a lot of people have looked at this legislation and approved it that the role of the MP is to come in here and vote and not criticize it or ask questions about it. That is too restrictive a function for me. I have no intention ever of playing that role in this House. Let him get that clearly understood.

Mr. CHAIRMAN: The Honourable Member for St. George South.

Mr. R. P. BYER: Mr. Chairman, I understand that the position taken and the law as written, and the provision as written, in the Bill that is being debated in Committee is a matter of policy. A principle that the Government will follow and they will adopt. It appears as though we can talk until the cows come home, it will not make any difference.

But, having said that, Sir, I would want to deal with the argument, as forwarded by the Attorney-General just now, being the Minister responsible for Legal Affairs on this side of the Opposition, I would want to make some comment on that.

I have never heard the Attorney-General so weak in argument before, Sir, in debating or in response to anything at all, at all.

Aside.

Mr. R. P. BYER: I said so weak in argument in response to anything that has ever been said in this

Honourable House before. To suggest to me that I should rubber-stamp from page 1 to whatever, 142 of this Bill and then go home and not make any contribution in debate to it, Sir, is an insult to my intelligence and an insult to my responsibility, and to Parliament on matters of this kind.

I would want to register my strong objection to anything that the Attorney-General said, insofar as his argument sought to set the boundaries of discussion pertaining to this piece of legislation. I will not, in any way, subscribe to that sort of porous thinking, Sir. It does not, in any way contribute to the standard of debating that ought to be followed in this Chamber. I should be very pleased, if the Attorney-General, in responding to us would get up and withdraw his comments, Sir. Because they are not in keeping with the standard and quality of debate that he is accustomed to, Sir. I think it was an argument based in expediency and nothing more, Sir.

Thank you.

Mr. CHAIRMAN: The Honourable Attorney-General.

Hon. M. A. KING: Mr. Chairman, I must respond to Honourable Members.

Aside.

Hon. M. A. KING: No, no. You can speak after and if I need to respond further, I will respond further.

Mr. Chairman, there can be a lot of intellectual distortions in relation to positions.

Aside.

Hon. M. A. KING: How do you mean I cannot say that? If I say there is an intellectual distortion of a position, there is an intellectual distortion, to suggest that I am saying that Honourable Members are expected to come in here to rubber-stamp this. How could any reasonable person come to that conclusion, out of anything that I have said?

What I have said is that there was a process of consultation on this Bill between the drafters, the Ministry and the Co-operative Societies. 12.55 p.m.

As a result of the process of consultation certain conclusions were reached. I also said that it is part of the democratic process to accept that the wishes of the members of organisations have to be respected. If out of that any Honourable Member in this House can say that I have suggested that they should come in here and rubber stamp legislation which is brought before the House, and that they do not have a right to dissent and to comment on legislation before Parliament, that is to distort and that

Member is to be guilty of intellectual distortion of the argument which I have put forward.

The Honourable Member for Christ Church East Central made the point that the nature of co-operative societies - I am not arguing the case for proxy or not proxy - all I am saying is that if in the process of time the members of co-operative societies whose wishes have to be respected, and everybody is overlooking the idea that you have to respect the wishes of people who matter, and giving me all sorts of foolish arguments - I withdraw the word "foolish", Mr. Chairman - giving me all sorts of arguments.

I said, and certainly some regard must be given to this, that if the members of the co-operative societies expressed a wish to have voting by proxy - because it is they who matter, they form the membership of the societies, it is their money and their business which is going to matter - and if they express a wish to have voting by proxy, I think we must respect those wishes. If Honourable Members of this House cannot accept that you have to accept and respect the wishes of the members of the co-operative societies, I do not understand what kind of democracy we are talking about, Mr. Chairman.

Dr. R. C. HAYNES: Mr. Chairman, I have been in this Honourable House for 12 years and this is the first time that I have heard anyone come in here and quite blatantly use a form of words that must constitute an insult to this Honourable House.

Let me say this, Sir. When the Honourable Member got emotionally disturbed somewhat when he was speaking just now, he said, and I want to quote him exactly, "that we must accept and respect the views of the co-operatives". I wrote it down as soon as he said it. My understanding is this, that when a matter has been canvassed among any particular group in Barbados, whether it be co-operatives or any other group, and that matter comes before Parliament, sure we have the views of that particular group and we must respect the views of the minority.

We in this Parliament represent the views of the entire society. That is what Parliament is about. You are here as a representative, and what you say in this Parliament is presumed to be, in the context of the Westminster model of democracy which we practise, on behalf of those people who send you here. Make no mistake about that. When you rise in this Chamber you are speaking on behalf of the constituency that sent you here, so you have the views of a small segment of the society versus the views of the entire society as represented by us here in Parliament. What the Honourable Member is saying is that we have no authority, we have no moral right....

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Hon. M. A. KING: Mr. Chairman, on a point of order. I spoke about distortions earlier. How can the Honourable Member, the Leader of the Opposition, draw the

conclusions which he has drawn? I object to the comments of the Honourable Member because they are misleading the House as to the character and content of what I have said.

Dr. R. C. HAYNES: I am saying, Sir, that it has always been my view that we have a duty in this Parliament to examine all legislation that comes before Parliament and to try to improve on the legislation that comes before Parliament. You just cannot come in here and tell us that this is none of our business, that as far as you are concerned this has been recommended by a group of people outside of Parliament and therefore it is none of our business. What is worse, Sir, that same Honourable Member is part of a Cabinet that accepted amendments on the Floor of this House and circulated those amendments. Did you go back to the co-operative societies when you did that? I am asking the Attorney General, who has circulated amendments to a Bill that came before the House last week, he has amended it, did he go back to the co-operatives? If he did not go back to the co-operatives, then I must say that the argument he is presenting to the House today does not fall within the four walls of honesty. It cannot.

Hon. M. A. KING: Sir, on a point of elucidation. The Honourable Member clearly has nothing much to say today on this Bill, so therefore he has to make a "lot of sound and fury. The majority of the amendments which were circulated last week, and which have been circulated this week, are editorial in nature. They do not deal with the substance and policy of the Bill. Do you go back to the societies now on whether you should add in the word "application", whether you should change the word 'cost' to "costs"? Putting in a comma here, changing "this" to "the"? Do you go back on those types of things?

Dr. R. C. HAYNES: Mr. Chairman, I wish to submit to you that the Honourable Member has made a major leap forward in attempting to mislead this Honourable House. I have those amendments before me here, Sir, and I will say that several of those amendments are substantial amendments. Unless he can persuade this House that he went back to the co-operative societies and discussed these amendments with them, then his entire argument tails to the ground.

Mr. O. S. ARTHUR: Mr. Chairman, I want to propose that clause 4(1)(b) be passed as it presently stands. I want to agree that members of the Co-operative Movement should not be allowed to vote by proxy. It is really consistent with the argument I held last week to the effect that we have in drafting this legislation to recognise that there is an essential difference between co-operative enterprises and other kinds of enterprises, and that one of the real intrinsic aspects of a co-operative is the notion that people come together to build an institution and to help each other. 1.05p.m.

The notion of a co-operative allowing people to vote by proxy, Sir, is not known to the co-operative movement, and in other legislation with which I am familiar the notion of no voting by proxy is enshrined on the understanding that people come together voluntarily to collaborate and to build an institution, and in fact, Sir, it is on the strength of that principle that in every instance in this legislation where I really feel that you are carrying the co-operative too far in the direction of companies to the detriment of the principle of the co-operative movement, I would object. Hence, Sir, I can accept the principle as it stands. My colleagues have spoken strongly and I respect their views on the matter.

Mr. CHAIRMAN ordered that certain remarks made by the Honourable Member for St. Peter be struck from the records.

Mr. O. S. ARTHUR: Mr. Chairman, I want to say that as a Member of Parliament for the Constituency of St. Peter, I want it to be clear that I reserve the right to either accept or not support any piece of legislation brought to this House, whether prepared in collaboration between interest groups and interest groups or brought by Government as Government or brought by a Member of this Parliament. I reserve the right not to be held to be disrespectful of an interest group merely because I cannot accept what is brought to this House, but I want to say that my understanding of the co-operative movement is such that in so far as one is encouraging the co-operative movement to build, that to that extent the notion of proxy voting in my view I support, but I do not support the attitude of the Attorney General in the matter.

Mr. C. L. TROTMAN: Mr. Chairman, I thought that I should rise to speak on this matter since it appears to me that there is some need for a position that is based on some sound philosophical base to be put forward in so far as I am concerned. Let me say at the very outset that if I were of the view as it appears some people may have been of the view that any Member were trying to railroad a position for support of this matter purely because an interest group had supported it, I would strongly object to it. I am however not satisfied, Mr. Chairman, that the Attorney General in his submission endeavoured to suggest to anybody that there should be acceptance of a position on the basis of there having been a view of the co-operative society that this should obtain.

I want to make my position very clear, Sir, because this business of grandstanding in or out of rooms, surely it does not happen in this place, Sir, is one that does not appeal to me. I want to say very clearly that my understanding of the basis for the establishment of a co-operative society was that a co-operative society was conceptualised as being an institution separate and distinct from any other business organisation that there was, and as a matter of fact it became part of the arm in terms of the Barbadian society of the labour movement set up for

particular reasons, one of which very important reasons was the mobilisation of the working masses of this country. I understand mobilisation to have to do with the meeting of people, the bringing together meetings of people, the organising of those people in a structure for the advancement, the advancement in this case being the effort being made by the masses to share in the commanding heights of the economy of this country, and on those terms and on that basis I would think that we would recognise that it is very important that we recognise the importance there is for a continuation of the mobilisation process. If we are concerned with continuing the effort for the masses to continue forward, to take a commanding role in sharing in the economic direction of this country, men we have to be concerned by any spurious argument, vacuous argument or porous argument that might suggest that we should have proxy voting.

I am not concerned, Sir, with what we might gain in political terms from taking positions of disadvantage or disapproval. I am concerned with recognising that if we are going to keep the co-operative society a society where the masses can mass together, group together, organise together to combat the system as it now obtains and have democracy within the financial kingdom of this country, then we have to bring those people together, and I am suggesting to you therefore, Mr. Chairman, that the whole concept of voting by proxy is in direct opposition to that central notion, I hasten to suggest to you, Sir, that those people who recognise the need for bringing the peoples together and who therefore recognise that we should not go the route of the proxy vote, be seen as being those, persons whose views should be the views that carry the day in this particular debate.

Hon. H. deB. FORDE: Mr. Chairman, let me begin by saying that it is a mistake to assume that there is no form of proxy voting either in the existing legislation or to some extent in the present legislation. Section 26 of Cap. 378, the Co-operatives Act, allows a registered society which is a member of another society to vote by proxy, and this must be so because really the proxy vote is only another form of representation, and if a registered society is a member of another society, by its very corporate nature it has to have a representative, and you will note in section 26 of the existing legislation that proxy voting was allowed in those circumstances. 1.15p.m.

Likewise in the Bill now before the Committee, there is a form of proxy voting despite the blanket statement which occurs in this section under consideration, Section 4. You will find that that is provided for by reading together Sections 82 (3) of the Bill which permits a body corporate to be a member of another society, Section 92 which speaks of the no voting by proxy and Section 96 which allows a body corporate, a partnership firm or an association to

appoint a representative by resolution and, in fact, that resolution may vary.

The wording has been changed in Section 96 from what it was in Section 26. The Honourable Members can read. I am not going to mislead them on the law, Sir. Members need not wax warm and get this hot feeling under their skins about this matter as though there is some great and fundamental divide on an issue such as this nature.

One must understand that at the beginning of associations, whether they were voluntary associations such as this, whether they were associations that were unincorporated, that the history of associations coming together is that people wanted to express themselves on their own in that association. During the course of time, however, because of the development of business and economic circumstances, and other circumstances, it „ became necessary to widen the manner in which people can represent their economic or financial interests at meetings.

Initially companies had no proxy voting either but as the joint stock company widened into the bigger company and became monolithic either in national terms or in regional terms and finally in international terms, it was recognised that one had to give some representation and proxy voting came in.

Now, the Honourable Member for St. Peter is quite right in stating, and the Honourable Member for St. Michael Central to some extent, that the principle reason why proxy voting was not allowed for the individual member of a society as distinct from a society that was a member of a society, was in order to....

Aside.

Hon. H. deB. FORDE: The instance which I gave, and „ it is in the existing legislation.

It was in order to encourage members to participate fully and because of the nature in the historical development of the corporative movement.

Now, I make bold to say that the co-operative movement here and elsewhere will reach the stage where that initial reason will change. One must envisage in the Caribbean, if one has a vision of where we are going, the — situation that begins as a small group of people coming together by way of friendly societies or whatever it is, blossoming out and growing and developing in such a way that instead of a plethora of societies which we now have, that you are going to get combinations of societies and combinations which, if we are to use the power of the savings of the small person in this country, and by joining ** hands together - in fact, the very idea of co-operatives must be that the small person in Crab Hill, not only joins with the small person in Clapham Park or Forde's Road, but those

small persons are in a position to join with the small person in Biabou and Grand Anse, in Grenada and in Jamaica in order to mobilise the total savings of the Caribbean so that co-operatives themselves can become regional forces and international forces.

Now, one must have a vision of where your country is going and where you want to see power used. The savings of the small man by itself can never be effective until he has the support of the other persons next to him. And, indeed, one of the tragedies that we sometimes find in the Caribbean has become so limited by the circumstances - maybe at this time the movement does not need to widen itself in this way but members must not shut out their minds to this because one of the greatest tragedies we have had in Barbados is the tragedy of the friendly society which is the original co-op in many ways just as the Industrial and Providence Society which Bill we are repealing by this was one of those movements.

The Labour Movement we have put into a different Bill where people came together to provide labour and had we at the time, all of us, those who preceded us, had the vision, the friendly society would be an economic power in this country. We would not be talking about taking people back to Swan Street by way of a box cart and arguing whether they should have a place in Swan Street. We should be today talking about the ownership of Swan Street being powerful enough by the very friendly society that we had before that would have been making a tremendous economic impact in this country.

I am a member of the co-operative society. I came up in a household, despite my adoption, where my family used to put their cents and six cents a week and it was the only way that you had" savings at Christmas to make any indentation on life. I know people misrepresent what I am and who I am, and what I stand for but I want to make the point very carefully that I recognised then and continue to recognise now that unless you have that joining together and the widening eventually, you will never find fundamental changes being made in ownership patterns throughout the Caribbean.

I would not like members, therefore, particularly since we have the Caribbean Co-operative Society Union, to foreclose our position on this for all times. As I see it, the co-operative movement in Barbados has to widen its interest.

I would not like to see a whole host of separate societies continuing to grow. I want to see a quadrupling even within a year of the present membership. That is what I want to see, more and more people, small people in particular, coming into this movement and joining together and then I want to see collaboration between the societies themselves to make an indentation on business activity in the country and the mobilisation and proper use of savings

and I want to see a widening of that concept into the wider Caribbean in order to use the savings, in order to own the banks, in order to own the insurance companies, in order to own the new manufacturing sectors and service sectors in the country so that their equities are properly invested in the future. Therefore, I must warn the Committee, do not get up and have this tremendous divide on this issue.

I believe that we will have finally at some stage to acknowledge that a society or an individual who may be a member of a wider co-op, whether here or elsewhere, will wish some form of representation finally by way of proxy.

Mr. R. L. MORRIS: I need some further explanation from the Member who just sat because I did not follow completely the argument he was making, or the half argument he was making on behalf of proxy because he is falling in between so he is neither for or against it as I see it at this point in time. He is just asking to delay full consideration. Maybe I did not follow him sufficiently well and I will, therefore, put the fault on myself in terms of what argument he was using.

It seems to me that an argument that is based on co-operative institutions cannot speak to the question of proxy unless I do not understand what is this proxy we are talking about. As I understand the proxy arrangement, a member - let me read this again, Page 4, Clause 4 (1) because I do not know if we are thinking about the same thing:

"No member or delegate is entitled to vote by proxy."

So we are talking, as far as I understand it, to a particular institution. As far as I am aware, the question of voting in these institutions relate to particular times in the life of the institution. 1.25p.m.

We are talking about meetings where decisions have to be taken at their Annual General Meeting or some other special meeting called. As I understand it, what it is saying is, that within any particular institution, when the right to vote is to be exercised, that those who are present are the ones who should have the right to vote and those who are absent would not be able to exercise that vote by proxy. That is what I understand the discussion to be about

Therefore I am not sure that the arguments being adduced by the Honourable Member for Christ Church West, sound enough as they are, relate to this particular issue. I agree with him, in full, in terms of the need for co-operation between institutions. But I wish to make the point also that I want to stand four square behind the Honourable Attorney-General in making the point that, if you have canvassed widely, a particular interest group and you have disputed certain things that the interest group said - because this Bill itself does not reflect all that the interest group wanted - there was a big issue on matters like the

stabilization clause. There was no agreement initially but there was discussion and positions taken. It is not a situation where Government is slavishly following the interest of a pressure group.

But as I understand the principle that is being adumbrated here, it is that, if a pressure group has been canvassed widely and they put - that represents a constituency too, that pressure group is a constituency that may be even wider than some of the constituencies that we represent, as individuals - their point of view, it certainly cannot override anything that we in here might want to address. But I would still suggest strongly, that we look at matters of detail and so on, and we lend our collective wisdom and intelligence to improving the provisions.

But I cannot see that what we are seeking to do here will improve this provision which is one that is based on the principle of the organization. I want to make it clear. The Honourable Member for St. Peter and I spoke on the co-operative principles that have to be addressed and maintained. Anything that speaks against those principles, even though they might be arguments for them, we are saying that the principles should be the basic thing to guide us. That is what we are suggesting.

Now for the Honourable Member for Christ Church West, I cannot help saying that I find it difficult to agree that the friendly societies are relatives, but I cannot see the co-operatives as direct line descendants because to me, the friendly societies had more of an insurance element in them. They could have moved on to be the basis of insurance companies and so on.

Aside.

Mr. R. L. MORRIS: The same basic principles. They are relatives.

But the point I would want to make though is that persons like yourself and that persons of your generation, quite frankly, could have used the provisions in the Co-operative Bill that was there, the provisions for the building societies. You could have used your energies and your considerable talents to mobilize them. You still have room to do that.

The question to be answered is..

Aside.

Mr. R. L. MORRIS: Well no. But that was your time then to help build co-operatives because the laws were there.

Aside.

Mr. R. L. MORRIS: I know you are now involved with Endeavour. But one of the beautiful things about the co-operative movement is that politics, especially party politics should be very separate from these organizations. Politicians might be part of the organizations but co-operatives should not have a political bias. That is one of the very strong principles about it. And, therefore, when we come to speak on these issues, I hope that we speak as co-operators and not as partisan persons. It has to be very important.

Dr. R. C. HAYNES: Mr. Chairman, the more I listen to this debate, the more I am convinced that the right to vote by proxy should be enshrined in the legislation. It just suddenly dawned on me that there are several co-operatives that have thousands of members. As I sat here, Sir, I was thinking - I am trying to see if I could identify how many places there are in Barbados that can hold thousands of people.

It would seem to me, Sir, that if these lofty ideals..... You would have to wait a long time for the place in Two Mile Hill that you are talking about.

The point I am making, Sir, is that when you put in the legislation, "no voting by proxy", you are virtually saying that a minority of members shall forevermore control those organizations.

There are three Members who spoke so far in this Honourable House who know very well how that system operates. What I am saying, Sir,....

Asides.

Mr. CHAIRMAN: Order, please.

Dr. R. C. HAYNES:..... is that we need to democratize the entire process, by giving everybody the right to vote. Because it would seem to me now that, if you cannot find a hall big enough....

Hon. E. E. GREAVES: Mr. Chairman, on a point of order. I think the Honourable Member is misleading the Chamber to suggest that this provision does not give everybody the right to vote.

Dr. R. C. HAYNES: Everybody has the right to vote. What if you cannot find a hall in Barbados large enough to accommodate them?

Asides.

Dr. R. C. HAYNES: The point I am trying to make is this, that it would seem to me that the provision of proxy

voting deepens the democratic process and ensures that all members of co-operatives will have the right to vote, whether they cannot attend a meeting because they happen to be out of the island, because they are ill, because you cannot find a hall that is big enough to accommodate thousands of people. As it stands now, under the law, you will ensure for evermore that a minority will be able to control these co-operatives.

I believe that only recently - sometimes we have to learn from our experience - in terms of an insurance company in Barbados....

Aside.

Dr. R. C. HAYNES: ... The Mutual. Yes.... where the whole question of voting by proxy and appropriate informational requirements, the two going together, not one without the other and it has been demonstrated, quite clearly, how the democratic process, in that company could be substantially enhanced. I believe that, in the light of all experiences, that provisions should be made, right now, for voting by proxy.

We are talking about a situation where, I think it was said in here last week, that the co-operatives control....

Mr. CHAIRMAN: Order, please.

Dr. R. C. HAYNES: ... The Mutual. Yes. ... where the talking, Sir, about small sums of money. We are talking about vast sums of money. All the members should be able to vote, whether they are there or they wish to exercise their voting rights, by proxy. I can see no good reason and I have heard no good reason advanced, as to why the law should state that there shall be no voting, by proxy.

The Honourable Member for St. Michael Central advanced the argument that you should not have the right to vote, unless you are there to demonstrate togetherness. That was the basis of his argument. Unless you are there to demonstrate togetherness, at the meeting, you should not have the right to vote. That is not right. That is quite wrong. 1.35p.m.

I believe the fact that you are a member gives you the right to vote and the law should facilitate and make every opportunity for you to exercise that vote. I will say proxy voting should be entrenched in the legislation, and also the basic legislation in relation to information in order that that vote can be exercised in accordance with the general principles which have become recognised in modern corporate practices.

So, Mr. Chairman, I have heard the debate so far and the two arguments advanced by the other side have been (1)

the co-operatives say so, therefore we have no right to change it - that is the argument by the Attorney General - accept it, and (2) unless you can get there then you do not have the right to vote. They are the two arguments I have heard from the other side.

Hon. E. E. GREAVES: Mr. Chairman, I think for the Honourable Member for St. Michael South Central to suggest that to have an inclusion in this clause to the effect that no member/delegate is entitled to vote by proxy is a denial of the right of members of co-operatives to vote is a misrepresentation of the highest order.

Aside.

Hon. E. E. GREAVES: Sir, to take that argument to a further point, the Honourable Member is suggesting that if you are a Barbadian and you are living overseas and an election is called, then you should be allowed, even though you are living overseas, to vote.

Dr. R. C. HAYNES: On a point of order, Sir. That is the most bogus analogy that I have ever heard in my entire life. We do not support any form of overseas voting.

Hon. E. E. GREAVES: Now, Sir, the Honourable Member has made no point. I think it is very clear that this is a provision which is in the best interest of the Movement, which would encourage the further participation of members in the day to day activities of the Movement, and it gives me great pleasure to move that clause 4, as amended, stand part.

The question that clause 4, as amended, stand part was put and resolved in the affirmative without division.

Clause 5 was called and passed.

Part I, with amendments to clauses 7, 8 and 17, was called.

Hon. E. E. GREAVES: Mr. Chairman, as indicated, I would beg to move that Part I, as amended, and I would just want to indicate that in clause 7(1)(c) there is a deletion and an insertion of a new clause 7(6), taking the point which was made by the Honourable Member for St. Peter last week, "unless it is considered to be economically viable by the Registrar." We are substituting a new clause which says:

"A society registered or continued under this Act may have its registration cancelled by the Registrar if it is not financially viable."

The other amendments are mainly of an editorial nature, except 8(1) which substitutes "may" for "shall" in the second line. In 8(2)(b) we are putting a full stop at

"register" so the words which follow "register" down to the end of "Registrar" should be deleted.

With those amendments, Sir, I beg to move that Part I, as amended, stand part.

Hon. M. A. KING: I beg to second that.

Dr. R. C. HAYNES: Sir, the Registrar may be able to strike off, so to speak, a society if it is not financially viable. The question is, what does the term "financially viable" mean in law and how is that defined? In other words, what would be the guidelines for the Registrar to act under?

The question of financial viability of an individual may be subject to all kinds of different interpretations. A guy may have no cash at all but he may have a lot of goodwill, he may have skills and so on and he has the capacity to recover from a difficult situation. Would he be struck off the register in his profession because at that particular time he is not "financially viable"? When does a society become not financially viable? How do we find this? What are the guidelines for the Registrar to act on? What protection would you have for those societies that may be going through a little difficulty from time to time and may just need a little reorganisation of their financial affairs? I think it is an awful lot of power to give to the Registrar unless there are some guidelines as to what would constitute lack of financial viability. Perhaps the Minister would like to inform the House of this.

Hon. E. E. GREAVES: Mr. Chairman, as I understand it, there are regulations which are going to be part and parcel of this which will take cognisance of that particular point made by the Honourable Member for St. Michael South Central. In the former Act there were a number of regulations relating to that. I think it is a more comfortable position, that is, "financial viability", than "economically viable" and it is for this reason that we have made the change which we are suggesting, because originally the, draft had -

"No society may be registered,, or having been registered, may continue to be so registered unless it is considered to be economically viable by the Registrar."

That is being deleted and a new section is substituted which says, as clause 7(6) -

"A society registered, or continued under this Act, may have its registration cancelled by the Registrar if it is not financially viable."

I am saying, Sir, that the regulations which would follow would pay attention to describing what would be considered to be a financially viable institution.

Mr. O. S. ARTHUR: Mr. Chairman, I did not speak last week on this particular matter and I make a few points now in relation to it. This perhaps is a matter that ought to have nothing to do with registration. If an enterprise is not financially viable, then we are speaking in terms of that enterprise having reached the stage where it should be closing down.

1.45p.m.

What we should be more concerned with is having conditions that should exist to enable co-operatives which are not financially viable to come out rather than continue to build up larger deficits, treated as part of that section of the legislation dealing with closure or liquidation rather than put it in this section of the legislation where we are talking about registration. The point I am making, Sir, is that it would be in the interest of a co-op itself that is not financially viable to want to close its business, and that that „, should be a matter allowed by legislation, that the legislation should specify that in the section dealing with liquidation or closure or whatever the case is, it need not be a matter in which the Registrar of Co-ops had to exercise a discretion. A well run co-op if it is not financially viable should close, and the members recognising that the co-op is not financially viable should have legislation before them that makes it easy for them to close if they are not viable rather than continue to accumulate larger and larger „, deficits. Therefore, Sir, I do not see why any section of that character should be in the legislation at all, since it has nothing to do with registration as far as I am concerned, but has more to do with the conditions that should be established that would enable an enterprise that is bankrupt to be able to stop its operation, and hence should be in a different section of the legislation, and that it should be clearly specified therein the conditions that should obtain for members of a co-op to be able to take a clean and clear decision that we want to cut our losses, and that, Sir, is my contribution to this section of the debate, that I see no ••••• reason why it should be there, that it is a matter for the discretion not so much of the Registrar of Co-operatives anyhow, but for members of the co-op that if they are not viable, they should come out of the business, close it down and let us have good clean legislation that would allow them to do that in a proper and a forthright way.

The question that Part I stand part was put and resolved in the affirmative without division.

Part II as amended was called and passed.

Part III as amended was called and passed.

Part IV as amended was called.

Hon. E. E. GREAVES: Mr. Chairman, I beg to move that Part 4 as amended stand part.

Hon. M. A. KING: I beg to second that.

Mr. O. S. ARTHUR: Mr. Chairman, clause 30 under Part 4, "A society may sell shares to its members only." I want to raise a number of issues regarding this matter, particularly in light of the decision not to include in this legislation now the former section 17 of the previous legislation which said then that a member's shares then were not liable to attachment for sale under any judgment or order of the court. Now this clause 30 is saying that a society can only sell its shares to members. The implication of not including section 17 in this present legislation is that the shares of a member of a co-op can now be, as a result of an order of a court, offered for sale. Now my question is how is this going to operate in practice, because we now have a situation where a court can say that Mr. X who is a member of a society and who is in debt to Mr. Y is now able to have his shares in the society seized by the court and put for sale. The legislation is however telling us that only the members of the co-op themselves however can own the shares in a co-op and that in the preamble under clause 2, it is very clear that membership in a co-op must be voluntary. In order for a co-op to qualify as a co-op it has to be voluntary membership. Clearly that is not a situation where the court seizes the shares of a member and sells them artificially so or creates an artificial membership in the coop by which it says it is offering them for sale to a person who is at that time not a member of the co-op, and there is nothing in this legislation which can force a co-operative society or any of its members to purchase the shares of any member because that member happens to be owing debts to some other person who is not a member of the society itself.

I am wondering, Sir, how is this going to operate in practice, because as I understand the reason for the former section 17, one of the reasons why the shares in a co-op were never subject to sale or attachment as a result of an order of a court is precisely because only members in a co-op can own the shares in a co-op. I don't know, Sir, if a court in Barbados can really force me if I am a member of a co-op society to buy my brother's shares in that co-op merely because my brother owes somebody money and the court says that he must pay it. I don't know what power the court would have to tell the co-operative itself that has to buy the shares that the member has in order to settle a debt. So I want to understand very clearly from the Minister how this clause 30(1) will operate in the context of a situation where we now have operating under the legislation virtually by silence a situation where the shares of a member of a co-op are liable now to attachment or sale arising from a judgment or order of a court in respect of a debt or liability.

Mr. R. P. BYER: Mr. Chairman, in addition to what the Honourable Member for St. Peter said, I would like to draw to the attention of this Honourable House the limitation placed on the purchase of shares by section 40 (1)(c) of the Bill. The section says that notwithstanding section 39, no society shall purchase or otherwise acquire its shares where, subject to subsection (2) the proposed purchase or other acquisition would in the opinion of its

directors be detrimental to the financial stability of the society. Sir, I have been trying to grapple with this section for a little while to understand why there should be a limitation of this kind on the purchase of shares. I can understand the two that preceded, 40(1)(a) and 40 (1)(b), but this one has me a little puzzled, and I would hope that the Minister could throw some light on the reason for including such a section. Not only that, it goes on to say that the power to suspend the purchase of shares should not be for a period longer than one year unless the suspension is approved by the Registrar or by a special resolution of the members. This is why it brings back the whole purpose - we have passed it and I would not go back except for purpose of reference - of the proxy voting before, because one can very well see how a society controlled by few people, and this can happen, can keep the suspension in force for longer than a period of one year. Even if one were prepared to go along with this limitation as I just explained it at 40(1)(c), one is further puzzled by why it should be for longer than a period of one year, but that that period could extend beyond one year by a special resolution of the members, and I would be very glad if the Minister could throw some light on that section for me. It seems to me to be an unnecessary restraint on the ability of persons on a trade in shares. It seems to me to be an unnecessary restraint, even unwarranted restriction of the ability of members to trade in shares and the ability of other societies to acquire shares in a society that might put shares out for purchase. If we are going along a capitalist path of development, I don't see why we should have what I call a socialist restriction intervening to prevent a trade in shares. 1.55p.m.

Sir, it is now 2.00 o'clock. There are some other things I want to raise in this Part but I will stop here for this moment.

Aside.

Mr. R. P. BYER: Sir, also Section 39 which deals with the purchase of shares. It says:

"A society may purchase or otherwise acquire any of its shares that

- (a) are available for compulsory purchase pursuant to section 100, or
- (b) are offered for sale."

Then Subsection 2 of that section goes on:-

"Subject to subsection (4) a society shall pay in cash within one year of the date of purchase, for any shares purchased pursuant to subsection (1)."

Once again, Sir, I would have thought that the payment should be immediate. It is all right to say that the views of the societies were canvassed and so on but, at the same time, this body should have that power to enquire and we should try, as best as we can, with sufficient information to try and look behind these sections to find out why some of them are as they are, why some of them are worded in this way.

Why should a society be given a power to pay for shares acquired by it one year after the date of purchase? It has that power. It can pay from one year to one year after the date of purchase and that seems to me, to be also an unnecessary power given to a co-operative society. If it acquires its own shares, these shares should be paid for immediately as in any other purchase. So I still do not understand that.

Hon. M. A. KING: Mr. Chairman, I am going to move at this stage that Your Honour report progress to His Honour the Speaker.

Hon. E. E. GREAVES: I beg to second that.

The question was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. M. A. KING: Mr. Deputy Speaker, I beg to move that the Sitting be suspended until 3.00 o'clock.

Hon. E. E. GREAVES: I beg to second that.

The question that the Sitting be suspended until 3:00 p.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the Sitting accordingly. 2.00 p.m.

RESUMPTION OF SITTING

Mr. SPEAKER: This Sitting is resumed. When the Suspension was taken, the House was in Committee. To that it should revert.

Mr. SPEAKER left the Chair and the House went into Committee, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE Mr.

CHAIRMAN: The House is in Committee.

Pans IV - VII as amended, Part VIII, Parts IX - XII, as amended, Part XIII, Parts XIV - XVI as amended were called and passed.

Hon. E. E. GREAVES: Mr. Chairman, I beg to move that Part XVII as amended stand part.

Hon. M. A. KING: I beg to second that.

Mr. O. S. ARTHUR: Mr. Chairman, as Part XVII deals with the credit union, Section 196 raises a large number of very interesting implications. • This Section "*** requires that every credit union shall maintain liquid assets in the amount and in the form prescribed.

Now, Mr. Chairman, Sir, this is the kind of regulation that applies to banks and about which concern has been raised largely by the Leader of the Opposition under the guise that we ought to be careful of introducing legislation that causes the credit unions in Barbados to have to comply with things like reserve requirements or, as in this case, Sir, liquid assets, and the implications are very considerable. 3.05 p.m. **

First of all, this clause and the working of this arrangement, will fall to the Minister responsible for Co-ops. But in setting liquid assets ratios, Sir, clearly, one is dealing with a financial arrangement for which, perhaps, a Minister of Trade and Industry may not have the resident expertise, at this time, to deal with.

A matter like this, Sir, is best dealt with with an ** institution or regulatory organization that has financial responsibilities or oversees the financial sector. I would therefore, Sir, want to enquire of the Minister, if studies have been done, to determine what are the kind of liquid assets ratios that credit unions in Barbados should maintain, who have done those studies, Sir? And what, pray tell, is the level of liquid assets that the Government will now want credit unions of Barbados to maintain? I am saying that this has a number of implications.

4M> The banks of Barbados are required to maintain at least 8% of every deposit in a liquid form. Is this liquid asset going to apply only to deposits of credit unions? Or is it also, Sir, going to apply to their shares as well? Because the Minister would recognize that a credit union differs from a bank, insofar as members put money into a credit union by purchasing shares or, alternatively, by making deposits. But the largest proportion of funds put into a credit union are in the nature of shares. Are we going to have, Sir, a percentage of the shares deposited in credit ^» unions as liquid asset ratios or are they only going to apply to deposits put into the institution.

If I may go forward, Mr. Chairman, the notion of liquid assets, as a safety net, has an operational meaning, when you also have an institution that is in a position to be the lender of last resort in the situation where an institution * exceeds its liquid assets ratio. If I may put that in simple English, Sir, the commercial banks of Barbados are given a liquid assets ratio of 8%. But in the event that they have a

need for liquidity, they have the option of going to the Central Bank and saying, "You have asked us to maintain 6% of our assets liquid. We have a greater need for cash. We need to borrow funds from you in order to meet our ongoing demand for credit"

I am asking, Sir, to the extent that you are now putting the credit unions of Barbados in the same position, as the commercial banks, who is going to perform the role of lender of last resort to the credit unions of the country. Is it going to be the Ministry responsible for Co-ops? I am saying that this whole matter has not...

Asides.

Mr. O. S. ARTHUR: I am absolutely sure, Sir - The Prime Minister was forced, *sotto voce* to say and to reassure the Minister of Trade and Industry, since he needed the reassurance, Sir, that this is but one Government. I am not sure it is one Government. But the Minister of Finance had to give that reassurance to the Minister of Trade and Industry.

This matter, I am sure, has not been thought through fully. The fact that it has not been thought through is reflected in the vagueness with which it is drafted. Because it is legislation that can only take form, based on what is contained in other parts of the law, Sir, particularly at page 266.

But the specific question that I should like to ask, Sir, is, have studies been done by the relevant Ministry, outside the Central Bank and Ministry of Finance to determine what are reasonable levels of liquid assets that credit unions should be forced to carry, by law? I am asking the question because when an institution is required to carry liquid assets, it means that it must hold part of its funds in a non-interest generating fashion, while it continues to have to pay interest...

Aside.

Mr. O. S. ARTHUR: ... You will have the opportunity to speak afterwards ... on those funds itself.

It seems to me therefore, Sir, that if you are going to be requiring the credit unions to have to maintain part of their, whether shares or deposits,.....

Asides.

Mr. O. S. ARTHUR:....liquid assets, you would have had, in my view, to determine what are reasonable levels of liquidity that credit unions must maintain, given that a credit union differs from a bank, because there is a greater difficulty in extracting funds from a credit union than a bank. You have to give notice about withdrawal of your shares. You just cannot go to a credit union today and say

you want back your shares today. Hence the liquidity needs of a credit union, by definition, must differ from that of a bank.

The notion of applying a convention of control to a credit union, maybe because it applies in a bank, Sir, is not on, given that the two institutions are different. On what is this based?

I am not finished yet, Sir. Is this really to be administered by the Ministry of Trade and Industry? Given the experience of the Minister of Trade and Industry and, in particular, the way in which he has devastated Barbados' exports, are we really satisfied, Sir, that there is a resident expertise, in that Ministry, to administer anything that really ought, if it is to be applied at all, to reside instead in the Central Bank of Barbados?

Mr. CHAIRMAN: The Honourable Member for St. Lucy.

Hon. E. E. GREAVES: Mr. Chairman, the Honourable Member for St. Peter does not even believe himself. I think he is having a good time. It is probably the result of what has happened during the suspension of this House and now. But I am not even going to deal with that.

The Honourable Member has asked about this question of the liquid assets. He seemed to suggest, and I hope I am interpreting him correctly, that one should not prescribe, or if one has to prescribe the whole system of liquid assets for a credit union, that one must be lenient, because the same rules would not necessarily apply, as with a bank.

In the first instance, credit unions receive money from people. Since I am a member of a credit union, I would want to know that, if for some reason, I want to get my money out of the credit union, that I can go to the credit union and get my money. I do not want to be told to hold on for four, five or six weeks. I want to be assured that the credit union has assets, and that it is prescribed, by law, to keep liquid assets available that I can withdraw my money when I want it.

Sir, it is for this reason that we feel that there has to be some regulation, in this particular regard. I will have to be very careful here. I will try not to be provoked by Honourable Members in this because I may say things which may be detrimental to the credit union movement. Therefore, I would have to be very careful in what I say, in this particular matter.

Let me say, Sir, that, as far as this particular clause is concerned and this particular matter is concerned, that I would say what I said to the Honourable Leader of the Opposition, before lunch, that the Honourable Member for St. Peter must be aware that, running alongside this

legislation will be regulations which will form part of the legislation. The regulations are now being put in place, worked on, which will be part and parcel of this whole arrangement. The whole question of the liquid assets and the ratio which the credit unions will be required to keep will be prescribed by regulations which will be made under the clause, as the Honourable Member has identified, Clause 269.

It is clear, he wants to know, if the Minister who has responsibility for credit unions in this instance, the Minister of Trade, Industry and Commerce, who happens, for the time being, to be me, whether I have or the Ministry has the expertise or the knowledge to deal with a matter of this nature.

There are two things. When the idea of a Stabilization Fund was floated, by the Credit Union Movement, and accepted by the Committee, this was part of the whole approach which was put forward in order to take care of a situation like this. Of course, it would have been backed up by this particular clause. Then, of course, there were voices in the Movement which were raised against that particular arrangement, because it was felt that if there were going to be a Stabilization Fund that this Fund would have to be controlled by the Credit Union Movement completely, although it was legislated for.

So far, the Ministry and the Credit Union Movement cannot see eye to eye on that matter. I have indicated that this is a matter on which we will have further discussions. 3.15p.m.

I think it is very clear that there will have to be regulations. I am not being emotional about this. The Honourable Member can say whatever he has to say. If any Member in this Honourable Chamber can tell me that they would want to be part of an institution, put money in that institution and then do not know that that institution is required by law, particularly an institution which will be controlling so much money, to keep a certain percentage of that in liquid assets in case people want to withdraw their money, then I would really want to hear that Honourable Member.

I am saying, Sir, that the regulations which will be drafted and which, obviously, will have to come to this Parliament, will take care of this particular arrangement and will lay down the ratios which the Honourable Member is talking about.

Thirdly, Sir, there will have to be consultation between the Ministry of Trade, the Co-operatives Department and the Ministry of Finance. I was going to make the point that under the Stabilisation Fund Board we will have had representation from the Central Bank, representation largely from the Co-operative Movement and the Association of Accountants. Basically it was a system

that was designed to ensure that there was proper representation and proper voice in this matter. It was not that anybody was attempting to control or to take away people's money, as some misguided people have been trying to suggest. All I am saying is that there would be consultation with the Ministry of Finance and the Central Bank.

If the Honourable Member for St. Peter would want to say that the Co-operatives Department or the Ministry of Trade should not on a matter of this importance consult with the Central Bank or the Ministry of Finance on the regulations which would be put in place in this matter, then I would want to hear what he would say. As an Honourable Member who has occupied a position of some prestige in the Ministry of Finance, he understands very clearly the need for a regulation like this, particularly when you are dealing with an institution which controls such a large slice of money.

Mr. O. S. ARTHUR: Mr. Chairman, I think what we have just heard was a clear case of evil fleeing where no one pursueth. Last week I spoke in this debate about the need for us to make sure that the solvency of the Credit Unions is maintained. I spoke on this matter in general terms last week in the Second Reading speech. I do not know why the Minister is now believing that I am now attacking this notion. I was drawing reference to it in so far as it is new, but let us understand in introducing it what we are introducing. This is new in the sense that to some extent and for the first time it will bring the operational practices of Credit Unions more in line with those that exist in relation to banks. The Credit Unions already have a reserve fund, earmarked by law, which is precisely designed to deal with the situation the Minister spoke about. You can withdraw from the reserve fund if need be, if a member wanted to liquidate his shares, but the point the Minister is not grasping is simply this, that where commercial banks are concerned the need for liquid assets relates to the fact that people are making deposits and they can come any day and say they want back their money deposited in the institution. Where a Credit Union is concerned, a person may put a share in the Credit Union and a share has a different financial connotation than a deposit. There are rules already existing regarding how soon a member can get back his share from a Credit Union. You just cannot go to a Credit Union today and say I want back my shares tomorrow.

The question, therefore, is this. Will we have liquid assets governing deposits alone? Or both shares and deposits? That is the point I am seeking to get the Minister to clarify. When I say the Government has not thought it through, obviously the Minister has not thought it through. Will the Government apply these liquid assets ratios only to deposits in Credit Unions as is presently the case with the banks in Barbados, or will it ask that the liquid assets be applied to both deposits and shares?

As regards the role of the Central Bank, I am saying that the House is running away from that issue. Last week I spoke in a forthcoming way about it. In every situation throughout its history where the Central Bank of Barbados has exercised any inspectorate role or any supervisory role in relation to the financial institutions of Barbados, it has from its inception to date exercised that role with honour. There is no record that any bank in Barbados operating under any legislation in this country that requires the Central Bank to exercise its supervisory role, there is no evidence to suggest that any financial institution - and I am talking about banks in this country - has ever suffered or undergone any maladministration by reason of a relationship with the Central Bank of Barbados. Indeed, Sir, the experience in Barbados is that in circumstances where institutions that are performing financial functions have not been governed, or have not fallen under the umbrella of supervision of the Central Bank of this country, we have had problems.

We have had problems with Trade Confirmers precisely because there was no legislation in this country that allowed our prime principal institution responsible for supervising the financial sector to deal with them, and we have also had problems, as you know, Sir, with a major commercial house that was a deposit-taking institution precisely because we did not have legislation that allowed the Central Bank to exercise a supervisory role in relation to them.

I do not fear and I will not subscribe to any institution, including Credit Unions, to fear a relationship with the Central Bank of Barbados. I believe that the Central Bank of Barbados, if it were called upon to assist in any respect in setting any ratios or to exercise an inspectorate function in relation to these institutions, or even to exercise a supervisory function in relation to these institutions, would do so in an efficient way. Indeed, the House should be told that the Central Bank, if it had so desired, could have exercised powers with which it is even now vested to set interest rate ceilings and so on even to Credit Unions under existing legislation. It has wisely sought not to invoke its powers.

Mr. Chairman, I spoke to this matter last week in this House. The point I am making is that I am satisfied that, given the growth of the Credit Unions as financial institutions, and the point I made last week was there is now \$100 million, five years from now it may be \$500 million. The most dangerous thing you can have happening in a country, as has been shown in the case of the Savings and Loans Society of the United States of America, is to have a large pool of funds out there with nobody having a responsibility to supervise.

I am unhappy with these regulations even as they stand now, because the problems of growth, as I call them, in the Credit Union Movement, require that what has

happened to the Savings and Loans with people not clear as to who has a supervisory responsibility over a large sum of money, should not happen to them, that we do not have \$500 billion to come and underwrite our delinquency to do what we know must be done, and we have the opportunity now to recognise that the Credit Unions have grown. They are becoming large financial institutions in their own right. They will grow, given the very attractive arrangements under which they are operating. If you put pennies in a Credit Union you are allowed that as a tax reduction. 3.25 p.m.

If the Credit Union earns funds, it does not have to pay a profit on that. Those are extraordinary concessions that will lend themselves to continuous growth of the credit union movement. We are making a mistake, Sir, by not recognising the integrity of the Central Bank of Barbados in its relationship to the financial institutions of this country. It has made mistakes from time to time; they have made mistakes, one concedes, in relation to the management of the CMCF, but it cannot properly be said that the Central Bank of Barbados has made any mistakes in exercising its functions as prescribed by law in supervising the financial sector of this country, and I feel, Sir, that we must not shirk our responsibility. I am unhappy how this matter is proceeding, and we are begging for trouble by allowing in my view, taking the easy way out, the financial supervision of a financial institution to be the responsibility other than the responsibility of that institution which is charged by law with overseeing the growth and development of the financial sector. I am obliged to you, Sir.

Mr. R. L. MORRIS: Mr. Chairman, I believe the Honourable Member for St. Peter is supporting this section. I don't think there is any quarrel really between himself and the Minister on this from my purview of the discussion, and it seems to me that he is just seeking some assurance in terms of where the liquidity provisions will fall, whether they will be on the profits or shares or a combination of them, and the role of the Central Bank.

I share the view that as far as possible one should seek to base the law on the normative and descriptive situations, but also there must be an element of the prescriptive. In other words, we need to address the here and now, but in passing this legislation relating to an institution that is expected to grow very very quickly, we also have to be prescriptive, we have to be looking at what is going to be the immediate future of the institution, and as the Honourable Member for St. Peter is saying, I can imagine there is going to be extremely great movement and growth, and therefore one has to be looking at all that will be entailed as far as the management and control of this institution is concerned. We are talking about people's money here; we are talking about investments, and I want it to be very clear, I support very strongly the measures and steps that will protect people's money as carefully as possible. Part of that has to be through appropriate

legislation, part of it has to do with the training of the people who are dealing with people's money, part of it has to do with institutional checks, inspections and so on, and therefore we need to discuss where we are going to locate the various balances that we need to establish both inside and outside of the legislation. I am happy with what the legislation is seeking to do, (1) in terms of making sure that liquid assets are maintained. I believe this is vitally important because even though good management would tell the credit unions that this would be expected - and I take the Minister's point that if one wants to withdraw one's money one should be free to do that within the constraints of the by-laws of a seven days' notice and so on - clearly one understands that that is a certain protection that is given. But imagine that under normal circumstances this would be a sufficient protection, but there will be abnormal circumstances for whatever reason. One needs to recognise that the economy of any country is in a dynamic state and there will be times when people will feel for one reason or another that they need to have access to funds, and I would suggest that there might be times when even the seven days' barrier may prove to be totally inadequate either for individual personal reasons or if there is a mass run...

Asides.

Mr. R. L. MORRIS: The reserve is there, but if you recognise what are the actual provisions for the reserve, you are not talking about reserves that necessarily will be able to meet certain situations as they develop. One needs to recognise that credit unions make decisions, management may make decisions. Credit unions may decide that they are going to be going into real estate and they are going to be buying property and doing other things, forgetting that the primary function of the credit union may be lending money to the members, and there may be situations - I am saying you are basing law on normative and descriptive situations - the Minister might very well know of credit unions that appear to have a shortage of funds and that members have to go and line up for a month to get their own money, on they want a loan and they have to wait for a year or two, and if that is the normative position, are we going to make the law to maintain a system that we do. not consider to be in the best interest of the members, or do we become prescriptive and establish provisions that will help to improve the normative situation. I think these are things we have to look at, and clearly I don't think the Minister wants to go into the nitty-gritty and the details and the micro information about each credit union inside here in terms of these matters, but I would want to believe that he has a good idea of what is the normative situation. He can describe a situation, but he needs not bring prescriptive legislation into being and he wants to make legislation, through an abundance of caution, through regulations, that will buttress the management information, the management skills of the credit unionists. I believe that is part of what is happening.

The Honourable Member for St. Peter wants to know whether the regulations will be to deposits or to shares. I am sure the Minister will reply to this, but I am sure the Honourable Member for St. Peter would know that the proportion of the savings in the credit unions would be disproportionate in terms of the deposits. Most of the savings I believe must be 90 per cent, are going to be in the ^ form of shares rather than deposits, so the Minister then cannot tie his hand and restrict I would believe a decision that assets will be interpreted to mean deposits only. Certainly speaking from the credit union position, we will want to know more. What is the total proportion of our savings that will have to be kept in liquid form? But then again in my own view credit unions have to make very conscious decisions in terms of investing the savers' money; how much can they go in long term deposits? Who wants in a credit union to put people's money in ten year investments and that sort of thing? You want short term ^ anyhow; six months once the terms are reasonable. You don't want to take people's savings and like banks invest your money in long term investments, and I am sure the Honourable Member for St. Peter is aware of that. So that even if you have your investments in liquid assets, it means that is in keeping basically with what is happening anyhow, and what you would be sending to them is a clear signal to recognise and appreciate what your primary concern is, and I believe that this particular aspect relates to the credit — union, recognising the kind of institution that it is, is one that we need to recognise.

I don't want to get into the debate about the Central Bank and its role in the entire operations of these societies, but as I said, I believe that the ability of the institutions to look after their own interests is well served here. It seems to me that the internal audit function has been very clearly set out and this is where I agree very much with the Honourable Member for St. Peter. I think we have to as far as possible have within the institution itself the ability to «. monitor and to deal with its own problems, and that also means that the Co-operative Department has to be strengthened, because a lot of things can be stopped at the stage where the supervisors ...first of all the members have to be aware, and that is why I do not like the proxy situation. One of the best checks is for each individual member to be very conscious of what is happening to his shares and what is happening to the shares in his society. Then we have to ensure that the internal audit function is very well carried out and I believe credit unions from time ^* to time will have the problem of staff in the early stages where in many cases as we know the directors and the members of the Board might not be technical people, and in the initial stages of the credit unions you might not have the skilled accountants and so on to do what they have to do. Some might be fortunate to have on their board and might even have as founders economists and so on who have an *-economic sense and so on, but this is not generally the fact. Some might have some notion and who can recognise when things are wrong whom to call on and get the services

checked out, but let us understand that the movement is one where you cannot really dictate who will be the directors and so on. Once people come with good faith and they start up an organisation and in the early stage you might not have professional staff employed, then you need to have certain checks and so on.

I believe that the Bill is trying as far as possible to protect the movement against itself, and I think that is vitally important, and we need to have at the Co-operative Department highly trained, highly skilled people, and you need a sufficiency of staff, an inspectorate that can move out to those organisations and sit down with the management and check clearly all of the financial information and detect when the problems are there. You need to have highly qualified people in the Department who are able to go out. I am not saying that is not the existing situation, but I am saying it must be a continuing situation and there must be upgrading. As the organisation becomes bigger and bigger, we need always to be very careful in showing that that check coming from the Co-operative Department is vitally important. Outside of that you need then to monitor and see what the situation is. As the Honourable Member for St. Peter says, it might never be necessary really to move outside of that framework for protection, but my view is that you go by experience, and if you find that difficulties exist in that situation, I am not one who will stand up now and say that at some time in the future we might not have to look at alternatives of protecting shareholders in credit unions. 3.35p.m.

I will not say that this might be the expedient time to do certain things but I will not go on record as saying that never will these institutions have to come under the scrutiny of other bodies. I am not going on record as saying that because if you are talking about a half billion and then a billion, you are talking about the framework.

You are talking about non-banking financial intermediaries. Maybe that is what you are talking about. You are talking about a monetary system and you cannot have a monetary system forever and ever where there is not a total scrutiny of the situation. So I am not going on record in 1990 and saying that I will take positions just for grandstanding sake.

Aside.

Mr. R. L. MORRIS: Maybe grandstanding because he is not intimately involved in these things so he is talking not from a position ...

Aside.

Mr. R. L. MORRIS: Well, that might be so too, but I know that I will not, for political reasons, make statements that I do not feel as a person happy with. The Honourable

Member for St. George South would agree with me on that. I will not make those statements for political purposes even if they might make you unpopular with certain segments because I believe that what is best for the members and what is best for the national interest must come first and we must not fool ourselves that regulation is always a bad thing.

The last thing I want to say is this. One of the reasons why this institution has not grown as much as it should in the past was because of known failures for known reasons and doubts, lack of confidence and so on that was associated with it and if we remove that element of doubt and lack of confidence then we are sending signals about the institution and contributing to future growth of the institution.

I want to be very clear about that, that we need to send signals very clearly about all those residual doubts about the probity and the integrity of the institution. We need to send clear signals that we intend to set up a regime that will make these institutions as respectable as any other institution and if other institutions had to reach a stage of maturity where they had to come under certain constraints, the time will come when these may have to face the same kind of music. I am not in a position at this time to say that now is the time.

Mr. O. S. ARTHUR: Mr. Chairman, I want to urge the Government that it must examine Part XVII very carefully because if I as a professional and trained economist, Sir, were asked to give my advice to the credit union movement, I would ask them not to accept Section 196 (2) of this legislation for the simple reason that Section 196 (2) puts credit unions at a disadvantage in relation to liquid assets, that commercial banks in Barbados do not have to face.

Let me put this matter very clearly, Sir. It says:

"Any credit union which fails to maintain its liquid assets required by this section may be placed under a receiver pursuant to Part XI by the Registrar."

Now, let us compare the two things, Sir. We have a situation in Barbados where banks are required to maintain liquid assets. If they fail to maintain those liquid assets, Sir, as prescribed by the law, they have the option of going to the Central Bank, saying, "Gentlemen I am short of cash and I want you to discount for me whatever. Give me some discounting facilities to enable me to meet my commitment to the people who have come back for their money."

The banks in Barbados, Sir, have the safety net of a lender of last resort in the circumstances where they exceed their liquid assets ratio. This legislation is telling us and

asking this House to agree that in a situation where a credit union exceeds its liquid assets, it is now to be put under receivership.

I am saying that has to be complete madness that you cannot now have a situation where a commercial bank in Barbados governed by the Central Bank, can exceed its liquid assets as set by the Central Bank and has the safety net of a lender of last resort without having to go into receivership but we are now to put our credit unions in a position where the Minister tells them that they must keep X amount in cash, they cannot exceed that and because they exceed that and in the absence of a safety net they have to go into receivership.

Obviously, when I say this has not been thought through, it has not been thought through because if this legislation was serious legislation, nobody could bring to this House any piece of legislation that says any credit union in Barbados should be put in receivership merely because it fails to do what the commercial banks of Barbados fail to do very often from day to day. Exceeding their liquid assets is something, Sir, that commercial banks do very often. But we create safety nets for financial institutions recognising that their liquid assets ratios and reserve requirements are things of an operational character that should not require that a step as drastic as putting them in receivership should be taken for non-compliance.

I am saying, Sir, that as it stands, Section 196 (2) is draconian. You cannot, Mr. Minister, make a credit union go into receivership merely because it has not complied with any liquid assets which are set and I do not care by whom, Sir. You cannot do that.

There is no experience in any part of the world where any financial institution has ever been put in receivership for failing to comply with anything called liquid assets ratio. It cannot be done. It is madness, Sir, and that is why I was telling the Minister earlier I am absolutely sure that the people who drafted this legislation have not thought through, the full implications of it because I was careful in my introduction on this matter to point that a liquid assets ratio has a meaning in the context of a situation where there is also a lender of last resort.

I want, therefore, to repeat the question to you that I put previously. Who will be the lender of last resort to the credit unions now that you are asking them to maintain liquid assets ratios? Who will be? But for God's sake, do not put them under any receivers merely because they run short of cash. You cannot do it. It must not be done. It is foolishness and madness.

Mr. R. L. MORRIS: Mr. Chairman, I assume that what the Honourable Member for St. Peter is presenting us with is a worse case scenario because I believe that regulations would have to recognise that if there is a

prescription in terms of liquid assets, and let us say that a credit union came near to infringing this particular section of the law, that there need to be counselling, they would need to be given the opportunity to move away from that position. I would imagine that this could help too to strengthen them, that they would be able to talk to their secondary bodies because we are aware that there is a central fund facility which is managed and controlled by the secondary body. 3.45 p.m.

I believe that credit unions that are good co-operators would normally be investing in the central fund facility and that they would be able to draw on the assets of that central fund facility, to put them, back in good health. I imagine that, in the world scale scenario position you are talking about, if the credit unions continue to infringe this section of the Act, and reach a position where, they are not handling the affairs effectively, that this then can become an option to the Registrar.

But the impression that the Honourable Member for St. Peter seems to be putting forth is that, there is going to be an automatic situation, that if the particular credit union does not meet the liquid assets criteria, that automatically, they will be put into receivership.

Mr. O. S. ARTHUR: Mr. Chairman, Sir, on a point of order, lest the Honourable Member misleads the House.

I am saying, Sir, that the question as to whether an institution exceeds a liquid assets ratio or not is one that is so standard. It is almost axiomatic that, financial institutions in the course of their dealings, day to day, will very often exceed liquid assets ratios, such that putting them in receivership is regarded as too severe a penalty or even any notion of a discretion to be exercised, in relation to it.

I am saying, you need no penalty, whatsoever, for institutions which exceed liquid assets ratio. All you need is a safety net, not receivership.

Mr. R. L. MORRIS: Mr. Chairman, the safety net that was to be put in was the Stabilization Fund. That was knocked out. I would very much like to hear, from my Honourable friend, the Honourable Member for St. Peter, a suggestion. Put an alternative, in terms of receivership. Because he might well be right, that you do not want to see credit unions put into receivership, if they are not able to meet the requirements.

Aside.

Mr. R. L. MORRIS: I do not understand. Are you arguing for this to be taken out completely, or are you arguing for no kind of control at all. In other words, that they can run their liquid assets low, as long as they want to, and nothing can happen?

Mr. O. S. ARTHUR: Mr. Chairman, the Honourable Member has given way.

I am saying, Sir, that in the ordinary running of a financial institution that has to comply with liquid assets, it is so recognized that, institutions may, from time to time, exceed the liquid assets, that a penalty as severe as putting them under receivership is not a penalty that ever applies.

To begin with, Sir, take out this business about receivership altogether. Because no institution should ever be subject to the discretion of having to be put in receivership for not doing what commercial banks do not do, ordinarily, on a day to day basis. Every commercial bank in Barbados would have to be in receivership, almost every day, if it had to comply, seriously, with a liquid assets ratio.

We might want to specify, Sir, in the body of the legislation what has to be done with the reserve fund. The powers of the Registrar in disciplining any institution which consistently, over a period of time, so breaches its liquid assets ratio as to put the reserve fund in problems. We might want to do it that way.

But I am saying that it is too severe a penalty to put an institution in a position of receivership.

Aside.

Mr. O. S. ARTHUR: But I am not here to run the Government for you. I will have that opportunity very shortly.

All I am really saying, Sir, is that an institution that obviously.....

Aside.

Mr. O. S. ARTHUR: If the Government were to follow my advice, Sir, and pass these pieces of legislation, in draft, to the Members of the Opposition, so that I could have seen it..

Aside.

Mr. O. S. ARTHUR: But I have already told you what the solution is, to so draft into the legislation how the reserve fund should be used and the power of the Registrar . to discipline an institution which has to call on the reserve fund, in order to meet any shortfalls in liquidity. That would be the answer to dealing with what is an operational problem.

But to prescribe a penalty as severe as receivership is foolishness.

Aside.

Mr. O. S. ARTHUR: But I was arguing for more power for the Registrar.

Mr. CHAIRMAN: The Honourable Member for St. George South.

Mr. R. P. BYER: Mr. Chairman, I could understand the point the Honourable Member for St. Peter was making but I do not think that this section is as harsh as it really is, even for the existence of the two words "may be". But in any case, under the general law, I would have thought that an institution so circumstanced could very well be placed in receivership as well. I can understand the point about the liquid assets. But I do not think it is as harsh as it is, even for the existence of those two words.

But I can take the point when he says that if it fails to maintain the liquid assets, as required by the Act, then it can be placed, in receivership, according to this Bill.

It is unfortunate, Sir, that we did not have a lot of time to study this legislation because I am certain that other things will crop up from time to time. The Attorney-General said last Tuesday that, if it is necessary, the Government will come back to amend it, as time goes on. Because I was signalling to the Minister, across the divide, not too long ago, the great similarity between Section 34 (1) and section 197 (2). There is this great similarity between those two sections. One says:

"Where a society has a surplus in a financial year before it allocates among or credits to members the surplus pursuant to subsection (3), the directors (b) shall establish and maintain a reserve fund into which 25% of any surplus shall be paid;".

Aside.

Mr. R. P. BYER: Pardon? 34(1)(b) and 197(2). 197(2) says, Sir:

"The directors of a credit union shall establish and maintain reserves into which shall be paid 25% of any surplus before any dividend is paid."

This, to my mind, is a superfluous addition here at section 197(2). I am sure that, as you go through this with a fine tooth comb, that more and more and more examples of these things will turn up. I wonder whether one or the other could be taken out.

Mr. O. S. ARTHUR: Mr. Chairman, Sir, I must come back on this debate because my intervention is being misunderstood.

The only point that I am making is, Sir, that the question of putting an institution into something as serious

as receivership is conditional upon there being a breakdown in the operation of the institution.

An institution breaching its liquid assets ratio is something that will happen, in the course of any financial institution, on a day to day basis. The banks of Barbados, on a day to day basis, very often exceed their liquid assets ratio. The Laws of Barbados prescribe that each bank, in Barbados must hold 8% of every deposit in cash, in case you come back for your money. What happens, Sir, is that if the bank does not have enough cash, it has the option of going to the Central Bank and saying, "We are short of cash. There are people out there who have deposited funds with us.. They want back their money. Can you give us some money to meet up our shortfall?" But there is no question of putting any bank at all in receivership because it is understood that you might be liquid today but illiquid tomorrow. That is just a cash flow matter, Sir. I am saying, Sir, that in a similar way, that there should be no notion at all, whether by way of discretion or mandatory for any credit union of Barbados to have to contemplate going into receivership merely because it is just temporarily short of cash, because that is what not being in compliance with liquid assets is all about, that you are just temporarily short of cash and, therefore, you might have to go into receivership. That should not exist, at all.

What you really need therefore is a similar situation, where the credit unions can draw from a pool of funds, in a temporary way, in the same way that the commercial banks can, to meet their temporary shortfalls in cash. That is why I was saying that the answer to it clearly has to be, that if they have reserves set up, that they can draw on those reserves, subject to guidelines prescribed by the Registrar, to meet temporary shortfalls in cash. But you do not need to put them in receivership for that. If the banks had to operate under this kind of legislation, Sir, the banks in Barbados would be in receivership every day, in their existence.

I am saying, Sir, that this is legislation that is not worthy of being on the Statute Books. It puts the credit unions in a position of complete disadvantage relative to all other financial institutions in Barbados, and more particularly, Sir, the Central Bank. Is that what we want to do? Are we bringing the credit unions under the auspices of a new dispensation?

I am saying, there is no need for it at all. Let them prescribe rules that will allow them, from time to time, to draw their reserves, subject to the fact that it cannot be done for an extended period of time, and subject to the guidelines from the Registrar, Sir. 3.55 p.m.

Mr. R. L. MORRIS: Mr. Chairman, the baseline point that is being made by the Honourable Member for St. Peter

is that he would not like to see Credit Unions being put in receivership because they are not able to satisfy the liquid assets requirement.

The second point he is making is that just as the banks have a lender of last resort, perhaps that would be a solution for the Credit Union situation.

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Let us look at the two of these, because we are quite aware that the Stabilisation Fund was designed to meet exactly what the Honourable Member for St. Peter is saying. The Honourable Member for St. Peter is making his point, which is quite correct, that he had no part of its withdrawal, he did not know anything about its structure, so he would still maintain perhaps that that should have been in the Act. Unfortunately, I share your view, but the leadership of the Movement has decided that that is not to be there.

We had a big debate today about whether we should respect the views of that particular pressure group. They said they did not want the Stabilisation Fund. It would be difficult now, since we are passing this section of an Act, to turn back this section because we do not have that particular structure in place. Therefore we have to come with something, let us be very clear about this. I agree in principle with what you are saying. I would not like to see that Credit Unions would have to be put into receivership if they breach these regulations, but recognise what has happened. The Credit Union Movement has allowed this to come through and took out the stabilisation provision. What you are saying is that this has no place here, but this is what the Movement has called for.

Again, I think you are doing a worse case scenario. It is entirely possible that this may remain in the Act and that the Registrar may never ever put any Credit Union in receivership, because she has the option. It is discretionary, it is a "may", but I believe that you must strengthen the hand of the Registrar to discipline a body that remains continuously recalcitrant and continues to breach the provisions. Remember, I will assume that before the Registrar will put this body into receivership she will advise them to use the reserves. She will advise them that you can have access to your reserves. That can be done, so I assume we are talking about giving her power if the body keeps on not meeting the requirements in terms of liquid assets, using up part of the reserves and still coming on the border all the time. I believe you must strengthen her hand to use discipline.

Even though that provision might not be with the banks, perhaps the answer might be to deal with the banks in another situation, but that should not guide us in terms of how we should deal with this particular organisation. For that reason, because I believe this is a discretionary measure

in the hands of the Registrar, I will stand by it until such time as the body will allow things like stabilisation provisions.

Hon. E. E. GREAVES: Mr. Chairman, with those contributions, I beg to move that Part XVII stand part.

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

Parts XVIII, XIX, XX, XXI as amended, XXII as amended and XXIII as amended were called and passed.

On the motion of Hon. M. A. KING, seconded by Hon. E. E. GREAVES, Mr. CHAIRMAN reported the passing of one Bill, with amendments, in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

Hon. E. E. GREAVES: Mr. Speaker, I beg to move that this Bill be now read a third time.

I will crave your indulgence to make one comment on this particular Bill. Basically, it is to say that it is clear that all parties in this Chamber are supportive of this legislation. We have had one or two difficulties with some of the provisions of the Bill, but quite apart from that I know that it has to a large extent gained all-party support. I think it is a tribute to the three parties which constitute this Honourable Chamber that we can pass a Bill of this nature without any major divisions. I think it shows very clearly the commitment of the parties to this particular bit of legislation and the whole idea of the building of an institution such as the co-operative institution.

As I said when I introduced the Bill, I think that tribute must be paid to those persons who have worked hard to put together this Bill. I would certainly want to pay tribute to the staff of the Ministry, to the staff of the Attorney General's Chambers, to the staff of the Co-operative Department, and of course to those other members representing the various institutions, the Accountants' institution, the Central Bank which played a very important role, and of course to the Chairman, Senator Dr. Frank Alleyne.

I would want to say that even although we have passed this Bill, I have indicated very clearly that the matter relating to the Stabilisation Fund is a matter which is not yet ended. I have indicated to the Co-operative Movement that we are prepared to discuss it. It is very clear from the contributions which have been made on this Bill here today that it is a matter which we cannot ignore for too long, because the Co-operative Movement now constitutes a very important financial subsector in this country. We want to see it grow, we want to see it grow with discipline, and we want to see it grow and make the kind of contribution which all of us in this Honourable House recognise it can make towards the development of this country.

With those few words, Sir, I thank you very much for your indulgence and I move that this Bill be read a third time.

Hon. M. A. KING: I beg to second that.

The question was put and resolved in the affirmative without division. 4.05 p.m.

On the motion of Hon. E. E. GREAVES seconded by Hon. M. A. KING, the Bill was passed.

QUESTION TIME Mr.

SPEAKER: It is now question time.

Question No. 133 asked by the Honourable Member for St. Thomas.

Hon. H. deB. FORDE: Mr. Speaker, the Honourable Member unfortunately could not be here at this time and I will ask that the answer be tabled.

Mr. SPEAKER: It will be so granted.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I beg to lay the answer to Parliamentary Question No. 133.

I also lay the answers to Parliamentary Questions Nos. 135, 136 and 138.

Mr. SPEAKER: That is the end of Question Time.

PRIVATE MEMBERS' BUSINESS

Mr. SPEAKER: Order No. 1 under Private Members' Business stands in the name of the Honourable Member for St. George South.

Order No. 1 was called - to move the passing of a Resolution urging the establishment of a memorial to the late Louis Albert DeWitt Lynch.

Mr. R. P. BYER: Sir, as you can see from the date of this Resolution, it was some time on the Order Paper and I was not really urgent about getting it debated, but I thought I would grab the opportunity during the course of this month to raise the Resolution and have it debated on the Floor of the House, if for no other reason than the fact that in the week beginning 22nd July, the Alumni Association of the school that the late Louis Albert DeWitt Lynch founded will have a week in remembrance of that great man.

Sir, the Resolution is urging the establishment of a memorial to the late Louis Albert DeWitt Lynch. Now, Sir, societies from time to time throw up citizens who excel in their contribution to the development of those societies

from which they come, and when citizens so excel, my view is that those societies should praise them and erect suitable memorials to them, for it is my opinion that by their very contribution they would have become famous, and like the good book says, famous should be praised. It is my view, Sir, that the late Louis Albert DeWitt Lynch was such a person. He was a famous man in this society of ours and he should so be praised.

Now the late Mr. Lynch was born on 23 December, 1916, he was the son of Louis Ivan Lynch and his wife Ruth. He was educated at St. Lawrence Boys', Boys' Foundation, and then Harrison College. In 1946, on 21 March he married Marjorie Bentham and that union produced two sons and two daughters.

Now, Mr. Lynch was noted for the fact that he founded the Modern High School in March of 1944, and the month of March is significant in the life of this man. He founded the school in March, and he died in the month of March.

Now the Modern High School for which we all remember him and which is the real moving force behind this Resolution, Sir, was started in Swan Street in a derelict building, and before I go on I would want to acknowledge the sources from which I got most of my information. Most of the information came from clippings of the old newspapers, the *Sunday Advocate*, the *Weekly Advocate*, the *Nation*, all the newspapers in which I could find information, but it was founded and started in Swan Street. At that time he just started with two students, but by 1946 they had grown to 44 and he thought it necessary to move to a new location in Crumpton Street, St. Michael. By 1953 there were around 700 pupils and when he died that number had risen to 1 450 pupils, and in 1978 that school stopped operating. Some of the Parliamentarians who presently sit in this Chamber taught at that school as well, and I suppose as they make their contributions they will so acknowledge that fact.

At the time the school was started, it filled a void in the educational system in Barbados. There were few private schools, most of the other schools were grammar schools, and we know, to get places in school was a very difficult thing, so that when he started the school it filled a void because the poor citizens of this country who yearned for an education, who during my time at school and I am told were mostly black, were able to find a place from which they could derive a good quality education at a very low cost, because I always remember that he was a person who never sought to extract the entire school fees from students who were schooled at that school.

So the school came at a time when it was necessary. I believe that the first examples of free secondary education were really practised at that school. It was not institutionalised, but many persons went to school there on

scholarships. There might have been two classes of scholarships, one for academic brilliance and then one for outstanding performance in the field of athletics or some other sport. So you had at the time, certainly during the time that I was schooled there, students who were going to school free and enjoying a free secondary education and a good quality one.

The thing about Louis Albert Lynch was that he was not only an educator, he was not only a teacher; he excelled in other areas as well, and it is significant that he was also an author. 4.15p.m.

He wrote two books. One was called "The Barbados Book" which is the second publication and the other one was called "West Indian Eden". At the time the Barbados book was published one of London's leading newspapers described it as "undoubtedly the best guidebook ever written about the West Indies".

Like its forerunner, "West Indian Eden", it was conceived by a man whose motto was "Nothing is too difficult for me". That in itself was also the school motto. In those days we used the Latin equivalent which all Modernites, even if they were not good students of Latin, they never forgot those Latin words: "*Nil mihi est ardui* - Nothing is too difficult for me". And in some ways that motto was the guiding light for all of the students who went to school at that school.

Now, he was also a Member of this Parliament as well. He was a politician of some note. He had established a school and within 25 years of its founding he then turned his eyes to politics and you will recall that he was elected a Vestryman for St. Michael, a Councillor of the City, a Mayor of Bridgetown and a Member of Parliament. He was then elected in 1961 as a Junior Member for the City.

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What I remembered about this man and what struck me as very remarkable was the fact that he was a very conservative person, conservative in his philosophy about politics, conservative in his whole manner and attitude. He was old fashioned in terms of values. He always liked people to be very clean in their outward appearance and he always insisted upon that.

For me the strangeness about this conservatism - here you had a person who was this conservative who at the ^ same time could found an institution which, to my mind, some people would say gave the lie to his social conscience. Very few people who are that conservative have a social conscience that deep.

My argument is that the school was not just founded as a financial institution, one where a person could make «*• money, as it were. It was founded out of a genuine need, out of a general response to a situation that existed in Barbados when it did exist and as we know the school has

produced several outstanding students, students who have - I would not want to count myself among that number - excelled in many walks of life.

One of, and I crave your indulgence in this regard, Mr. Speaker, whom we can think of is Dr. Esther Archer - and the yeoman service in pediatrics that she has rendered to this country, not only as a practising physician, but also as a lecturer in pediatrics at the University of the West Indies.

You have - I do not know if he is the Manager or what position he holds at the Met. Office, he is also a product of the Modern High School - one of the neurosurgeons in Barbados, Mr. Hadley Clarke, one of our leading Orthopedic Surgeons in Barbados, Mr. Winston Scale. All of these are but some of the people who were educated at the Modern High School. There were several others.

There is something that I would also want to place on record and that was that Mr. Lynch saw to it that those of the students at that school who were brilliant athletically, he also sought and obtained for them scholarships abroad. Hadley Clarke, as he then was, was educated in the United States of America on an athletic scholarship. That was very remarkable. He went to America and he excelled in his scholarship in the classroom and he is now a neurosurgeon. He is a neurosurgeon in residence at the Queen Elizabeth Hospital. Dr. Neblett who is one of our leading dentists in Barbados, he was also one of those persons. I could go on but I just wanted to mention those few persons.

One of the things that was also remarkable was that long before Governments in the West Indies thought about sending persons to be trained abroad in nursing and so on, he went abroad to Canada and to Britain and founded places for our bright young women in hospitals where they could be trained in nursing. I think that most of those persons owe their initiative to the work of Louis Albert Lynch. He was not fortunate to have gone to university, Sir, but he saw to it that those students of his institution who excelled academically were able to proceed to a university career.

One of the foremost political scientists at this moment in America, Dr. Hilburn Watson, he is a Senior Lecturer in Political Science at Howard University in Washington and he was also one of the students of the Modern High School.

Mr. Lynch fervently believed that it is every man's - duty to use his gifts in service to the community from which he came and even though a memorial was established to him by the athletic body of this country - we have the Louis Lynch Memorial Stand at the National Stadium - I believe that it was in education that he really made his mark.

I believe that this parliament should move to have a suitable memorial established to him. I will at a later stage

give a suggestion as to what I think that ought to be but it was in the field of education, as I said, that he really made his mark and I think that a memorial ought to be established to him or in his memory.

I have touched on him as a sportsman, as an educator, as a politician, as an author but it must also be remembered that in 1963 he was elected President of the young Lions' Club of Barbados and such was the stature of the man that within two years he rose to be District Governor of the region comprising the territories of Barbados, Guyana, Surinam, Trinidad and Tobago, Grenada, St. Lucia, St. Vincent and Antigua. He was honoured by Lions International for his contribution to humanity with one of the several awards available annually for distribution to distinguished persons including politicians, kings and princes throughout the world. So wrote the "Sunday Advocate News" in its tribute to Louis Lynch at the time of his death.

He was also President of the Island's Mental Health Association and he also made contributions to the University of the West Indies. 4.25 p.m.

So, Sir, we can see that we had a man of many parts. His activities spanned many disciplines. At one time, he was even President of the Barbados Table Tennis Association, of the Basketball Association and also of the Barbados Olympic Association. All of this was achieved in the very relatively short time of 53 years, because when he died on the 7th March, 1969, he was just 53 years old. He had accomplished all of those things. That was remarkable. The Government of the day saw it fit that he should have a state funeral. His was the second state funeral that we had, since Independence. His was two years after Independence. At the time of the funeral, the Reverend Tudor, as he then was, now deceased, in paying tribute to the late Mr. Lynch said that in his life he showed that he kept foremost in mind, his obligations, as a citizen and to his country he gave freely of his time, labour, means and unswerving loyalty, in word, act and deed.

Reverend Tudor said:

"Mr. Lynch had never laid claims to wealth or noble birth but had carved a name for himself by his contributions to the health and well-being of the community."

He concluded by saying:

"If the quality of life depended on the contribution made to others, Louis Albert Lynch lived a rich life and at the same time, he enriched the lives of others."

He said:

"The memory of Mr. Lynch would always have an immortal place in the annals of Barbados." That, Sir, is my assessment of the man. He might have been conservative in other aspects of his life. But, as I said, his conservatism did not prevent him from having a deep social conscience.

I believe, Sir, had not for him, given the educational system of the day, I might not have been where I am today because that educational system was so discriminatory that I know that on two occasions, I passed, at one time for Combermere and the other time for Foundation but others who were more fortunate than I was were given the places. I was very glad for the Modern High School. He touched my life in more ways than one.

People might wonder why, since 1978, twelve years later, the Modern High School Alumni Association still exists. But that speaks volumes about the way in which Mr. Lynch touched the lives of the students who went to school at the Modern High School, that after this time, they still carry his memory with them. We were exposed to him, in a particular environment, and we remember him, because of that environment.

It is my belief that one of the two schools that are being built, at the moment, should carry his name. I would suggest that maybe the one in St. Thomas, I do not know if there is any connection with Mr. Lynch in St. Thomas. He had some connection with Christ Church. He was educated at Foundation Boys. We might also take into consideration, the renaming of the Roebuck Secondary School. I do not know what is the significance of Roebuck. So you have three options. You have the school in St. Thomas, the one being built at Wotton and the Roebuck. Any one of the three of those should be named the "Louis Lynch Memorial School".

Old Scholars of the Modern High School are in danger, of extinction.

Aside.

Mr. R. P. BYER: Do you not understand? Eventually we will all die out unless we have another Modern High School. We are in danger of extinction. To my mind, it is a very vibrant organization, the Modern Alumni Association. I think it is probably the strongest on the Island, at the moment.

Aside.

Mr. R. P. BYER: We would not argue about that. But given the fact, that we have nothing to tie ourselves to, at the moment, I believe that we are the strongest at the

moment. We are strong because of the memory of a particular person, of a man called Louis Albert Lynch.

In winding up, Sir, I would want to say that I remember very vividly the evening of his funeral and how many people there were in attendance. I believe that, apart from the late Errol Walton Barrow, it was probably one of the biggest funerals I have ever seen in Barbados. For the start, you had at least 1 600 students of the school to attend. Then people from all walks of life, as I remember, on that occasion came to see him laid to rest at the Westbury Cemetery. It might be of interest, I have an old picture here where I can see the pallbearers, the Rt. Hon. Errol Barrow, Mr. DaCosta Edwards, Mr. Lloyd Smith, Mr. Garfield Sergeant, Mr. Neville Boxill, Mr. Bernard St. John, Mr. Ernest D. Mottley, Mr. J. M. G. M. "Tom" Adams, Mr. Kenmore Husbands, Mr. J. W. Hewitt and one of Mr. Lynch's sons, the eldest of his children, Tony Lynch, on that afternoon.

Sir, I think I will close at this stage. But in winding up, when I come back - I do not want to close because I know there are other Members who want to speak, on the resolution. But in introducing the resolution, Sir, I would urge that the Government give serious consideration to the views I expressed, in terms of a memorial to this person who, not only touched my life in a very positive way, but touched the lives of thousands of poor black Barbadians who, but for him, would have been denied an education and the opportunity to progress in life, because of the Motto, "Nothing is too difficult for me". The sky is the limit.

I beg to move, Sir, that this resolution do now pass.

Thank you, Sir.

Mr. P. J. M. MILLER: I beg to second that and reserve my right to speak, Sir.

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Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I would wish to make a brief contribution to this particular debate and would like to indicate, from the outset, that the Government certainly has no objections to the terms of this resolution. We are certainly in favour of the indication that there should be an education institution named after Mr. Louis Albert Lynch. As an educator myself, Sir, I would support proposals that will lead to appropriate recognition for those who have toiled in the field of education.

Mr. Lynch, Sir, was competent in many areas and his contribution to sport and to the training of young sports persons has already been recognized through the naming of one of the stands at the National Stadium, in his honour. A bust of him, Sir, stands outside of the financial institution¹ which occupies part of the site where the Modern High School once proudly stood, that is, the Insurance

Corporation of Barbados.

I, Sir, had the privilege and pleasure of teaching at the Modern High School for a short period of time during my teaching career. I think the Member who is moving this resolution, the Honourable Member for St. George South was too youthful to come under my tutelage and he is the worse for it. But at least, Sir, we share that unique bond of having passed through, in different capacities, that school at the top of Roebuck Street. 4.35 p.m.

Sir, I believe that if I am not too harsh on the Member for St. George South it is largely because, as I have said on the Floor of the House, that I have a certain measure of respect for him and affection, I believe I have termed it. There is nothing vindictive here, Sir, and he will repent the folly of his ways at some time, I believe.

If I may return to a serious note, there are persons who are Members of this Chamber and who serve this Chamber with whom I have shared that privilege of an association with the Modern High School. The Clerk of Parliament cannot speak in these debates, but in 1956-57 we shared many an enriching - I am not sure that is the right word, Sir, it was not enriching in terms of funds, Sir - I think a lot of the small remuneration we did receive was left on Roebuck Street itself. At that time the Leader of the Opposition was a more affable person and we also shared that camaraderie at that particular time.

Basically, there is a lot of talk about privatisation. Sometimes when we use these terms there seems to be a single-minded pursuit of a belief or a theory that anything that Government does tends to lose money and anything the private sector does tends to make money. I have on more than one occasion spoken about the transport system in this country, which was entirely privatised at one time, and which by some ineluctable process became a public service, because of problems in the market place and because of the inability of the private sector to provide a service on the scale and with the frequency that was required by the prevailing economic and social circumstances.

We can look also at the educational system which was very heavily privatised at one time, Sir. There were a lot of private schools in this country and persons - entrepreneurs, business persons - went into education both to assist the youth in gaining access to education, and through education social and economic mobility, and also to provide a respectable living for themselves. Many of them, by bitter experience, found that there were not riches to be gained, no financial rewards to be gained through education as such - that is, in the teaching and administration of private schools - but that a much richer reward was to be found in helping to shape and mould the lives and the values of the growing population.

That was the experience, Sir, of Louis Albert Lynch. It was certainly a distinct pleasure and privilege for me to

have known him and his family, to have had the opportunity to come into contact with many young people as students and with many very fine Barbadians as teaching and non-teaching staff, and to form many friendships, most of which have stood the test of time.

I do not know how many Members of this Chamber actually had the privilege of knowing Mr. Lynch personally. I know the Member who introduced this Resolution has indicated that he was a student there and would have known him. I do not know if he came under his hands in any way, Sir.

Aside.

RL Hon. L. E. SANDIFORD: He got one flogging, Sir. He had a very quick wit, which could be very sardonic, very sarcastic, but beyond it I think everyone would recognise that it was not an evil wit. It was intended to correct and to redirect and to set persons along the path which he himself felt should be followed by the errant person. 4.45 p.m.

I believe, Sir, that the Minister of Education will respond to this particular debate, but I merely wish to pay a tribute here to the work of Mr. Lynch and to indicate that the Government is in favour of naming a proper institution in Bridgetown as near as possible to the site of the former school after Mr. Lynch, but the modalities of all of this will be indicated by the Minister of Education.

Mr. R. L. MORRIS: Mr. Speaker, I would also like to join in this debate on the Resolution urging the establishment of a memorial to the late Louis Albert Lynch. The Honourable Member for St. George South in introducing the Resolution noted that Mr. Lynch was a Foundation student, and I am at present engaged in writing the history of that school, and have just completed some interviews with persons who were at school with Mr. Lynch. He was a student in the period of William Carter who was headmaster at Foundation between 1926 and 1933, and his surviving contemporaries tell me that Louis Lynch was the brightest product of that period, that he was an extremely intelligent young man, and I am sure hearing the Honourable Member for St. George South from whatever vantage point he now occupies that he was a conservative would be a cause for amusement for him, because his contemporaries tell me that he was a radical in those days. But of course we recognise that people tend to get wiser as they get older, and that that process of wisdom is sometimes said to be becoming conservative, but I am told that he was a radical when he was at school, and one could well imagine, because a student at Foundation School in the period between 1926 and 1933 if he were black and poor, he was very much in the minority, and we need to recognise that these schools are very much a reflection in pattern of the social structure of the time, and they give us a

very graphic story of where we came from, where we are now and where we have to go. Lynch would have been one of the very few black boys at Foundation School in that period, and from all accounts he did extremely well, passing his Junior Cambridge. I am also told that he was in a delegation of scouts that went to Dominica, so he showed early interest and of course he used to keep the camp very much alive. As the Honourable Prime Minister said, he was a witty person from what I have been told and he was a live wire.

My family has benefited tremendously from that school. I have three sisters who attended the Modern High School, and again one would recognise that at the time we are talking about, it was extremely difficult to get into the so-called secondary schools, and therefore our parents had to be looking for private education particularly for the young ladies, because the boys might have found it easier to get into secondary school, but it was extremely difficult for the girls. One would recall that St. Michael's Girls' School was started in 1928 to provide an avenue for black girls, because it was very difficult for black girls to get into any kind of secondary education, and that is just a few years before Mr. Lynch started the Modern, so that was an open door for most of our black sisters, brothers went in too, in order to get that kind of education.

I can speak of the period when I was at Foundation, because we had a good relationship between Foundation School and now in recollection it could probably have stemmed from the fact that he went to school there, and the Modern. Mr. Lynch certainly encouraged us to come down and to engage in debates at the Modern High School, engage in athletic contests *et cetera*, and I therefore recall the very good athletes who came out of that period. The Honourable Member for St. George South talks about Hadley Clarke, a very good friend of mine from St. Patricks', but what about Anthony Layne, who also was one of the top athletes in Barbados, went on to get a scholarship, went to Atlanta University, and ended up with a Masters in Computer Science. That was way back in the 1960s at the time when nobody knew about computers here, but Anthony Layne went up there, he is now living in Boston, and he is a specialist in computer science. I remember Hal Clarke, another top athlete from Vauxhall, Ralph Weekes from Thornbury Hill who held the Island record in the 100 and 200 for some time, Stanton Forde who is now teaching at Roebuck, another top athlete, and one cannot forget Patsy Callender. Patsy Callender dominated female sports in Barbados for a very long time, the sister of Roy Callender. I understand she has been back here on holiday this year, but she was a top athlete in this country and represented Barbados. And Roy went to school there too. I did not know him as a sprinter.

I remember the contribution, as the Honourable Member for St. George South said, that the Honourable Louis Lynch made to getting scholarships for Barbadians to

go to the United States of America. Remember there was a peculiar notion in Barbados, of course the Honourable Member for St. Thomas would not have been part of this, but there was a peculiar notion in Barbados that top athletes were not supposed to be academically gifted. You were probably exempt from that one, but there was this notion, you were exempt from the notion, not the fact, because the fact does not apply at all, it is a non fact, but the notion was that bright guys were not supposed to be good athletes and so on, and in fact your parents would tell you that you were spending too much time running around, go and beat the books; but I think Mr. Lynch understood because he himself was an athlete, and that is something that we have to note. He was a top athlete himself, so in encouraging athletes in this country to be both good academically as well as physically, he was only extending what he himself believed in, and he made a significant contribution in regard to providing advanced education for Barbadians, because they were able to go overseas and study in areas that normally would not have been available in the Caribbean. People went and did things like physical education and came back then to teach in those particular areas. Again there was a notion that a coach did not have to have an academic base in order to teach.

The Honourable Member talked about the Barbados Book which was authored by this very, very talented Barbadian. I have had occasion to read it from time to time and it is really a very useful compendium not only for visitors but for Barbadians. If you want to know what a tea meeting is, you have to read that. If you want to learn about the landship, those bits of information that relate to our local institutions would not be available for young people who don't know anything about them from that book. At the same time if you wanted a cross-sectional analysis of the political system, the education system and the social system of Barbados, you can find it in the book. He has a very complete analysis of these things. In addition he has a chapter on the flora and fauna of Barbados, a man who knew the whole biological framework of our country, and the history also would be there. So I am talking about a very fertile brain, and I am not aware that anybody has criticized the accuracy of the information in the book, and of course that is one of the problems of local authors, that sometime they come into conflict with people who have to then analyse the academic content of what they have. He never suffered from that, and that book has stood the test of time and is a very useful reference book for all of us.

I would like to share the view of the Honourable Member for St. George South about the feeling that Modernites have about this person. The Modern Old Scholars Association is extremely vibrant and all those persons who belong to it are like members of a family, and they tend to see the founding father of the institution as somebody who related personally to them. The Honourable Prime Minister has mentioned that he taught there, but my impression is that many of the graduates of Harrison

College and so on, those persons who had gained the Barbados Scholarship, were given the opportunity before the time that they left to pursue further studies to spend some time at the Modern. I get the impression that he wanted to use the best available talents to teach the students at the Modern. 4.55 p.m.

It would have been very difficult for him to pay to get that top staff at the time but I get the impression that he used to use these bright persons coming out. I believe the Clerk of the House also had a stint there. I think the Leader of the Opposition taught at the Modern. Most of these young bright Barbadians - the Prime Minister said so already in his address - were given the opportunity. The Honourable Member for St. George South taught there also before he went on to university. These were given the opportunity to hone their teaching skills and, of course, get some funds that would help them when they went up in the cold because these scholarships and the endowments were not so massive that if you came from a relatively able background that you were that rich that you would not need the few extra dollars and I believe that would be recognised by those persons who were given the opportunity to stay on for a while and get whatever few cents were available.

I have had the opportunity, of course, to be with the Honourable Member for St. George South while we were both students at the University of the West Indies, Cave Hill. I heard him say more fortunate people went on to other schools but I do not know where the fortune lies because I think that he had a very good career as one of the early students in the Law Faculty, he certainly had a very good reputation as a young academic so I do not think he suffered by going to the school. I think the school was a good quality school.

The only mistake he has made so far, as I am aware, is that he did not remain with good company. I do not know why that occurred but that is the only flaw I have noticed so far in his reasoning. I believe that can be corrected but, certainly, he was held in high regard by his contemporaries and, certainly, therefore, he would have been a representation of what the Modern meant in terms of scholarships from that institution.

I therefore have no difficulty whatsoever in supporting the Resolution. I am happy that the Prime Minister has given an indication that the Democratic Labour Party Administration will give its weight wherever possible.

I thank you very much, Mr. Speaker.

Hon. C. V. WALKER: Mr. Speaker, on December 15, 1987 when the Honourable Member for St. George South placed this matter under Private Members' Business and since then I have been engaged in some consideration and

giving some thought to how best we could respond to this request made by the Honourable Member for St. George South.

Indeed, over the years it has been coming, not only from the Honourable Member for St. George South but it has been coming from several of the students who attended the school. It is unfortunate that I do not have the file here and I will say a few words and then at that point I will ask that the Leader of the House ask that we postpone debate until when I have the file.

However, I will say, Sir, that I am aware that Louis Lynch started a school in Swan Street. I did not know when it was in Swan Street. I knew when it was in Crumpton Street. I guess I am probably the only one in here who had come across from the Queen's College site where Combermere was at that time after one term there and I see one other Member somewhere in the precincts who was there at the time. But, however, I recall the days of Crumpton Street, the move over to Roebuck Street and the first term at Roebuck Street.

I recall, as mentioned by the Prime Minister, those were the days of the private schools. Just up the road we had Rudder and we had Green Lynch and what have you. We just had the poor blacks of that day. Combermere had just gone through the transition period under superannuation by Hayden where we found the 21 year olds leaving the second form and going into Broad Street to work. That is a fact, twenty-one year olds in second form and then superannuation came and they had to go. Next thing you saw them working in Broad Street.

Aside.

Hon. C. V. WALKER: Yes. Those were the good old days, so they say.

Mr. Speaker, as I said, I do not plan to delay the debate here now because I will have more to say when we get back to it. The Honourable Member for St. George South has presented three requests.

Aside.

Hon. C. V. WALKER: All right. Without the file, Sir, I will continue.

Mr. Speaker, Louis Albert DeWitt Lynch, as you heard before, born in 1916, a sportsman - not much has been said about him as a sportsman - an educator, and I think that one of the things that made him proud even during the late 1940's I recall on Saturdays at cricket at Combermere, he would have the students from the Modern High School in there giving them private tuition to go on to take their Junior and Senior Cambridge Examinations. He

would bring them across to Combermere pasture to watch the boys play cricket and he always used to remind them that they had brothers and sisters.

I recall some years later at Putnam and Bedford Avenue in New York the same Louis Albert Lynch and the late Ernest Deighton Mottley were there on a fund raising effort for one of the students of that particular school. And I recall when the late Ernest Deighton Mottley spoke and made a reference to his children and when Louis Albert Lynch spoke, he made reference to an individual and in so doing, he broke down in tears - that element of sincerity was there in his commitment to education.

Mr. Speaker, indeed, it is rather strange that only this morning I was contacted by a member of the Modern Old Scholars' Association wanting to know if I would meet with them when they arrive in Barbados in about two weeks' time. They have been coming here. They have been searching around and they have been active. They have always wanted to make a commitment and a contribution to the educational system of Barbados in memory of Louis Albert Lynch.

I am saying, Sir, that I think that we on this side and, indeed, this Honourable House and the country would find it an honour bestowed not necessarily on Louis Albert Lynch, but to his memory and all the students who attended his school. Without prolonging it, I would have no difficulty in supporting this Resolution.

I will also state, Sir, that of the three names mentioned - I think when we look we will notice that just on the same spot in Roebuck Street there is a bust there and I had the privilege of attending the unveiling ceremony - the closest one to that location is Roebuck and I will find no difficulty and I am sure the Government of Barbados would find no difficulty in supporting the naming of the Roebuck Secondary School the Louis Albert Lynch Memorial School.

Thank you very much.
5.05 p.m.

Mr. R. P. BYER: Sir, I had intended to postpone the Resolution for further consideration, but in view of the statement by the Minister of Education, I do not see how I could do that, at this moment.

In winding up, I should just like to thank the Minister of Education, the Prime Minister as well - not necessarily, Sir, in that order. You must recognize seniority. I respect it.

Not necessarily, Sir, in the hustings - for the gracious concession, if it may be termed such, in acceding to the resolution, supporting the resolution and, at the same time, stating and indicating that the Roebuck Secondary School will be renamed the Louis Lynch Memorial School.

I am certain, Sir, that that school will benefit from the association of the name, Louis Lynch and also, from the fact that as I said before, we have a very vibrant alumni association. I can see that all of the different branches of the Modern High School Alumni Association in New York, Boston, Toronto, Montreal making contributions that would benefit that school. I know that, for some time now, the old students have yearned for this kind of recognition. That school will benefit. I know it would take some time to cultivate the relationship. But I am certain that it should benefit in a very positive way, from the fact of being renamed the Louis Albert Lynch Memorial School.

Just one other thing, Sir, the Honourable Member for Christ Church East Central said that his researches show that he was a radical. I would not want to disagree with him because, as I said, I thought he was conservative because of his manner and so on. But it always seemed a bit strange to me that someone who is conservative could have and possess such a deep social conscience.

Sir, I am really lost for words to express my gratitude to the Government of Barbados for making the concession that it has made, Sir. Thank you very much, Sir.

I beg to move that the resolution do now pass.

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

Mr. SPEAKER: That brings us to the end of Private Members' Business.

ADJOURNMENT

Hon. M. A. KING: Mr. Speaker, that brings us to the end of Business for the day.

I now move, Sir, that this House adjourn until next week, Tuesday, July 17, 1990 at 12.00 o'clock noon.

Hon. E. E. GREAVES: I beg to second that, Sir.

The question was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the sitting accordingly at 5.10 p.m.

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