

THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1986-91

HOUSE OF ASSEMBLY

Tuesday, July 3, 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., M.A.(Econ.), J.P.,
(Prime Minister and Minister of Finance and Economic Affairs)

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

Hon. P. M. GREAVES, Q.C., B.A., (Deputy Prime Minister, Minister of International Transport, Telecommunications and Immigration and Leader of the House)

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. Dr. D. G. BLACKMAN, B.A., M.A., (Minister of Transport and Works)

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)

Mr. C. A. NEBLETT, B.A., (Parliamentary Secretary, Ministry of the Civil Service)

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 Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Mr. SPEAKER: The Minutes of the Meeting of Tuesday the 26th day of June, 1990.

Hon. P. M. GREAVES: Mr. Speaker, I move that the Minutes of this Honourable Chamber for the Meeting of this Honourable Chamber held on the 26th June, 1990 be taken as read and approved, Sir.

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

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

ORDERS OF THE DAY

Mr. SPEAKER: Government Business is the instant order of the day.

SUSPENSION OF STANDING ORDERS

Hon. P. M. GREAVES: Mr. Speaker, I am moving that Standing Orders Nos. 6, 16, 18, 20, 42 (5), 43 and 44 be suspended for the remainder of the day's sitting, Sir.

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

Mr. SPEAKER: The question is that those Standing Orders be suspended for the remainder of the day's sitting.

Hon. P. M. GREAVES: Let me repeat, Sir. I beg to move that Standing Orders 6, 16, 18, 20, 42 (5), 43 and 44 be suspended for the remainder of the day's sitting, Sir.

Mr. SPEAKER: It has been seconded already.

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

Mr. SPEAKER: Order No. 2.

RESOLUTION THAT THE HOUSE OF ASSEMBLY APPROVE THE COMPULSORY ACQUISITION BY THE CROWN OF A PARCEL OF LAND AT LODGE HILL, ST. MICHAEL FOR THE ADAMS-BARROW-CUMMINS HIGHWAYS

Order No. 2 was called - To move the passing a Resolution to approve the compulsory acquisition of land at Lodge Hill, St. Michael for the construction of the Adams-Barrow-Cummins Highways.

Hon. H. A. BLACKMAN: Mr. Speaker, Sir, this is another of those resolutions which I have already stated in here that the Government may need to come to Parliament, on a number of occasions to acquire lands which are no longer economical for the owners to retain. These lands have been acquired for the construction of the Airport to West Coast Highway. That acquisition has rendered certain portions of land uneconomical for the owners to retain. This is another in a series, in fact, this is about the fourth in which I had to come to the House of Assembly for permission to acquire the remaining land. This one is at Lodge Hill and it is 423 square metres of land belonging to Mrs. Cleopatra Hall.

This Resolution seeks parliamentary approval to acquire this portion of land which is no longer economical for the owner to retain.

I beg that this Resolution do now pass.

Dr. R. C. HAYNES: Mr. Speaker, this Resolution, Sir, does not appear to me to be as simple as described.

It would seem to me that the House is being asked to rename the Adams-Barrow-Cummins Highways. The Resolution as reads is as follows:

"RESOLVED that the House of Assembly approve the compulsory acquisition by the Crown of the parcel of land described in the Schedule hereto for the construction of a road formally" f-o-r-m-a-l-l-y:

"to be known as the Industrial Estate Access Road but now to be known as the Adams-Barrow-Cummins Highways."

If this Resolution is approved, in the present form, it would suggest to me, Sir, that the Government intends to name the Highway, the Adams-Barrow-Cummins Highways the Industrial Estate Access Road. I do not know whether this is the intention of the Resolution but I thought I should bring it to the attention of the House.

I do not know whether the Honourable Minister of Housing has a difficulty in distinguishing between the spelling of formerly, f-o-r-m-e-r-l-y and f-o-r-m-a-l-l-y. But I should like to point out to him that the two things have different meanings. If it is formerly, it means that in the past....

Aside.

Dr. R. C. HAYNES: This is the Resolution I have here before me.

Asides.

Dr. R. C. HAYNES: Mr. Speaker, the Resolution before this Honourable House has the word "f-o-r-m-a-l-l-y" in it. What the Minister is therefore inviting this House to do, if this Resolution passes, as presented to this Honourable House, in the official document in the Order Paper, it means formally not formerly.

I should like to suggest, Sir, that if that is not the intention of the Government then the change should be made in the Resolution.

Hon. M. A. KING: Mr. Speaker, on a point of order. The document which was laid on the Table of this House, I am informed, has the word formerly f-o-r-m-e-r-l-y in it. There has been an error by the Printery in the printing.

The documents which have been circulated contain a printing error.

Asides.

Mr. SPEAKER: Order, please.

Hon. M. A. KING: The document contains a printing error. All I ask is that the printing error be corrected.

Mr. SPEAKER: I should just like to settle the matter clearly.

The Resolution I have before me states, as outlined by the Honourable Leader of the Opposition That is the one I have here. If there is a correction then I do not have it.

Dr. R. C. HAYNES: Mr. Speaker, I just do not understand the attitude of certain Members on the other side. What I am saying is, Sir, that if this Resolution passes in the present form, it does two things. It invites the House to do two things, to acquire the land for the purposes as set out in the Schedule and also, Sir, in the body of the Resolution, there is a clear indication of an intent to formally name the road the Industrial Estate Access Road.

What I am suggesting, Sir, is that this is not the intention of the Government. I do not know whether it is their intention. But quite clearly, Sir, they are totally confused and unable to accept a simple suggestion. 12.25 p.m.

Indeed, Sir, what I will have to do as the Leader of the Opposition is to introduce an amendment so that "formally" would read "formerly". The whole point is that it is time that the Government recognises that when they come in here we are all equals and when suggestions are made there should not be an automatic reaction that it is foolishness on the other side.

Suppose a Resolution was brought in here for \$6 million and there was a printing error that said \$600 million. What would you do? Go ahead and pass it in that form? I am going to move an amendment to the Resolution that the word "formally" -----

Mr. SPEAKER: Even in the light of the Minister of Legal Affairs accepting that it is an error, is it necessary still?

Dr. R. C. HAYNES: I do not recognise the Minister of Legal Affairs as having any status in this matter at all. None whatsoever! The Honourable Member is Legal Adviser to the House of Assembly, to all of us, except in matters that he introduces in here. This has been introduced by another Minister of the Crown, who has sat down there and said we are talking foolishness, and unless that Minister gets up and says that it is an error, I am going to move a formal amendment, Sir.

Aside.

Dr. R. C. HAYNES: You said it was foolishness. Do you apologise for saying it was foolishness?

Aside.

Mr. SPEAKER: Order. Order, please.

Dr. R. C. HAYNES: Sir, the Honourable Minister of Housing has given an undertaking that he will formally communicate to the House that it was an error, but knowing that Minister, who is capable of inducing the Minister of Economic Affairs to include a statement in an official document of this House, the Economic Report for 1989, to suggest that he completed more houses than he actually started...

Mr. SPEAKER: The Honourable Member will know that the Resolution does not stretch that far.

Asides.

Mr. SPEAKER: Can I have some order please? I think it is about time that we understand what we are dealing with. I would wish that Members observe the Rules of the House in respect of dealing with matters pertaining to Resolutions, Bills, etc. I may give, from time to time, some room, but certainly it ought not to be taken advantage of.

Dr. R. C. HAYNES: Mr. Speaker, I agree with you, Sir. I think that I have made the point. What is of interest to all of us in this Honourable House is the reaction of Members on the Front Bench, in particular the Minister of Housing, who is known in the past to have made several howlers in terms of misleading this Honourable House. I would not like to pursue those today, as you have indicated.

We are willing to support the Resolution, provided that the Minister of Housing gets up and says that it is an error and that is formally in the records of this Honourable House.

Hon. P. M. GREAVES: Mr. Speaker, I do not know why the Leader of the Opposition should seek in some oblique way to be critical of the staff of Parliament, because if what was laid...

Dr. R. C. HAYNES: On a point of order, Sir.

Hon. P. M. GREAVES: Ah! I know you would get up on that one.

Dr. R. C. HAYNES: On a point of order. Sir. I have the highest regard for the staff of Parliament and nothing that I have said should be construed as any attack on any person other than Members of the Cabinet

Hon. P. M. GREAVES: There is no way that the Leader of the Opposition can get out of this, because it was admitted by the Clerks of Parliament that what was laid on the Table of this House was not what is shown in the Resolution. It is the responsibility, as the Leader of the

Opposition well knows, having been a Member of this House for over ten years, of the Clerks of Parliament to make sure that what is reproduced corresponds with what is laid. The Leader of the Opposition is seeking in an oblique way to be critical of the Clerks of Parliament.

Dr. R. C. HAYNES: On a point of order, Sir. Just as I recognised the error, if they had read their documents when they were circulated they would have recognised the error too. My concerns are about the competence of the Government.

Hon. P. M. GREAVES: It is the Clerks' responsibility here, but let me make this point, Sir, that either "formally" or "formerly", one or the other or both of them could be quite correct, because it was formally intended in the times of the old regime - and this was some years ago - that it should be called the Industrial Estates Access Road. It was stated-

"RESOLVED that the House of Assembly approve the compulsory acquisition by the Crown of the parcel of land described in the Schedule hereto for the construction of a road which was formally to be known as the Industrial Access Road....."

and it goes on -

".... but now to be known as the Adams- Barrow-Cummings Highways."

In other words, Sir, there has been a change. There was a formal.....

Dr. R. C. HAYNES: On a point of order, Sir. What is quite clear is that the Honourable Attorney General has made a very serious mistake here today. He has misled this Honourable House, because he rose and indicated to this Honourable House that it was an error and that it should have been "formerly".

Mr. SPEAKER: Just one minute. I understood the Honourable Leader of the Opposition to say that he thought that the Minister of Legal Affairs had no status in this matter. Therefore, to pursue that argument would be very difficult for me to rule in the Chair.

Hon. M. A. KING: Mr. Speaker, on a point of order. The Honourable Leader of the Opposition has said that I am misleading the House. To that I take exception and I ask that Your Honour request the Honourable Member to withdraw that statement, because I did not seek to mislead the House, I did not mislead the House. I said that what clearly appears is that it is a printing error and that it should properly read "formerly to be known" and that is in the document which was laid before the House. So the Honourable Leader of the Opposition cannot say that I am misrepresenting or misleading this House when I say that

"formerly known" is what was in fact laid. I am not misleading the House and the Honourable Member is misleading the House in saying that I am misleading the House.

Mr. SPEAKER: I do not think one needs to develop this any more, no more than to make known that the term "misleading the House" is probably accepted from time to time, but if you say "deliberately misleading the House" then it becomes a problem.

Dr. R. C. HAYNES: I am very happy, Sir, to withdraw the statement I made about misleading the House and to correct what I said, because what is clear to me is that the Honourable Deputy Prime Minister is sending a clear signal that the Attorney General was in fact misleading the House. 12.35p.m.

Hon. P. M. GREAVES: Mr. Speaker, I would not want to say the first thing that comes to my mind. When these things happen some difficulties and problems arise, so I would let that pass. That belongs to a certain place, so let it stay there. I would not dignify that with a reply. It does not need a reply.

The point I had made, Sir, was that in fact this could be acceptable, but what is happening is that it does not correspond with what was laid, and that is what is important here. It does not correspond with what was laid and tabled on the floor of the House, and I am advised by the Clerk that it is not necessary to move an amendment here. The Clerk has so advised me that it is not necessary to move an amendment to the Resolution as it stands. It is that it is now to be known as the Adams-Barrow-Cummins Highways. That is what is stated in the Resolution, but the purpose of this Resolution is to acquire a certain parcel of land. This is descriptive; you are forgetting your English. It does not matter whether you say which was formerly known or formally to be known; it does not matter. It does not interfere at all with the important thing about the Resolution which simply is to acquire a parcel of land at Lodge Hill in St. Michael. This Resolution has one purpose and one purpose only, and that is to acquire land at Lodge Hill in St. Michael, and the area of land here is stated as 594.5 square metres of land which roughly is about 6 400 square feet of land.

I am rising briefly on this Resolution not only in response to what the Leader of the Opposition has said in his presentation, but I want, Sir, to advert and call the Ministry of Transport and Works' attention once more to some problems on that particular stretch of highway. Only last week, Sir, a young child was severely injured as a result of an accident on that highway, and from time to time I have spoken in this Honourable Chamber, I have spoken to some of the officers of the Ministry of Transport and Works about problems on this highway.

ASIDE: I had to bring it up.

Hon. P. M. GREAVES: You didn't have to bring up anything. I had spoken about this from the very beginning. You knew nothing about it; you heard it from me. You all got it from me. I have no objection to anybody repeating what I said. I have no difficulty with that at all. Sir, this is about the sixth time I am speaking about this in the House of Assembly. From the very beginning, as a matter of fact, in the regime of the former administration, I spoke about the possible consequences of the highway to children who have to cross the highway to get to the Eden Lodge primary school, and I spoke about that in the regime of the last Government when I was in the Opposition. I am going to repeat it again, that now the highway has been completed and has been in use for quite some time, the Ministry has seen some of the problems on the highway, and the Ministry has sought and has taken action to correct some of those problems on the highway. Even at this moment, Sir, the Ministry is constructing some roundabouts on the highway, but those are not the only problems on the highway, and some of the problems on the highway as I said earlier can be, first of all, the width of the highway and the speed of vehicles on that highway, and there is need for some mechanism on that highway to make it safer for persons using the road, not only children. A lot of old people cross the road to go to their respective churches, so there are children on the one hand and old people on the other. There are people of all ages, children, adults, young people, old people, who use the highway and they have to cross the highway, and I am making another plea and a public appeal, probably for the sixth time. I have already spoken to the Chief Technical Director at the Ministry of Transport and Works, I have spoken to the Permanent Secretary pointing out that there is need for, someone is saying, Sir, an overpass. That is probably the safest of all, probably too the most expensive, I do not know. But it is something that can be examined and there are different ways in which one can use lights for pedestrians, one can have a zebra crossing which we do not think is as satisfactory as it should be, but it is probably the cheapest way, but it might help a little bit. One can have an overpass, one can have an underpass, but I feel an underpass is completely out of it. I am appealing once more, Sir, for something to be done in order to make that road safer for people.

Now that the road is completed as well and it has opened up some lands on either side of the highway, some of that land might be used for some houses. There is enough land up there for that purpose as well.

Finally, Sir, let me say again that there is a small stretch of unpaved road, probably not more than 30 yards long connecting Pipers Avenue with Husbands new development that the children have to use, it is very rocky, in order to get to the schools and people have to use it if they want to get across to the highway. I am again

appealing for that small stretch of road to be made up and paved to make it easier for the children, for the old people and all users of that road. I thank you, Sir.

Mr. P. J. M. MILLER: Mr. Speaker, just a short intervention. I really was not going to speak on this, I did not think it was necessary, but having listened to the last Member who just took his seat, the Honourable Member for St. Michael North, I would like to suggest that an NDP Senator in the Other Place has been pressing and calling for this problem to be dealt with at that same point on the highway that the Honourable Member just spoke of. That Honourable Member likes to trivialise these things. This is a very serious thing. He just got up and talked about a child being badly injured at that point and now finds something to laugh at. I don't see it as a laughing matter at all, no matter how many times it is repeated. What I am saying is that if we continue to repeat what the NDP Senator in the Other Place has been saying, so be it, but he is on the Government side, the Deputy Prime Minister no less, and he is appealing and appealing, as he said, six times, for something to be done.

You will recall, Sir, as everybody else will recall that that same Honourable Member was the Minister of Transport and Works for over a year and nothing was done, the road was not opened nor was it finished as he says. That Honourable Member sits in the Cabinet with the present Minister of Transport and Works, and will come in here and tell us he has been appealing six times now. Who is he appealing to? Who is listening? He says he is appealing to me, *sotto voce*. If I had the power, Sir, you can be assured that something would have been done about that. I believe, Sir, that if the Honourable Member would listen to the appeals and the pleadings of the NDP Senator in the Other Place, and maybe he can encourage that Senator to join forces with him in appealing to the present Minister of Transport and Works, maybe we will see something come out of it, because she seems to be able to get a few more things done than the present representative here.

There is only one other quick point, Sir, and this has to do with the two roundabouts that are being constructed. I believe that something has to be done about putting some kind of warning lighting on them. There are some warning lights there but they are not very visible, and it can be very hazardous at night. The lights on the highway, as is well known, do not work properly. They tend to go on and off whenever they feel like, and particularly at those two points where the roundabouts are, particularly one of them, there is no lighting at all, and for those of us who may not be aware of the round-about being constructed there, you suddenly find yourself on top of a construction site with no adequate lighting, so that is probably something that the Ministry might want to look at in terms of warning lights.

12.45 p.m.

Mr. L. L. BRATHWAITE: Mr. Speaker, *Sir*, I would like to draw to the Honourable Minister's attention that there is a growing problem of loaded vehicles and seemingly loaded too high on the platform. You have all sorts of garbage and debris falling off on the sides especially around the roundabouts and this can create some problems as I have seen on a couple of them from which such has fallen in my constituency. They can cause accidents because if a big stone falls off a truck around the roundabout and motorists are going around that roundabout not knowing that it is there, there can be severe problems as there have been on a number of occasions while I have been travelling on the road.

It is just to see if we can do something to bring some measure of control to those vehicles which are badly loaded and creating this menace. I just wanted to bring that to the attention of the Minister that something needs to be done in that regard for the safety of pedestrians, especially the people who have to travel from my constituency through the roundabout.

I thank you.

Hon. Dr. D. G. BLACKMAN: Mr. Speaker, *Sir*, just to advert briefly to the point raised by the Honourable Member for St. Michael North East.

The law prohibits this but the Minister of Transport does not enforce the law. He has super skills, it is true, but he is not Superman. It is not possible for a Minister of Transport to function as a Minister and enforce the law as well but the law is there prohibiting these things.

In so far as the matter relating to the roundabout is concerned, I do not respond to nonsense unless it comes in the form of a question or a comment from an Honourable Member in this Chamber because I have a responsibility here to respond. It is therefore, Mr. Speaker, with your indulgence necessary for me to state for the record the following facts about the two roundabouts that are being constructed.

The decision on the part of the Ministry to construct roundabouts was based upon the actual experience of the Ministry that Barbadians were having difficulty in using the new road -1 do not call it a highway.

Aside.

Hon. Dr. D. G. BLACKMAN: But it has to do with the ABC Road and the roundabouts are part of the ABC Road.

Mr. SPEAKER: Added to that, as long as a Member introduces and has been allowed to introduce a particular item, it is customary for that person to respond to that particular item.

Hon. Dr. D. G. BLACKMAN: Certain restrictions were instituted which created hardships for motorists using that road in that they had to take subsidiary roads at a considerable loss of time and convenience. A decision was made to resolve the twin problem of inconvenience and safety by building roundabouts at several junctions along the highway which were not controlled in any way except + by stop signs. Two roundabouts are under construction at Kendal Hill and Kingsland junction.

David Lashley and Partners, Consulting Engineers, were appointed as consultants to the project and they were awarded a contract to prepare Bills of Quantities, as well as contract drawings for the project. David Lashley and Partners are also supervisors of the project. It is unnecessary for me to go into the qualifications of David Lashley and Partners. For many years now they have been doing consultancies of various kinds for the Government of .* Barbados.

It is significant to note, Mr. Speaker, that the engineering consultants prepared the Bill of Quantities, not the Ministry of Transport and Works, and as authors of the Bill of Quantities it would be their responsibility to advise the Government as to whether the price charged by any contractor was a reasonable price. That is the responsibility of any consultant who prepares the Bill of Quantities.

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Bids were invited and the lowest bid was made by Rayside Asphalt Paving Company Ltd. of \$843 331.63-. The next bid made by C. O. Williams was over \$1 million for the construction of two roundabouts. The contract was, therefore, awarded to Rayside Asphalt Paving and here, Mr. Speaker, I am sure Honourable Members would be interested in the following information having mentioned the names of those two contractors.

Some two years ago I declared in this House that as *» long as I was Minister of Transport and Works, I was irrevocably committed to the principle of fairness in the distribution of the work. The outcome is this that up to the present time, since this Government was in power, it has made payments of \$17 375 160 to Rayside and \$17 842 153 to C. O. Williams. That is the principle of fairness in operation and it must be contra-distinguished and contrasted with a period between 1976 and 1986 when for major road projects C. O. Williams got work totalling \$45 million and Rayside \$5 million. That kind of inequity, no *** matter the abuse, is one which I would never subscribe to.

To return, however, to the question of roundabouts, Mr. Speaker. The facts are that at the present time, the roundabout at Newton is nearly 80% complete. 12.55 p.m.

The roundabout at Kendal Hill is 50% complete. We hope that when these two projects are completed the ABC Highway will be a much safer place for all to operate upon.

Thank you very much, Sir.

Hon. H. A. BLACKMAN: Mr. Speaker, I really do not see anything to respond to this. I mean the triviality that was raised. I just want to say that in case anyone got the wrong impression, the Resolution that I approved said:

"RESOLVED that the House of Assembly approve the compulsory acquisition by the Crown of the parcel of land described in the Schedule hereto for the construction of a road formerly"

f-o-r-m-e-r-l-y:

"to be known as the Industrial Estate Access Road but now to be known as the Adams-Barrow-Cummins Highways"

et cetera. That is the Resolution.

I think that has to be said, that what I approved was that and I do not think there is anything else to respond to. The rest was mere triviality.

I beg to move that this Resolution do now pass.

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

Mr. SPEAKER: Order No. 1.

THE CO-OPERATIVE SOCIETIES BILL, 1990

Hon. E. E. GREAVES: Mr. Speaker, what we have before us today is a Bill which would repeal the Co-operative Societies Act and make provisions respecting co-operative societies.

You may be aware of the fact, Sir, that the present Act under which co-operatives in Barbados operate was passed into law in 1949. It was an Act which was probably useful for that time. But within the last decade or so, events have so overtaken that legislation that it became absolutely urgent that the law respecting the whole question of the operation of co-operatives in Barbados would have to be modernized and updated.

A number of attempts in the past going back to 1986 were made to modernize the Act in many ways. But unfortunately these did not bear any particular fruit.

The Manifesto of the Democratic Labour Party for 1986 paid particular attention to the whole question of the development of co-operatives and at page 25 the Manifesto had this to say and I quote:

"The Co-operative Movement has fundamental economic strengths in a democracy. It allows the

small investor to share in the economic wealth of the country and to have a voice in its direction. The D.L.P. is committed to developing the movement further and proposes to assist its growth by the following measures amongst others -".

The first item mentioned was one to revise the Co-Operative Act so as to bring it in line with modern trends in the Co-operatives Movement. I will not necessarily want to deal with the other points which are made there. But suffice it to say that it was a statement and a position which was taken by the Democratic Labour Party, to modernize the existing legislation relating to co-operatives.

In 1984, at the 11th Annual General Meeting of the Caribbean Confederation of Credit Unions and the 25th Annual Convention of Credit Unions which were held during August, it was agreed that a CCCU Co-operative Legislation Task Force should be appointed with a mandate to produce co-operatives laws which will closely reflect the interest of the co-operatives movements in each of the 17 member territories of the CCCU as well as serve as a handbook for revamping national legislation.

This Force, in collaboration with the Faculty of Law of the University of the West Indies, Cave Hill and the Co-operative Union of Canada produced a model Act for Co-operative Societies in August 1986. This model Act was circulated to the Co-operative Movements in the Caribbean for study. The Barbados National Association of Co-operative Societies Ltd. (BARNACS) and the Barbados Co-operative Credit Union Ltd. (BCCUL) submitted a draft Co-operative Societies Bill to the Ministry of Trade, Industry and Commerce for its consideration.

In an effort to ensure that we got the best out of all the documents which were in the Ministry, it was decided to establish a Committee to examine these documents and to make recommendations for the new legislation which was contemplated. This Committee was made up of a number of people with interest in the movement and actual involvement in the movement. It was headed by Dr. Frank Alleyne, now Senator Frank Alleyne and had representation by the then President of the Barbados National Association of Co-operative Societies, the Chief Executive Officer of the Barbados Co-operative Credit Union League Ltd., a member from the City of Bridgetown Credit Union, I think he was then the President, the Managing Director of the Caribbean Confederation of Credit Unions, a representative of the University of the West Indies, the Attorney-General's Chambers was also represented, a representative of the Chartered Accountants of Barbados, a representative of the Central Bank of Barbados, two representatives from the Ministry of Trade, Industry and Commerce, one of whom acted as Secretary, and the Acting Registrar of Co-operatives. They were charged with the responsibility of bringing together the legislation which we have before us. That Committee had 23 meetings in addition to several sub-committee meetings.

When the document was submitted I took the opportunity of having consultations with the movement in order to ensure that the Bill reflected the feelings of the movement.

There are a number of major features in the Bill. I think it can be said that the Bill creates a charter for the development of the co-operative movement into the twenty-first Century. The major features have, in the first place, to do with the whole question of accountability and management. 1.05p.m.

These are areas which were sadly lacking in the original Act, but provision is made in here for ensuring that there is proper accountability and management for the Co-operative Movement. It also provides for encouragement of young persons to participate actively in the Co-operative Movement. Indeed, provision is made for persons who are 16 years to become members of the Co-operative Movement.

It removes the limitation of \$1 000 in shares which existed in the 1949 legislation. To take a strictly legal position, no member of a Credit Union should be holding more than \$1 000 or one-fifth of the shares of that particular institution. That was the limit, but it was observed more in the breach than anything else. In short, the growth of the Movement in the 1980's saw members owning thousands of dollars' worth of shares but the legal limit which the 1949 Act had placed on that was just \$1 000.

What this Bill seeks to do now is to remove that particular limit. It would also bring the management of the Co-operative Movement in line with the Companies Act and provide for the timely preparation and provision of financial statements. It has to do also with the appointment of auditors and the qualification of auditors. None of these provisions was included in the 1949 Act.

This new Bill makes provision for the whole question of setting out a very clear and precise area in which loans could be made on sound business practices. It has been known, for example, in the past where Credit Unions have operated in such a way that the whole question of making loans available to friends of Committee Members was something that was a normal act. Now loans must conform to proper business principles.

A new provision in this makes it possible for Societies to issue financial certificates which could be used as security by the owner of those certificates. In short, if a person is a member of a Credit Union when this Bill becomes law, the Society can issue a certificate showing the amount of savings or shares which the person has, and if the person wants to use that as collateral for any business venture, this would be quite legitimate, because the certificate would be an official document.

Of course, the whole question of the sphere of activities related to investment of co-operatives is now clearly defined to ensure the protection of members' savings.

Provision is made in the Bill for dual membership, but this must be approved by both Credit Unions and the Registrar. Just let me explain that. At the moment it is quite possible for a member to belong to more than one Credit Union even without a legal obligation being placed on the second Credit Union knowing of the fact that the particular member is a member of another Credit Union. This now clarifies that and states very clearly that if you are a member of a Credit Union and you want to become a member of another Credit Union, each Credit Union has to agree that you can become a member of another Credit Union, and this then has to be agreed on by the Registrar. Lots of things have happened in the past which would* necessitate our having to make sure that this provision is put in place.

There is also provision in this legislation for joint membership which would allow two or more persons to operate a single account. I would wish to indicate that provision is also made for corporate membership of a Credit Union. That is, if for argument's sake, we had a Credit Union operating in the House of Assembly - if I could use this as an example - each individual member could become a member of the Credit Union, but the House of Assembly itself as a body could also become a member of the Credit Union.

Aside.

Hon. E. E. GREAVES: Well, let me use another example. I am told that that is a bad example. Take a church. There are lots of churches which have Credit Unions and the members of a church could become members of the Credit Union, but the church itself can invest money in the Credit Union as a church. Or we could even use another example. Take a Trade Union. Members of a Trade Union, as has happened, are members of a Credit Union, but the corporate body, the Union itself, can now under this legislation become a member of that particular Credit Union. That is provided for in here.

All those are examples of corporate membership.

Also, I would want to say that there is at the moment in the existing legislation a time limitation for the prosecution of any misdeeds in the Co-operatives. If seven years have expired, then you would not be able to take legal action against a particular person for a misdemeanour. That time limitation has been removed in this Act, and we think « that it is very important.

You will find that under the new Bill there is a provision which will raise the penalties which are provided

for. In the old Act the penalty was a mere \$25 for the commission of any offence under this Act and we felt that we had to have a stiffer penal provision. The result is that you will find that under section 250(4) it is provided that a person guilty of an offence under this section is liable to a fine of \$2 000 or imprisonment for six months, or both. This section has to do with failure to comply with the Act.

One may ask what are the reasons for legislation of this nature at this time. I think it is important for us, in looking at the reasons for this kind of legislation, to examine the growth of the Co-operative Movement over the years. It can clearly be shown that if one were to take some figures over any particular period, probably even going back to 1974 and coming up to the present time, that membership in Co-operative Societies has increased significantly over the years. 1.15p.m.

In 1975 there were 7 808 members in co-operative societies. It dropped in 1976 to 5 677. In 1982, I am not going to go through all the years, the membership rose to 10 102 and the number of societies in existence was 55, bearing in mind that in 1975, the figure that I first used, there were 92 societies in existence. It dropped to 55 in 1982. In 1983 there were 54 societies with a membership of 11 652. I should say, if I could just pause to give you an example of their capital and the growth of capital in the movement, that in 1975 the movement had \$1 618 674 and the loans amounted to \$1 354 668, with the total asset base being \$2 170 834. In 1982, these are the years I am using, with 55 societies, there was a membership of 10 102 members, the capital rose to \$7 556 752, loans outstanding were \$6 798 710, with assets totalling \$10 114 110, and one saw, as I said, during the 1980s a rapid growth in the cooperative movement. In 1984 the membership rose to 14 783 and the cooperative societies rose to 57, the capital went up to \$15 862 381, loans went up to \$14 million. In 1985 the number of societies grew again to 59, an increase of two, the membership increased by over 4 000 to 18 911, capital \$23 827 120, and assets were \$29 410 600 with outstanding loans being \$23.3 million.

In 1986 there were 63 societies registered with a membership of 23 590, capital of \$36.6 million, loans outstanding \$34.7 million, total assets \$45.1 million. In 1987 there were 66 societies with membership of 28 143, capital \$58.5 million, outstanding loans \$52.9 million, and total assets \$69.5 million. In 1990 so far our figures indicate that the membership of the cooperative societies is 40 000 with a capital base of \$132 592 926, loans \$125 644 944. Assets have risen to \$147 306 282. In short, I have used that information to suggest that the cooperative movement is no longer the shilling, two shilling or 60 cents organisation that it was in the 1940s or the early 1950s. We are dealing with an institution or sector which controls a considerable amount of financial assets, and I think it behoves the Government as a responsible institution to ensure that a

proper legislative framework is put in place to provide the kind of protection which is necessary for institutions of this nature.

I think one only has to think in terms of some financial institutions which operated in Barbados and which went under to demonstrate the point, the most recent example being, I suppose one could mention, Trade Confirmers, and I think that we would be failing in our duty if as a Government we did not put the proper legislative framework in place to protect those 40 000 members who have made the kind of contribution which they are making towards the whole question of the development of savings. They have developed an institution which is under the control of small people and which is now a significant sector or sub-sector in the economy, and which, if the assets which they have at their disposal are used and invested wisely, can make a fundamentally important difference to their lives and indeed to the society. We therefore feel that as a Government we have to put the necessary framework in place to be able to do this. Not only have we as a Government looked at bringing this modern piece of legislation to Parliament today, but we took the step almost a year ago where we looked at the administrative arrangements which would be put in place or which would have to be put in place in order to provide the monitoring and control and the general advice to the movement which is necessary. I should point out that this was another fact which was recognised in the Manifesto of the Democratic Labour Party in 1986, where at No. 2 we said that we would restructure, re-organise and expand the Co-operative Department and strengthen its operations under the direction of an appointed Registrar of Co-operatives. Now before 1989 we had in place a Registrar and three co-operative officers. In 1989 Cabinet agreed and we came to the House and this was approved with effect from 1st August 1989 that the establishment of the Co-operatives Department would be upgraded and we now have provision for a Deputy Registrar, a senior Co-operative Officer, six Co-operative Officers and two Clerical Officers. The point is that this administration has recognised the importance of ensuring that the department is provided with the kind of staff that would provide the kind of oversight and, of course, provide the kind of advice which is necessary for the movement.

I think it is important for us to just pay a little attention to the way in which the movement is constructed, the areas and the sizes of some of the organisations, because we sometimes think that we only have large or small, for that matter, institutions or groups, but we have a number of small organisations which are represented there with some small members, and we have some large ones. In 1989, for example, the largest credit union had over 12 000 members; the smallest had about 55 members; there were a number of them with membership in the sixties, but the fact of the matter is that the movement is made up of large organisations and small organisations, some of which

obviously the Registrar of Co-operatives' Department would have to provide with some technical assistance to ensure that they would be taken care of and that they are able to comply with the provisions of this legislation.

Now I believe, Sir, that not only would we, from the point of view of a Government, have to provide this legislation, but we recognise that it is a new development, it is a departure from what already exists. There are a number of practices which will have to be wiped out and a number of new approaches which will have to be brought to bear under this new Act, and I would say that one of the things which we propose to do is to ensure that the Co-operatives Department provides the kind of assistance which is necessary and provides a companion handbook on this legislation which would explain it and which will be more or less a guide to this particular legislation, and that they will be mounting programmes of an educational nature to ensure that everybody complies because there are going to be some stiff penalties, because the Act is very strict in its application, and the provisions of the Act will be enforced.

Let me also, Sir, make the point, and I think one could well make this point at this stage, that on the question of the stabilisation fund which was originally included in this Bill and which I indicated on the floor of this House I had removed based on the concerns which were expressed by some members of the co-operative movement, I would want to say that the idea for the inclusion of a stabilisation fund in this Bill came from the co-operative movement, and it was discussed in the *ad hoc* Committee. The Committee operating the fund was discussed and was agreed and if my memory serves me correctly, it was composed as follows: five members to be nominated by the Co-operative Movement, a representative from the Central Bank of Barbados, a representative from the Association of Accountants, or the Accountants Association and a Chairman to be appointed by the Minister. This was included in the Bill. When the *ad hoc* Committee made its recommendations and its report, it was a unanimous report.[^] Among the representatives of the co-operative movement who attended all of the meetings or most of the meetings where all these matters were discussed and thrashed out, and I have record of the meetings and of all the people who attended the meetings, there was no divergence of views and in fact the report which was submitted was a unanimous report. The idea for a stabilisation fund came from the co-operative movement.

Now let me, Sir, just read a document which came on the letterhead of the Barbados Credit Union League relating to this whole question of the stabilisation fund, and indeed there is a consultant who worked with the league and who attended the meetings and who represented the views of the league who had this to say. 1.25p.m.

Maybe I should say that it would seem to me that the Credit Union League...

Aside.

Hon. E. E. GREAVES: I will give you the name just now. I am very patient with this because I know where you are going to come from. I have a lot of time and nobody is going to rush me.

It is clear to me, Sir, that there are some persons in the League who see the establishment of the Stabilisation Fund as one that would cause the erosion of power which they have at the moment.

Now, the League argued that they have in place a central credit fund facility which members, that is, the Credit Unions, can voluntarily contribute to and their argument was that they wanted the legislation to be so* worded as to make it mandatory for all Credit Unions in Barbados to become members of their Credit Fund Facility - that would have to be accordingly provided for in the legislation - but that the person who was responsible for administering the Act would have absolutely no say in the membership in what is done in the central credit fund facility. It would be given legal protection.

I think, Sir, that that was a most unreasonable request and the discussion which followed that proposal coming from the League ended up in a compromise position relating to this whole question of the Credit Fund Facility and, indeed, Sir, the advisor to the League, Mr. Henry Schmidt who is a CUSO Officer in Barbados, stated as follows, and I quote:-

"The Secondary Society, (meaning the Barbados Cooperative Credit Union League or BARNACS) should not be responsible for the administration and management of the Stabilisation Fund."

It went on to say, and I will read it:

"As per the paper entitled "Stabilisation Fund and Deposit Guarantee" which came from the Credit Union League, the administration and management of the stabilisation and deposit programme should be that of an independent corporate entity (The Stabilisation Board) distinct from the secondary society.

The League, as the secondary society of Credit Unions, should have the responsibility for the administration and management of the liquidity pool for all Credit Unions. This first step in the defence of * liquidity and solvency of Credit Unions should be the responsibility of the Movement alone." 1.35p.m.

"When this defence fails, then the other body, the Stabilization Board assumes responsibilities for providing assistance in stabilizing credit unions. That was the position which was taken by the adviser."

It came on the letterhead from the Barbados Co-operative Credit Union League Ltd. dated June 30, 1988.

When the movement raised objections, I had a meeting with the secondary bodies, the Credit Union League and BARNACS where we discussed this whole question of the stabilization fund. We had, for practical purposes, agreed on the composition of the Board. They asked to be given an opportunity to go to the membership. This was provided for. Coming out of that meeting with the membership, they passed a resolution which said that they did not consider that the stabilization fund was in the interest of the movement, the fund, as I suppose, we were trying to propose. Their basic reason for this was that it would be an additional imposition on the credit unions.

However, what is of significance is that they had or they have still in place a central fund facility. The Credit Union League had proposed, on top of this, the establishment of a Stabilization Fund which would also have to be contributed to by members. They talked nothing of the disbanding of the facilities. So that, in truth and in fact, there would also be two funds operating.

When the representations were made, I decided that, since there was that feeling, I would withdraw the provisions for stabilization from this particular Bill. But I made the point very clear to them that we would have to discuss the whole question of stabilization. I am quite prepared to hear representation from the co-operative movement. But an aspect of stabilization will have to come into operation. I am quite prepared to discuss it with them. This is quite clear.

We are at a point now where we have this bit of legislation, one in which we do not have provision for stabilization but which I have indicated very clearly is a matter that we will have to be discussing in the not too distant future.

I think, generally speaking, Sir, that this Bill meets with the approval of the co-operative movement. I would want to say that we have been at it a long time. The whole history of attempts to modernize this legislation, as I said, went back to early 1976. I think that we are now at a point where, certainly today, we are discussing this new Co-operatives Bill.

I would want to take this opportunity to properly express my thanks to those members of the Committee who spent such a long time in discussions and in coming to having legislation which we have before us here today. In particular I would want to express my public thanks to the

Chairman. I would also want to particularly single out the representative from the Attorney-General's Chambers. The Rules do not permit me to call him by name. But I think that he did the Committee yeoman service in the way in which he worked and produced this particular bit of legislation.

Aside.

Hon. E. E. GREAVES: He was the legal officer who worked on the Bill. I indicated that I did not want to call his name because of the Rules. Anyhow, I did not call his name. Just for identification purposes.

I would want to say, Sir, that this is the kind of legislation that I would want to commend to the House. I hope that we would be able to have a level headed discussion on it today and that we will be able to ensure that it passes this Chamber.

There are, as I understand from the legal draftsmen, one or two minor amendments which would have to be made and at the appropriate time. These will be circulated.

Thank you, Sir.

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

Hon. W. O. FRANKLIN: I beg to second that, Sir, and reserve my right to speak.

Mr. SPEAKER: The question is....

Dr. R. C. HAYNES: Mr. Speaker, this is a very thick piece of legislation which is welcomed by the National Democratic Party because we firmly recognize that we will have no difficulty, in principle, in supporting legislation which seeks to strengthen the administrative fabric of the co-operative movement in Barbados focussing particularly on areas of management and accountability.

The provision of an up-to-date legislative framework in which such societies can function must, I think, receive the support of all level headed persons in the country. At the same time, Sir, I wish to warn the Government that I am aware of other legislation being considered in Barbados which would seek to impose significant restrictions on the funds available to the co-operative societies. I am very pleased indeed to see that the members of those societies were sufficiently far-sighted to recognize that the Stabilization Fund was just a beginning in that direction.

Hon. M. A. KING: Mr. Speaker, on a point of order. The Honourable Member is, I believe, in breach of the Rules in that he is anticipating legislation. He is talking about legislation which he hears is being planned and all that. I think the Rules prohibit anticipating legislation.

Dr. R. C. HAYNES: It is a bogus point of order, Sir. But never mind, we will go on.

The point I am making, Sir, and I state categorically that I am fully aware of legislation being considered - it may not yet have reached the Attorney-General's Chambers - which would seriously inhibit the societies in Barbados in their capacity to use the funds available to their best advantage.

This has come about, Sir, because of the very phenomenal growth in the amount of funds available to the societies in Barbados. The Minister has indicated that the asset base of the movement has grown from some \$1.7 million just 15 years ago to now somewhere in the region of \$132 million. He has further indicated that with a membership of 40 000 people that represents roughly 40% of those unemployed in Barbados. 1.45p.m.

Sir, this means two things: that Barbadians have in recent years become very much aware, partially as a result of progressive fiscal policies which increased their disposable incomes substantially, and also because of legislation that was put in place in the eighties which gave a significant tax benefit for workers who wish to participate in these schemes, and they have responded very positively.

I am satisfied, Sir, and I have always felt this way, that when money is made available to Barbadians, Barbadians put their money in savings rather than in consumption. I think it has always been a very bogus argument in Barbados to suggest that any time poor people get money in their pockets they put their money into consumption. That is not true, because when you look at these figures, there is a growth in terms of the asset base of these Societies of somewhere in the region of over \$80 million in a matter of a few years. If at the same time you look at the growth in the savings in the commercial banks, you will see that over the past years Barbadians have been putting more and more money into savings rather than into spending.

Indeed, Sir, it is when you compromise those disposable incomes, when they feel that they can no longer save for any long term benefit to themselves or their families that they tend to switch into consumption. You get a reverse reaction from what certain economists will tell you. You would see that the moment you increase taxation and reduce disposable incomes, people spend more money. You give them more money, they save more money. Barbadians behave that way. I am not saying that all societies would behave in the same way. If you look back over the consumption pattern over the past six or seven years, and the savings patterns over the past six or seven years, that has been the case in Barbados. There is no way you could have had the kind of sharp increases in savings, say between 1985 and 1988-89, both in the commercial banks and in terms of the Co-operative Societies in

Barbados, and at the same time accuse persons of spending their money in consumption. There simply would not be that additional money available in Barbados.

It is a very curious psychological reaction that people have. In other words, if you have enough money, you are earning an income and you are saving enough money where you see you can save over time and make a deposit on a ** house, you will save that money and make a deposit on a house. If you find that you cannot save enough money to make a deposit on the house, then you will switch that expenditure and go and buy a motor car or get into some area of consumption. This has been the pattern in Barbados over the years.

I have no difficulty, Sir, as I said, in supporting legislation that provides a more comprehensive framework for the investment of funds available to Co-operative Societies, and also in a sense to enhance the safety of the "***" investors in this particular area. I recognise, Sir, that there is a need to bring certain parts of the legislation in line with the new Companies legislation, and therefore I have no difficulty with that, nor do I have any difficulty with the concept of the issuance of a financial certificate where the shares can be used for other purposes, as collateral or otherwise. I think one of the big problems that we have in Barbados, as I have indicated on the Floor of this House again and again, is that the limited assets available to poor¹* people are often locked up in terms of a single investment and they never have any instruments available to them in order to make any additional investment, even though the equity in those investments would have grown over time.

I think it is a progressive step, let me put it this way, to ensure that those certificates are transferable and can be used as collateral for additional investments. When you look at the fate of the poor in Barbados, where a guy makes a deposit on a house, the bank has his papers, he has to get insured, the bank has the insurance papers, despite the fact that over the years his equity in that house grows as the debt decreases, he cannot access those papers in order to make an additional investment. When you think of the hundreds of millions of dollars so locked up in the vaults of financial institutions of Barbados, which can be released in order to accelerate the pace with which poor people can advance in Barbados, then you begin to understand what is happening.

I think it is about time that that particular aspect be addressed. I have spoken on this matter in the House before. It is a matter I am very concerned about, because it retards considerably the pace of development, particularly of the poor in Barbados. People who have money can always make sure that those instruments are used in a different manner and they can always make sure they get the maximum leverage in terms of the use of instruments that <•> they have deposited with financial institutions in Barbados. Those who do not have access and contacts have their assets tied up there for 15, 20, 30 years and by the time they

get them they are too old anyhow to make any new investment.

I think that the Societies have to watch the Central Bank of Barbados, quite frankly. Let me come straight to this now. The Central Bank of Barbados advise. When things turn out the wrong way they come back and they criticise. But they never hold themselves responsible for anything in this country, whether it be the Central Bank building, the CMCF fiasco, or anything. They never hold themselves responsible. It is always somebody else's responsibility. Trade Confirmers. Note well what I say. It is always the responsibility of somebody else. I will not be supporting any legislation that ever comes before this House giving the Central Bank of Barbados any significant regulatory authority over the activities of Credit Unions in Barbados, because the moment that is done it is going to frustrate the very purpose of the Credit Unions themselves.

The reason why you are getting growth in this area is not only because of increased disposable incomes and legislation that was passed giving a fiscal benefit for this purpose. It is because poor people recognised that, with the kind of straitjacket restrictions placed on them in respect of the Central Bank and their attitude towards the commercial banks of Barbados, this is an avenue through which they can use their savings for their own improvement. The moment you start putting restrictions in this area, you are going to note a very sharp reduction in the growth of Credit Union activity in Barbados.

I can see the Central Bank recommending to a Minister of Finance that there should be a reserve requirement, for example, and that only X amount of money should go into this area, only Y amount into that area, *et cetera*. The net effect is going to be total frustration of the working people of Barbados in this financial area that they have laboured hard and created for themselves over half a century.

I think it is important not to make a tangential swipe at the matter, as I did in my opening remarks which caught the attention of the Attorney General, but to deal with the matter straight on at this point. 1.55p.m.

We will not be supporting any additional legislation if it ever comes to this Parliament which would seek to restrict the activity of credit unions because in doing so you are going to frustrate the development of the credit union movement, and indeed what you would have done is to remove the financial power from the people. It took them 50 years to develop this kind of asset base and it must not be lightly tampered with. I know that there is new comprehensive legislation which is being drafted elsewhere and I want to ensure up front that this is not included.

Sir, I am looking forward to the day when I see the development of building societies in Barbados arising out of this kind of activity and other associated activities. I will tell you why, Sir. You see what a Minister of Finance can do overnight in terms of dashing the hopes of an entire nation in realising their basic needs in respect of housing. I believe, Sir, that the existence of building societies would go a long way to circumvent those attempts of Ministers of Finance acting on the advice of Central Banks and give the people of Barbados a further opportunity for longer term investment on their hard earned savings.

I think I have dealt with the question of the Stabilisation Fund and so long as the law provides for other mechanisms which deal basically with safety in terms of lending and safety of investments, I do not think there is a problem there. But I do think it is better for the whole concept of the stabilisation fund to be excluded from the legislation because it opens the door for the kinds of restructuring which, as I said before, are being talked of in another place.

There are many other areas that I would like to deal with but I do not think on a matter like this there is too much controversy. I think there are several bits of the legislation that would need to be looked at.

It is a big enough Bill which might well benefit from being examined fully by a Select Committee of the House. I find when you have large Bills like this, it is very difficult for Members fully to peruse them. I feel a Select Committee is an appropriate committee to deal with these things but that is only a suggestion. It does not matter to me if it is done fully here in this committee.

SUSPENSION OF SITTING

Hon. P. M. GREAVES: Mr. Speaker, I move that the Sitting be suspended until 3:00 p.m. today.

Hon. M. A. KING: 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. SPEAKER suspended the Sitting accordingly. 2.00p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed. The Honourable Member for St. Peter.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I must confess that I was a bit disappointed in the two presentations which we have so far received on this very important piece of legislation.

In the case of the Honourable Minister, he has been absent from the country for a fairly long time and we might want to forgive him if he is not very familiar with the aspects of this legislation which he sold short, if I may say so, and which he did not take the effort to explain to the House as thoroughly as he could have.

In the case of the Leader of the Opposition, one suspects that he read the legislation rather quickly, if he read it at all, and, certainly, there are one or two matters that he raised which we this evening will have to deal with in so far as we are likely to enter the realm" of public controversy.

I want to say this, Sir, by way of my line of departure, that the overall co-operative movement in Barbados has, in the last few years, grown but the number of co-operative societies would seem to have been on the decline. There is an important lesson in that for us.

The growth of the co-operative movement has largely been as a result of the phenomenal growth of the credit union part of the movement but it is really true to say that the rest of the co-operative movement in Barbados has stagnated. In drafting legislation, I do believe that one of the imperatives that should guide us is how can we go about infusing the rest of the co-operative movement with the same kind of dynamism, the same kind of growth potential that, obviously, has taken root in the credit union movement, subject to a number of safeguards.

One of those safeguards is, how do we infuse growth and dynamism in the co-operative movement while maintaining its integrity as a co-operative movement? I have to deal with that point because a co-operative is different from other corporate enterprises, so how do we maintain the integrity of the co-operative movement as a co-operative movement? How do we so put in place new laws, new regulations that would allow modern professional forms of management and controls to take root in the movement, to prevent the kinds of problems that we are aware have overtaken other thrift institutions in the rest of the world?

We must not, Sir, be blinded to the fact, for example, that there is now a tremendous problem in the American thrift societies, the savings and loans societies, which were intended to be of the character of our building societies. How do we so institute new laws and regulations to make sure that the kind of problems that have gripped institutions which fall under the general ambit of co-operative societies do not happen in Barbados? In reading this legislation, Sir, are we satisfied that those kinds of safeguards have been put in place to make sure that what we know can happen, even with Trade Confirmers, far less the American Savings and Loans, does not happen in this society?

In addition, Sir, what is the new legislation saying about the rights and privileges of the members of the co-operative movement? Has it in any particular respect reduced any vested privileges, and if so why? What does it say about the powers and the relationship of the Registrar of the co-operative movement to the movement as a whole? Are we satisfied that the powers and prerogatives of that post, or the person holding that post, are such as would enable that person to manage and administer the affairs of co-ops as co-ops? Whether there be financial institutions or societies or consumer associations are we satisfied that the powers and the prerogatives invested in the Registrar of Co-operatives by this legislation are thorough for the purpose?

Now, in my view, Sir, the main contribution of this legislation and apparently the main intention of this legislation is to invest the co-operative movements in Barbados with many of the features that are contained in the Companies Act.

Indeed, after this legislation has been put in place and starts to work, a lot of the regulations surrounding the registration of co-ops and the administration of co-ops, a lot of the regulations regarding the manner in which shares can be held and disposed of in the co-ops and matters of that character, will be brought more in line with the specific legislation contained in the Companies Act and it has, therefore, to be understood that this legislation, to the extent that it will have any effect at all, will bring co-ops in Barbados more in line with modern companies. We have to ask ourselves, Sir, if that is what we want for the co-operative movement.

Here, Sir, let me digress for a moment. A co-op was intended always to be a different kind of enterprise in so far as it was intended always to be an enterprise through which people could pool their resources to help themselves. It was not intended at all to be governed purely by the motive of «* profit but it was intended as an enterprise through which people pool their resources to help themselves.

It was intended as a form of enterprise that depended not so much upon commercially hired help but depended a lot on voluntary help and, indeed, Sir, it was also intended to be an enterprise where people sorted out their own problems for themselves with a minimum of external intervention in their problems. That was the whole point of the co-operative movement, that it was then a vehicle for „<"" development through collaboration rather development through competition such as is the practice in the rest of the corporate system. Many important rights and privileges were allowed to the co-operative movement because of the manner in which it was conceived.

For example, the co-operative societies in Barbados*- are not required to pay corporation tax, or, perhaps, what I should say is that any surplus generated by the co-op movement is not subject to Income Tax. Equally, we found

that the members of the co-operative movement enjoyed an extraordinary privilege under Section 17 of the old Act, for example, where the shares of a member of a co-op could not be sold by order or any judgment from any Court in settlement of any debt or liability incurred by a member of that co-op, very important privileges enjoyed by the co-operative movement itself and by the members of the co-ops as individuals given the nature of the institution that we are dealing with.

One finds that, in trying to bring the co-ops closer to companies, some very important changes have been made which, in some instances, will reduce privileges enjoyed by members of the co-operative movement, as well as by the co-op societies themselves. 3.10p.m.

For example, Sir, one finds that Clause 129 (1), page 74, of the legislation says:

"A company registered under the Companies Act, ... may by special resolution determine to convert itself into a co-operative."

I do not like that, Sir. But a company registered under the Companies Act may, by special resolution, determine to convert itself into a registered society. Under 129(3) on the submission of a copy of that special resolution to the Registrar of Co-ops, upon receipt, the Registrar of Co-ops must issue a Certificate of Registration to that Company that was formerly registered under the Companies Act. There is a tremendous danger here, Sir, because you are going to have a situation where companies that do not subscribe to the principles and the values of the co-operative movement but are registered under the Companies Act can take advantage of the new Clause 129(1) and (3).

Aside.

Mr. O. S. ARTHUR: Let me finish making my point. That if a company that is now under the Companies Act passes a special resolution, the Registrar is bound, by the provision of 129(3), upon receipt of the copy of that special resolution, to register the company as a registered society.

If the intention, Sir,....

Asides.

Mr. O. S. ARTHUR: Mr. Speaker, Sir, I am alerting the Government to the danger of our opening a getaway for tax evasion for companies which do not subscribe to the co-operative movement but which would want purely to take advantage of the existing provision in the law which says that once you are a registered co-op then you pay no income tax.

I am saying, Sir, that we must, in drafting any legislation, maintain the integrity of the co-operative movement by making sure that entities that subscribe to industrial democracy - the co-operative movement is based upon one man, one vote - entities that are interested, Sir, in solving common problems and have common interests are the entities which benefit from this legislation.

I therefore see a future role for the co-operative movement, Sir, in areas such as land reform and agriculture where there is tremendous potential for us to evolve organizations such as this and where there is a tremendous potential economic benefit from people sharing, for example, equipment in pursuit of solving common problems. I see a tremendous role for it, Sir, in agriculture. In fact, Sir, I do not believe that we are ever going to get genuine land reform in Barbados, unless the co-operatives are used as part of the spearhead of that movement.

I want also again to say, for argument's sake, that Springhall Land Lease Project would make much sense if it were organized as a farmer's village, along the lines of a co-op and where people can pool the resources, deal with their common problems, rather than have to report to a Project Office, such as is the case at present.

But the point I am making, Sir, is that in every instance where this legislation causes co-ops to lose their integrity as co-ops, Sir, we have to be careful because we can be opening an important loophole for future tax evasion.

Equally, the present legislation obviously removes one tremendous advantage and privilege that was previously enjoyed by members of the co-op movement. As I said initially, Section 17 of the old legislation allowed that the shares, and if I may read:

"The shares or interest of a member in the capital of a registered society shall not be liable to attachment or sale under any judgement or order of a court in respect of any debt or liability incurred by such a member."

The new legislation takes away that privilege from members of the co-operative movement.

One understands, Sir, that one of the reasons for this legislation was to protect the capital of the co-operative societies themselves. But there was also an additional important reason. The shares of a co-op cannot be sold to anyone other than a member of a co-op unless there is an intrinsic difficulty about anybody coming in to acquire the shares of a member of a co-op who had no intention of selling those same shares to a member of the same co-operative society. One suspects that that Section 17 of the old legislation which gave co-operative members a vested right, vested privilege was intended to maintain the integrity of the co-operative movement as a set of

institutions who are entirely owned and run only by their members.

The implication of the removal of Section 17 of the old legislation, I think, Sir, has to be carefully examined. It will change the whole character of the co-operative movement if, by order of the court, the shares of a member of that co-op can now be sold to somebody other than a member of that same co-op itself.

I said earlier, Sir, that the powers and the prerogatives of the Registrar of Co-ops in this particular legislation have been fundamentally changed. Indeed, the Minister should have told the House that one important area in which the powers of the Registrar have been fundamentally changed is in the power of that person holding the post to be the arbiter and, in fact, Sir, to be the high court for members of the co-op movement.

Under the existing legislation which we are about to repeal, the decision of the Registrar of Co-ops was final in all disputes referred to him or her.

This new legislation substitutes that power of decision-making - the power of settlement of disputes formerly vested in the Registrar of Co-ops - by making provision for the creation of a special tribunal to whom disputes can be referred. It also, I think, by implication, makes it possible for the courts to become involved in the settlement of disputes arising within the co-operative movement.

Again, Sir, I come back to the basic point I was making all through my presentation, that one of the features of the operation of the co-operative movement is that one hoped that, to the extent possible, a spirit of co-operation and collaboration would prevail and that matters such as disputes could be settled by the co-operative people working on a co-operative basis. Hence the need for external intervention in the affairs of the co-op movement was minimized, as far as possible, certainly in all legislation and in most legislation with which I am familiar. Indeed the Trinidad Co-operative Societies Act of 1980 still vests that power of final decision in the Registrar of Co-ops.

I would just want to enquire of the Minister if there has been such a series of disputes of a contentious and vexatious nature arising in the co-operative movements that were so beyond the capacity of the movement itself to resolve that could lead us now into this situation where there is need for a special tribunal to handle the matters of this character.

A lot of this legislation which is very bulky draws heavily upon the Companies Act to establish modern methods of organizing and managing the affairs of the co-operative movement. One does not have any fundamental difficulties with them, Sir, except maybe to say that, in

some respects, a lot of what is being attempted here is merely spelling out the old Section 52 of the former legislation.

Under Section 52 of the former legislation, a Minister responsible for co-ops had power to make rules. For example, for the benefit of the Minister of Trade, Industry ^ and Commerce, under Section 52 (2) Clause (c) the Minister had power to make rules prescribing the maximum number of shares or portions of the capital of a registered society which maybe held by any member. Hence the deficiency to which he referred this morning about the credit union members, the limitation on how many shares a credit union member could hold was provided for in the existing legislation. All that was required for the Minister to do was to act in compliance with the law which says that he could change the rules and pass the regulations regarding the maximum number of shares that any member of a «* registered society could hold.

There were twenty-four broad areas, Sir, in which the Minister could make rules ranging from prescribing forms to be used and prescribing the way in which meetings could be convened. What the legislation does, Sir, in a very simple way is bring it out of these broad categories and spell out, for example, how meetings of the co-operative societies should be organized, how frequently the meetings ~ should be held, if you can hold meetings by telephone and so on, who should be the directors, what should be their qualification, matters like these that were formerly compressed in 24 broad headings assigned to the Minister, as areas in which he could make rules, are now spelt out, in broad fashion, and incorporated into the law, in most instances, in accordance with the format that was established for the purposes of the Companies Act. Therefore one does not have a fundamental difficulty with them, insofar as they make more explicit the powers and prerogative which were, perhaps, too tightly compressed in « the past.

The Leader of the Opposition spoke in relation to the credit union movement and the relationship between the credit union movement, the Registrar of Co-ops and the Central Bank. 3.20p.m.

The experience of Trade Confirmers and the experience of the Savings and Loans Society of the United ->-*" States of America is enough to warn us that if we leave large sums of money out on the road without a sensible system for administering and regulating how those large sums of money should be utilised, invariably you are going to have problems. It is a very easy thing to say let the Credit Unions deal with their own affairs, but we are talking about \$100 million today. Perhaps ten years from now - and we *" are talking about going forward into the 21st century - we could be talking about a half billion dollars, and perhaps even a billion dollars sooner or later. It is therefore very

easy to say let the Credit Unions look after their affairs, there is no need for anybody to be responsible for their regulation, but I am of the view that the problems generally arise when the responsibility for forming sensible laws and regulations falls between two stools, when you cannot be sure whether it is the responsibility of agency X or agency Y.

We have a problem today, Sir, under existing legislation. As is clearly stated in the Green Paper on financial institutions, if the Central Bank wanted, it could specify regulations governing credit allocations by the Credit Unions and so on, but it has chosen not to invoke its powers. I am saying that what we need to do is to be clear as to whom we want to vest authority in in determining how these institutions should be run as financial institutions. The former legislation would seem, in my view, to have vested that power in the Registrar of Co-operatives. The general administration and management of all Co-operative Societies was vested in that wonderful clause in the former legislation which says that the Registrar of Co-operatives should have the general duty of organising, carrying out and encouraging measures for the development of Co-operative Societies. The present legislation says only that the Registrar of Co-operatives shall have only such duties as are entrusted to that person by the Act, and where the Act does not entrust a duty, then he obviously does not have a specific power.

I rather like the broad statement of the powers and responsibilities of the Registrar of Co-operatives which is saying that the general duty of organising, carrying out and encouraging measures for the development of Co-operative Societies should be vested in the Registrar of Co-operatives, rather than say narrowly that the Registrar of Co-operatives only has such powers and duties as are entrusted to him by the legislation. Where the legislation does not say that it is his responsibility, for example, to establish what should be the liquid assets of the Credit Union Movement, then he has no responsibility in that area. I will explain why.

The Leader of the Opposition made a lot about the possibility of the Central Bank coming in and stating what should be the reserve requirements of the Credit Unions of Barbados. This legislation makes provision for the Credit Unions of Barbados to hold something called liquid assets. Section 196 (1) states:

"Every credit union shall maintain liquid assets in the amount ar.J in the form prescribed."

Reserve requirements are liquid assets and commercial banks are required to maintain liquid assets as prescribed by the Central Bank. This legislation, however, Sir, recognises that Credit Unions too must hold liquid assets and that they must hold them in the amount and form prescribed, but whose responsibility is it to say what is the

amount of the liquid assets and what is the form in which those assets shall be prescribed?

My reading of the legislation would say to me that that responsibility falls to the Minister of Trade and Industry, because section 269 of the Bill says:

"For the purpose of carrying out this Act according to its intent, the Minister may make regulations

(a) defining, enlarging or restricting the meaning of any word used but not defined in the Act;..."

The Act does not independently define how or who should determine the amount of liquid assets any Credit Union should hold, and hence under the strict interpretation of section 269 a responsibility in that respect would have to be the responsibility vested in the Minister of Trade and Industry, unless we are going to say otherwise.

The question I am raising is for the Minister responsible for Trade and Industry, or the Minister responsible for Co-operatives, whoever that Minister may happen to be, so let us not get away from the fact or cloud the issue that it has not been recognised that there is need for safeguards to keep the Credit Unions liquid. Let us not also get away from the fact that this legislation does not in itself embody a system by which safeguards and controls should be exercised in relation to how Credit Unions can utilise their funds, because once you say they must hold liquid assets, what we are saying is that some of the funds of the Credit Union must be held as cash, just as the commercial banks do, in the event that members come back and say they want some of their money.

The thing is, should we now vest that responsibility in a Minister responsible for Co-operatives? Or should it be vested in an institution which has a general responsibility for dealing with financial matters of this character? Or the Minister of Finance? I am not about to give a definitive answer on it, but all I am saying is, let us not have any grandstanding on the point, because it could become a serious problem. Let us remember, as has now been clearly documented in the case of the Savings and Loans Societies in the United States of America, that when their functions were clearly defined as institutions accepting deposits for the purposes of being able to lend people mortgages, there was no problem whatsoever with their functioning. But if you create a free-for-all environment in which large sums of money can move here, there and everywhere, and do not put in a system of proper regulations, inevitably problems will arise, particularly where you are dealing with large sums of money and institutions which, in some instances, do not employ high calibre Accountants and things of this character. Let us not leave this issue on the road for fear of taking a position that can make sure that problems are pre-empted, Mr. Speaker.

I have covered some of the important omissions from the legislation, in my view. There is a sense in which as well the Barbados legislation could have benefited from recent changes in legislation pertaining to Co-operatives in other Caribbean countries. I think, for example, that the Trinidad legislation includes a provision relating to how the surplus of the Co-operative Societies should be utilised, which could allow us in Barbados to build a strong Co-operative Movement. As part and parcel of our building a stronger Co-operative Movement we have to recognise that the Co-operative Societies of Barbados will have to employ professional staff. To get the professional staff we have also to recognise that if you are going to employ and attract this professional staff, you should also make sure that the kind of perquisites and benefits that professional staff are entitled to are available to the persons employed by the Co-operative Movement.

In the Trinidad legislation, what they do is to say that a part of the surplus generated by a Co-operative Society can be made as a contribution to a pension fund for the employees or servants of those Co-operative Societies. That legislation recognises fundamentally that the Credit Unions, as Co-operative Societies, will at some time have to employ people on a professional basis and that you should treat them like people too. In treating them like people you should put money in pension funds for them and every year a proportion of the surplus generated by the Co-operative Society should be contributed to a pension fund so that when the employees go home, they go home properly accounted for. 3.30p.m.

I am saying, Sir, that our Bill only retains what was in the previous legislation, that it prescribes that 25 per cent of any surplus generated shall be put to a reserve fund and that parts of the funds should be used for charitable purposes and be distributed as patronage bonus which is an ordinary part of the spirit of the co-operative movement. But I am saying, Sir, that if we are looking to the co-operative movement as a place which can, in the future, given the scope of business, attract professional staff, then things like pension arrangements for the employees of the co-operative societies must be a direction in which we should want to take the movement. If this Bill goes to a Select Committee as one hopes it will, we would want to discuss that with a view to having it incorporated as part of our legislation.

Finally, Mr. Speaker, I am of the view, and I made the point in discussing the Barbados Development Bank, that wherever possible we should try to make regulations and legislation user friendly. When we were discussing the Barbados Development Bank recently, Sir, I was of the view that we have always to bear in mind that most of the people who use the Barbados Development Bank are simple people who can be intimidated by cumbersome legislation, cumbersome procedures which cost them money, and may have to involve them in employing lawyers and accountants

and project analysts to prepare documents for them to get small loans. We have in framing legislation also to recognise that a lot of the people at whom the co-operative legislation is aimed are relatively simple people who do not have at present a lot of professional staff, and that the legislation itself, Sir, should be user friendly, meaning that a person like a fisherman or a farmer who wants to establish a Co-op or a group of fishermen or farmers should be able *** to feel that they can approach the legislation and not be intimidated by its unwieldy nature or cumbersomeness. This legislation, Sir, is in many respects cumbersome. There are areas in which we should still reserve for the Minister the right to make rules. What we have to do is to make sure that in areas where there is anything like the possibility for graft or the unspecified maladministration of the co-ops, we can, without having to spell out everything in the legislation, grant the Minister the right to make rules. The old legislation in my view suffered from the defect that it gave the Minister the power to make rules in a broad *" number of areas, some of which would better have been specified in the legislation *per se*; this goes to the opposite extreme. It does not give the Minister now any power to make any rules at all. Anyhow, Sir, I am saying that there are some things in this legislation which need not be spelt out in the legislation as such. For example, the question as to whether or not co-ops can have a meeting by telephone. This is now part of our legislation. I am saying that the Minister can make rules as regards the nature of meetings, * but we don't have to spell out everything in legislation, because this becomes unwieldy. Remember, Sir, that a farmer or a fisherman interested in forming a co-op may have to pick up this and try to understand what it is saying; it must be user friendly. Compare the two, Sir, this is not the Trinidad legislation; this is the Barbados legislation. Let us not make these things so unwieldy that the cumbersomeness of the legislation itself acts as a deterrent to persons wanting to become involved. That in a sense, Mr. Speaker, is part of the diffidence that I have in bringing this too close and exact to the Companies Act, that the coops of today and tomorrow, if outside the credit unions, will be comprised of relatively simple people who want to put together some resources to help themselves, to run their own affairs on the basis of one man one vote. In many instances they will start without having any lawyer. They can't afford to pay a lawyer, can't afford to pay an accountant, can't afford perhaps even to hire top level professional management. The legislation therefore, Sir, has to take account of those kinds of on the ground realities. If „, we put the members of the co-ops in the future in a position where they can't form co-ops unless they can employ a lawyer or an accountant, then the co-op movement will not work. That is the point I make, and that is why I said earlier that my line of departure is, let us make sure that the same kind of growth and dynamism that has been brought to bear to the credit union movement begins to pervade other «*, aspects of the co-operative society. I therefore have that diffidence, while I recognise that the co-operative movement itself cannot avoid introducing a large number of

the things that are here intended. Let us make sure that the legislation is not too cumbersome. I will close on this note, Sir. I have already made a plea in this House that, in every instance where any Government of Barbados is sending out reports and legislation that is not going to be contentious to other sections of the private sector in particular, let us send it to everybody in the House of Assembly. We have a situation, Sir, where we who are Members of the House see these things when they come to the House and this is a weighty piece of legislation. The alternative would be for us to have to go to persons in the private sector and see things that the private sector has access to. I am not surprised therefore when the private sector starts believing that it should be the responsibility of the private sector to draft alternative Estimates, because if they can see things that we cannot see until they come to the House, Sir, they have privileges that the people's representatives do not have, and, Sir, we have to start treating ourselves better now in the House of Assembly. As a matter of courtesy and a matter of convention, whenever these things go out to any private sector group, they are not secret, therefore let us put a copy into a brown envelope and the same effort that would send this to any credit union, send it also to Opposition Members and Government backbenchers so that when we come to this House to discuss fundamental pieces of legislation we too would have had the opportunity to study these things and perhaps even comment in advance. In the final analysis that we must treat ourselves as well as we treat the private sector of Barbados, Mr. Speaker.

I have no fundamental difficulty, Mr. Speaker, with this legislation; I have read it as carefully as I could. The Minister seems to feel that I misunderstood the intention of certain clauses particularly clause 129 (1) and (3) which I feel could create extraordinary loopholes if not properly handled. I still feel the legislation is a bit unwieldy by trying to draw too heavily from the Companies Act and superimpose the existing format of the Companies Act on the Co-operative Societies which do not have yet the resources to comply fully with a lot of these things, I, however, only insist that whatever we do we maintain the integrity and values of the co-operative society because that value of self-help, the value of industrial democracy, the values of thrift and allowing people to sort out their own problems are values which are vanishing from Barbadian society. I am obliged to you, Mr. Speaker.

Mr. R. L. MORRIS: Mr. Speaker, I would like to share the view expressed by the Honourable Member for St. Peter that in fact this piece of legislation is extremely important, and is a piece of transformation legislation, but where perhaps we may differ is in a perception that legislation will determine the growth or non-growth of the co-operative sector in our country. I would say that the co-operative sector will grow in spite of legislation, whether the legislation is there or not, because it would be responding to different things in the community and in the society, and the fact that the other types of co-operatives

apart from the credit unions have not taken off I do not blame on existing legislation. I certainly do not believe that there is any kind of legislation that can be drafted and brought before this Parliament that would ensure that non-financial credit unions will necessarily grow. 3.40p.m.

Mr. Speaker, it is my view that every society has, from time to time, to examine its basic structures and to reflect on whether those structures which have taken us to a certain point are capable of taking us any further.

In Barbados, we have enjoyed the capitalist system for all the periods of our existence. We are still very much a capitalist country in terms of the economic organisation of our society. The model that we follow is one that is very well accepted, I would say, in western democratic countries, but from time to time we have to look at the way this model functions to see if, in fact, we have to transform it in certain areas.

I do not believe that the model of the Co-operative Republic in Guyana is one that we would want to follow in this part of the world. I do not believe that we can look at what has happened in Israel, which really started out as a co-operative economy with the trade union forming co-operatives in all areas. In fact, Israel is 90% a co-operative country. I do not believe that is a model that we can follow.

I do not believe that the model of the United States of America, largely, a complex of small economic entities, one door shops, etc, thousands of these existing, and with the large businesses that exist and the competition between these and the tensions between them, I do not think that is a model either.

We in the Democratic Labour Party share the concept of a mixed economy. We respect the private sector. It has a role to play. We maintain that role is one that should be recognised by all but we believe, also, that the public sector has a role to play. The public sector has to intervene in the economy in strategic areas, and we believe in a third sector, what we call the social sector of the economy. We believe that social sector includes the co-operative movement.

I believe the fact that the three trades unions in Barbados, the National Union of Public Workers, the Barbados Union of Teachers and the Barbados Workers' Union, have all spawned co-operatives, suggests that, in fact, what I call the social sector comprising the trades unions and the co-operatives, recognise that they have a role to play in enfranchising the economics of the masses of this country and empowering the masses to use their hard earned wealth in ways that can impact more meaningfully on the economy.

In fact, I listened to much of the debate about economic enfranchisement, as it is called, and to me the co-

operative movement is the vehicle and the tool for that kind of transformation. For me it does not reside in trying to get on the Board of Directors of the existing companies whether it is the Mutual or whatever, because, quite frankly, to do that is not to make any significant change. You are really taking over these institutions lock, stock and barrel but the basic structures do not change. You are really changing the complexion of the directorate and when you change the complexion of the directorate, you do not do much because the attitudes of the people who go in there are not too far removed from the ones whom they are displacing.

As the Honourable Member for St. Peter was saying, the co-operative principles, I think, speak to a different kind of situation from the principles that inform business operations in Barbados. I believe that is the avenue to be used for a certain amount of transformation. At this point in time one does not know, one cannot really tell what the long term developments will mean to the country as a whole in terms of whether we can push co-operatives in places where some of us would like to see them go. I am optimistic that if we can mobilise our young people, the resources they have, the intelligence they have, and the training they have, the direction of co-operatives as a methodology of using their resources would mean more in terms of the development of our country. I perceive that all of those thousands of children who are graduating with their degrees in Economics, Law, Business Administration, etc. are going to find it extremely difficult moving into the established private sector. They are going to be finding it very difficult to start business partnerships, and, perhaps, in order best to utilise these varied talents and these multiple talents, if we can get them to understand the co-operative principles and to move together and form co-operatives, I believe that is the best way to utilise those skills that will be and are upon us now.

When we were forming the Barbados Workers' Union Co-operative Credit Union Ltd., back in 1983 we had a great deal of assistance from the Registrar's Department at the time. The Registrar's Department has been a very dependable source for advice and guidance in forming these institutions and, like the Minister, I know that according to the Rules of the House I cannot call any names in here. I am not supposed to call any names in here but we did get tremendous amount of assistance from the persons who man the Registrar's Department.

I remember that, for several 'years, quite frankly, we were battling with the existing legislation and everyone was sure that that legislation had to be changed.

I remember drafts coming in the period of the Barbados Labour Party but we could never get draft legislation that seemed to satisfy all of those persons who are in the Credit Union Movement. But this was not something that one needs to decry because it is a very

complex thing, something that took a lot of time and I would say that there were efforts on the Barbados Labour Party side to try and get the legislation before us.

I would like to compliment the Minister, certainly, for having brought this legislation here, having been able to complete it with a team of people with an interest in the movement and I think we have to compliment him because we have been hearing all the time that the Democratic Labour Party has not been forceful in terms of social legislation.

This is not the time to recount the legislation we have put on the statute book. In the very short period we have been here again we have put some tremendously important legislation on the statute book. This is just another one and I do not want people to misunderstand the importance of this piece of legislation. I want them to understand that when you put this along with the other social legislation we have done that we have begun to rechart the path that we left off in 1976.

Aside.

Mr. R. L. MORRIS: The Proceeds of Crime Bill. Do not try to sidetrack me on this one.

I am very happy that the Minister has been able to come to Parliament with this legislation. It is a big document. I have no difficulty with the size of the document. It is the quality that I am concerned with and I have no fears like the Honourable Member for St. Peter that it might deter some fishermen from St. Lucy or something like that, or from Christ Church - we have fishermen in Silver Sands and so on - if they want to start co-operatives.

Basically, you and I know that, in fact, that member is going to be faced with the bye-laws which are going to be faithful to the terms of the Act. He will not have to be conversant with the Act. Once he is satisfied with his bye-laws and once the Registrar tells him these bye-laws are sufficient for your operations, he is not going to be living in the Act.

Many of us who perform from day to day do not have to be referring to the Act and do not have to be legal experts because, again, we have to be able to learn to buy the services of experts. If every one man wanted to understand every happening in Barbados we would not have much room for lawyers and when we are building institutions like credit unions or any other co-operative, we have to teach people: "Look, if you want expert understanding, go to a lawyer. The lawyer will do that for you". Do not let us be deterred by the size of the Act or even the complexity of the Act. We have to deal with complex legislation and we recognise that there are lawyers who are trained to advise on these matters. I do not think that that would be any

particular deterrent to anybody who wants to set up a credit union.

As I said, I am very, very happy that the credit union movement has taken off in Barbados. All the figures have been given by the Honourable Minister. I am not bothered by the inability of the other co-operative sectors to move at this point in time. Good advice has always been that you establish the financial sector of the co-operatives first and when that reaches a certain basis then you can move on to the other sectors. I do not think that we need to hurry to get those other areas organised.

Yes, I want to see other co-operatives. I want to see industrial co-operatives going and, again, I think that, as we are in the initial stages of building the movement, we have to take our time and not rush into it because we want to lend a very strong basis to whatever we establish in this movement. That is why I would like to express my perceptions - I am not sure if they are correct - about the present Act.

Under Part 17 Clause 195 (2) I see here:-

"No credit union shall

- (a) engage in any business, other than a business appertaining to a credit union;...."

Now, that is a matter of particular concern to me because if I assume that the business of a credit union is really taking in money and lending and so on, it means that the credit union will not be able to reach the levels that I would like it to reach in terms of spawning other business activities, a real concern for me. 3.50p.m.

When I look at the situation, let us say - the analogy might not be totally correct - but if you look at the situation in Japan where the banking system is used to spawn other businesses, most of the large businesses in Japan really have investments from the banking sector. As I perceive it, if the credit union can be used to start other industrial co-operatives, if you can use funding from the credit union to start day centres and all the other things that within the philosophy of the movement can be allowed, then I think that should be encouraged.

I have a concern with this particular section. I think it is very short-sighted in terms of where the movement has to go. It is Part 17, Clause 195 (2). Because you have a situation where corporate organizations can become members of the credit union, the co-operative. But the co-operative now cannot itself spawn businesses. I believe that would be very short-sighted. Quite frankly, I can understand the motivation or concern that you do not want the members' shares used willy nilly and put at risk. I can understand that. But, certainly, if a credit union is

progressing and progressing well, and it sees that it can start a day care centre or something like that, catering for its members and operating on business principles, setting out fees and so on that they can take money and whatever return they get again is going to be distributed in terms of refunds or dividends and so on, I see no reason why this Bill should block that kind of development. Because I believe that this financial intermediary should be used, quite frankly, to push the co-operative movement further. If the credit union can generate funds that it can then turn around and invest in a consumers co-operative or housing co-operative, I do not feel that should be blocked.

I would therefore like this part to be looked at very carefully because we have to see where we want the credit union to go. Again, one of the problems that has arisen in some countries where people want to move from the credit unions into establishing workers banks - that is supposed to be the direction where we are told we should be going in - they soon find that there is a complete difference between a credit union and a bank. We are not operating on the same principles. In Israel where the Histadrut moved from their credit union base and established the Bank de Haipolim which is now the major bank in Israel, the co-operators are finding that was a terrible mistake, because a bank operates without relating to its members like a credit union, and the relationship is now a very cold and a very formal relationship. They are regretting that they moved in the direction of transforming all their co-operatives basically into a banking system.

I would like to think that we should be able to use the credit union to help develop other industrial co-operatives by being able to invest in these co-operatives and not force it still to take up the role of a bank. Within the four walls of the law the co-operatives should still be careful to carry out that kind of investment.

Another concern I have is in 4 (1) (a) where it says that there is a possibility of any member having more than one vote. Basically what it is saying is that depending on the by-laws a member can have more than one vote. I want it to be extremely clear that under no circumstances do I believe that any member of a credit union should have more than one vote. That is against the principles of the co-operative movement. I do not want to see any discretion in this matter. There must be no discretion in this matter. It must be very clear, one member one vote. That is basic.

Aside.

Mr. R. L. MORRIS: Clause 4 (1) (a).

Aside.

Mr. R. L. MORRIS: Page? That is on page 4:

"For the purposes of this Act, a society conforms to co-operative principles if

- (a) no member or delegate has more than one vote unless otherwise specified in the by-laws;"

To me, it should stop at "vote" because there should be no discretion in this matter. Once you do that, you are basically moving away from the first principle in co-operatives. I believe that may be an oversight but I would like certainly to see it removed. If that remains then people in their by-laws can set up a situation where members can have more than one vote. That is hitting at the heart of the system.

Having looked at that, I would still like to say that there are some things that have been changed from the old Act which I think one has to note, the question of unlimited shares, as established under this particular Bill, where before I think you could have a maximum of \$1 000 in shares. That was designed for 1949. I think that the wisdom of the Committee in establishing unlimited shares can be, of course, established by your by-laws in terms of what the maximum shares are going to be. I think that is a wise step because I believe people should be able to save as much as they wish, on their credit union. With the competition that is going on right now, it seems to me that people have been moving from the banking system to the credit union. This certainly will help to establish that because people were acting *ultra vires* of the law. This is a case where I think of the well-known dictum that the law is a fool. I think the law, at the time, conformed with the particular terminology that was used about it. Certainly by this amendment, we can see now that those of us who are putting money into the credit union can do so without fear that we are contravening the law.

The other thing I think important is that the age for joining the credit union has been lowered from 18 to 16. I think that is vitally important. I think we need to recognize the amount of money that is transferred from parents and other sources through school children into consumer areas, from parents and other sources, other sources that we might not necessarily support. But it seems to me that teenagers spend a lot of money in Barbados.

If we can get children getting into the habit of thrift at the age of 16, while they are still at school, I think that that two years can make a tremendous difference in terms of the numbers of people who will come into the movement. It is very important that these societies be set up at the school age.

I should like to say further, quite frankly, I hope that the Minister of Education would be able to use his influence to ensure that something about the co-operative movement is taught in the schools. I really believe it is vitally important that children should be taught about the co-operative movement. I believe that, from very early, they

should be exposed to this kind of business organization. I think it is basically a failing in our educational system and the way how we organize our lives that we do not teach enough about business. When people ask, me, "Is there a business environment in Barbados?" I have to say, I do not think so. Business has always been kept aside for a few white people basically. It was always understood in this country that only a few white people had anything to do with business.

In schools, when there was the supposed commercial class, that is where the "duricy" boys were sent. The ones who were not in the academic or classical streams were shunted into commerce. It was well-known that that was reserved for the ones who were not expected to do well in society. That is just in my lifetime. I am talking about when I was at Foundation School, a few years ago. They did well in life afterwards. That was the tremendous irony of the situation, that they were being penalized by a system that really was for their own improvement. Because the guys who then went on to do their "A" Levels in Latin, French and Greek had to make a swift change and become doctors or lawyers which is, in a way, going into business in order to make a living. But the guys who came out of these streams where they were superannuated after spending three or four years in commerce are the guys now who are holding down middle-management positions in the business sector.

I do not think we have developed a real consciousness about business in this country. I feel that it is our responsibility, wherever possible, to teach children about the movement. I believe that should be part of the formal education they receive in schools.

The Honourable Member for St. Peter raised the question about pensions, about needing to change the legislation in order to ensure that the funds from the credit union can be put into pensions. I believe that if you look at Clause 69, however, I am asking for an interpretation here, but it seems to me that Clause 69 says:

"Subject to Section 68 and the by-laws the directors shall fix the salary of any officers appointed by them and shall approve a scale of remuneration for any employees of a society."

I am just asking for an interpretation whether it is not conceivable that pension can be seen, in a way, as deferred remuneration and that you could have authority within that Clause or the Bill to organize a pension. 4.00 p.m.

Aside.

Mr. R. L. MORRIS: That is strictly remuneration. Pension cannot be seen as deferred remuneration. All right. My question to the lawyers again is, whether it is set out

clearly in the Bill the way how the income of the society can be used. Within that particular category it does not say that the income can be used for the purpose of salaries, but still in the actual clause 69 says you can use it. Clearly there is an understanding that if you can use income for salaries you can use it for pension and that you do not have to set out that it is one of the ways you can use your income.

Mr. O. S. ARTHUR: On a point of elucidation. The section that sets out income refers to the surplus that remains after salaries have been paid. It recognises that the surplus of the society really is the profit after the income has been met and it only prescribes that part should be put into a reserve fund, part can be used for a charitable purpose. All I am really saying is that we can bring our legislation explicitly in line with other legislation in this field that I think is progressive.

Mr. R. L. MORRIS: In other words, you can do it in two ways. You can either put that as part of the surplus, or you can put in a phrase here within the same clause that part of the income of the Credit Union, before the surplus, can be used for the purpose of establishing a pension.

The important thing in this matter is not the technicality of where it has to go in, but I would like to recognise the good point that provision has to be made for pensions for the officers who are working with the Credit Unions. I think the Honourable Member for St. Peter made the point that the Credit Unions will be attracting quality staff. I do not think it is a matter of "will be attracting", I think the society even at the present time - I think the Public Workers' probably has about 30 full time staff members, the Barbados Workers' Union Co-operative has about six full time staff members, and they are going up all the time.

Aside.

Mr. R. L. MORRIS: St. Peter has a half of a part time person, I understand, but all the societies are growing and we can expect that the level of qualification of the people at the top will be comparable with the level that one will find in banks or any other financial institution. In fact, we are attracting people away from the banks to man some of these organisations. So I agree that we need to look at the question of the package. I do not know if it is a matter for legislation, as I said, or whether in fact it is understood that - it is the sort of decision to be made by the directors without having to come to legislation. I believe that those things have to be provided for.

I was looking at the good things about it and, as I said, one of the good things about the law is that a corporate body can become a member of the society. In my particular instance this means that the trade union, for instance, can become a member of a co-operative and I believe that can

allow for the kind of development that the Honourable Member for St. Peter was talking about where you have institutions that are already established, which can help to foster co-operatives, and use them for other types of co-operative development. For instance, in the trade union movement, we talk about the importance of non-bargaining activities, not just concentrating on collective bargaining, but looking at the provision of education, the provision of services, like the day care centres, to our members, the provision of transport services, these are some that have been taken out by trade unions in the rest of the Caribbean. Some trades unions in the rest of the Caribbean conduct business enterprises on a co-operative basis. When a business is on the point of closing - and this is where, for instance, the Member for St. Peter might not have seen the possibility - where a company that is established under the Companies Act is closing it should be allowed to become a co-operative.

Let us take an instance, that a company established under the Companies Act is about to go out. The workers decide that they are going to buy into that company but they want to operate it as a co-operative. I can see no difficulty in the law allowing for that kind of transfer, provided that you will come up with by-laws that will respect the co-operative principles. We are saying that, all other things being equal, I think that is a beautiful avenue for us to be translating from the old Companies Act, where the workers say "we are going to take over this now as a co-operative." This is something like how the workers at Eastern Airlines in the United States of America are now trying to take over the airline, which would have been registered under their Companies Act, but now they want to operate it as a co-operative. I see this as a beautiful possibility. I see it that we can teach workers this perception, that because a company is folding up it does not mean that you cannot take over that same company and buy the skills and the management, and that you can then allow that company to proceed and to grow, because you would have perhaps something more to put into a company where you are a co-operative shareholder. I see that as a distinct possibility in that direction.

Another area I am very happy about is the one that makes it mandatory for Annual General Meetings to be called no later than three months, or with permission by the Registrar no later than six months, after the end of the financial year, and that if it is not done it is a breach of the Act punishable by a fine and so on. There are too many co-operatives that believe that they do not have to behave in a businesslike manner. They hold three Annual General Meetings and that sort of thing in one year. I believe there is no way that you can have my funds invested and you are going to delay that amount of time before you report to me on the conduct of the business in that organisation. I believe we should not encourage it. I believe that immediately after the end of the financial year everything should be on the level in that institution, you should be able to get your auditors to come in and you should be able to come up with

an Annual General Meeting. Six months' time I can see as a comfortable period, given the consideration that things do not always go right, for persons to get back on stream, but to me it is not a good thing to have an Annual General Meeting being postponed year after year and then meeting to look at three years' business. That is really not acceptable and I believe that the Act is doing the right thing in terms of the administration of the Credit Union.

I am very happy too with the powers that have been given to the Committee of Supervisors. They have always been a very strong body. I think these powers used to be in the regulations but they are now into the body of the Act.

Aside.

Mr. R. L. MORRIS: It seems to me that the Supervisors have a great deal of powers within this Act. They have the power, if they find any irregularities, to write to the Registrar immediately. They can also recommend the dismissal of the Directors. All this is clearly set out in this Act. The Supervisors are, basically, internal auditors.

Aside.

Mr. R. L. MORRIS: Using the same principle as the Honourable Member for St. Peter, that when there are disputes they should be settled internally before you go outside, I believe that power should be given to the internal auditors first before the external auditors are asked to intervene or are given any power. I believe that, as far as possible, the internal auditors, the Supervisors - and they have been given some very strong powers here, and I am totally in support of that - but what it means that those of us in the Movement have to get out there now and let the Supervisors know that before you take that position you have to be comfortable in your mind that you are strong enough to take the position. The Supervisors have to recognise that they are the strength of the co-operative body, and we have to be very careful when we have our Annual General Meetings that we let the people who are standing for election know that if you want to be a Supervisor you have to be a strong person, you have to be one who is not afraid to take decisions and so on. The Bill I think provides very powerfully for that area of internal audit that is so crucial to the development of our bodies.

Most societies are at their most vulnerable in the early stages of their development before they have professional staff. I think experience will show that that is the time when some infelicities can and will occur before the Credit Unions are able to pay for the services of external auditors, which are very expensive. 4.10p.m.

That is why I believe if you can start out with a strong body of supervisors who are given powers to act within the law, that is the first defence against problems, and once

they follow their duties faithfully and report to the Registrar who can then come in and investigate, I think that would help to get rid of some of the problems which have existed in these bodies before.

In conclusion, Mr. Speaker, I would like to say that the Bill is indeed a very good Bill. To get the co-operative sector moving ahead even more than it has done at this particular time, particularly to see non-financial areas of the movement growing, will call for a lot of education. I think Barbadians are becoming much more aware of what the co-operative means now. There was a time when it was felt that it was a poor man's club *et cetera*, but now you are having university people, you are having your economists starting credit unions, you are having your lawyers involved *et cetera*. I believe several Members of Parliament here are members of co-operatives. I think you have to nurture and give it guidance. I think we have to push the whole idea of co-operatives. I think in another week or so we will be looking at Co-operative Week. I believe that next week we will be looking at Co-operative Week. In fact this entire week - what a coincidence. Apparently we are into Co-operative Week which is climaxed at the end of the week. I hope that the whole co-operative movement will use this opportunity to give full coverage to the idea of the operative, what it means and how it can be used to transform our society. I hope that the co-operative movement will move into places like the University where the students are graduating and talk to them very early about the co-operative as a tool for using their educational resources and whatever funds they may have in order to help the movement progress. I believe that we have to depend on our young people to push this movement further, and I hope that people will see this as definitely a very important institution for Barbados of the future. I thank you, Sir.

Mr. D. A. C. SIMMONS: Mr. Speaker, I won't be as lavish in my comments about this legislation as the last speaker. I recognise it as a good attempt to modernise the law of Co-operatives, but I have a number of reservations and concerns about the details of the legislation which will necessarily make me cautious in going overboard in terms of complimenting the Government about the legislation.

If we start at the level of philosophy, Sir, the co-operative is a different entity in terms of philosophy from the limited liability company. It is true that it had its origin in Western Europe under the capitalist system and a company is essentially a capitalist phenomenon for the aggregation of capital and wealth. To that extent there is some similarity, but an essential difference is in the types of interests pursued by members of companies as distinct from members of co-operatives. Members of co-operatives operate in a very democratic kind of institution, as Honourable Members have said, on the basis of one man one vote, with a view to promoting very altruistic ideals. For example, Sir, co-operation leaches comradeship,

promotion of thrift, self-help and voluntarism and what Senator McClean perhaps calls mutualism. It is either mutual, mutuality or mutualism, but I think he prefers mutualism, and the interests of the members of a co-op are the interests of the members themselves for the promotion and development of the entity, whereas in a limited liability company surely the interest of the shareholders is one of profit. The motive that informs the establishment of a limited liability company is essentially the profit motive. I don't think therefore that at the level of broad philosophy the two are necessarily harmonious. Therefore we should not import with the kind of liberality that we have in this legislation the principles of company law and foist them on top of a structure which was designed to assist perhaps different types of people in the development of business.

Undoubtedly the co-operative movement can be seen as an instrument for involving more people in activities of business. It is true that you may classify them as quasi-companies, but it would be wrong strictly speaking to treat them as being the same or indeed even of the same genus as limited liability companies. Now, Sir, this Bill before the House purports to use many of the Companies Act provisions in all of the aspects of the Bill. One understands that the legislation would require an under-pinning by principles aimed at preventing fraud, calling for the greatest "possible disclosure, providing for competent and efficient management and at the same time giving rights to individuals to solve disputes. Those would have to be the principles that would under-pin the legislation, but I wonder if another method could not have been found to promote those principles within the legislation without having, as the Honourable Member for St. Peter said, to be so cumbersome about it by way of importation from the Companies Act of whole provisions, of sections and divisions of the Act and superimposing them on the co-operative movement.

I believe we are stuck with that broad framework and I am not going to quarrel about it because I understand the Minister's point. He wanted to modernise the legislation, he wanted to create a reasonably sophisticated format without being too burdensome and restrictive of the co-operative movement, to put them on a proper businesslike and legal foundation, so I recognise his difficulty. All I am saying is that I don't think you had to borrow as heavily as you did throughout the Bill.

Now, Sir, I presume that because the suggestion has come from the Honourable Member for Christ Church East Central the Government will accept that it is contrary to the fundamental precepts.... . 4.20p.m.

Hon. E. E. GREAVES: On a point of elucidation, Mr. Speaker.

On 4 (1) (a) I consulted on this particular point and I am informed that the basis on which this 4 (1) (a) was supposed to apply was really in a situation relating to the operations of secondary institutions like, for example, BARNACS or the Credit Union League where societies are members of that organisation and are having their meetings, it would be on the society.

I accept the point that the way in which it is worded it can open the way for an interpretation that a member could have more than one vote and I am quite prepared to make an amendment. It may even include taking it out.

Thank you, Sir.

Mr. D. A. C. SIMMONS: I am obliged to the Honourable Minister for explaining. I do not think any of us could have envisaged why it was included but now that the Minister has said that it makes sense. I suppose it would be better, Sir, if it came out and it could be dealt with otherwise.

Hon. E. E. GREAVES: On a point of explanation again.

I have been further informed that if you read page 56 Section 92:-

"(2) Subject to subsection (3), no member is entitled to more than one vote.

(3) Where the membership of a society is composed entirely of other registered societies, it may provide in its by-laws for voting based on the number of members in its member societies."

What I am saying is that if there is any problem there I think 92 (2) and (3) really explains 4 (1) (a). Out of an abundance of caution, I would be prepared to take out the particular provision of that clause which has been drawn to my attention. I have no difficulty with that, unless you are pressing the point.

Mr. D. A. C. SIMMONS: I am not pressing the point, Sir. The Minister has given a clear explanation for it and 92 (2) and (3) would seem to be clear. We cannot see everything, Sir. We had 270 clauses to plough through, Sir.

Now, Sir, since we were on Clause 92, I wonder if in his reply the Minister could explain why, for example, proxy voting is outlawed by this legislation.

As far as I am aware, every person irrespective of age is entitled to have an agent. A little child involved in an accident, the mother has to bring the case as the next friend. All that proxy voting allows for is - suppose you were to go to a meeting today but we have to be in here for a vote on a constitutional point, we should be able to give a proxy to

somebody else who is going to the meeting. You can only have one vote. We should be able to give somebody else...

Aside.

Mr. D. A. C. SIMMONS: While you are talking about St. Thomas, Sir, they figure that the gentleman who has got past the Executive Council and the General Council without any trouble in there is not going to have any trouble in St. Thomas. He has the world of trouble coming W-O-R-L-D.

Sir, I really cannot understand why we cannot have proxy voting. If we are saying that we are tying it to the Companies Act in large measure, the Companies Act provides for proxy voting. Why must the co-op now deny a member of a co-op the right not to go to a meeting and have somebody else go and vote for him, so long as that person is a member of the co-op. I do not see any difficulty with it. I do not think it offends any of the fundamental precepts or principles of co-operation. As I said, everybody is entitled to have somebody act on his behalf. Even my friends in the union, they are well familiar with that principle of going acting for people, standing in their stead and putting representation on their behalf. That is one thing that I think, Sir, has no real place in the Act.

Now, let us go through some of the Clauses that bother me. Starting first at Clause 7 (c) on Page 6: "No society may be registered". Just stop there, Sir - "(c) unless it is considered to be economically viable by the Registrar." Tell me how is the Registrar to make that judgment? When you present your papers for registration, how is the Registrar to make a decision on the economic viability of the co-op? What does she want?

Aside.

Mr. D. A. C. SIMMONS: I am saying "she". The lady has been there for 12 years. All of these figures today that were read out by the Minister, how many millions it is worth, the Acting Registrar who has been acting for 12 years presided over all that growth and development of the co-operative movement so I am assuming she will get the job, no problem with that.

Aside.

Mr. D. A. C. SIMMONS: Well you all make the recommendation (the Public Service Commission). She deserves the job. But do not let as get bogged down in personalities now, Sir. I have made the point and I am going along.

"Unless it is considered to be economically viable by the Registrar". Why do we include in legislation language which, if you do not have a Registrar who is understanding, can ask you to bring a feasibility study, like IMF and so on, look at your *pro forma* income statement, a cash flow and

all of that - No, Sir. I am sure that was not the intention. I think we want to make the question of registration of a co-operative reasonably simple without undue cost to the applicants, but why do we have to put in a clause that is meaningless.

Any one of us could decide to form a company. You „ fill out documents and carry them. If they are in order, that is the end of that. You pay your \$780 full stop and you get your certificate of incorporation. No Registrar will ask you if you are economically viable. Suppose you are starting a business for the first time, you have not started the trade yet, can you at that point be said to be economically viable or, indeed, inviable? I think it is a set of nuisance words that have been included.

I would say, this, it could impose costs and, certainly, it could admit of arbitrary decision on the part of the •» Registrar and you may get a court case or two out of that under the Administrative Justice Act when they refuse to register just to say: "Well, I do not think you are economically viable." The effect of the by-laws is captured in Clause 11. An attempt is made here to reproduce what used to be, I think, Section 11 of our Companies Act which would be Section 20 of the English Companies Act, 1948, to say that the articles as registered constitute a contract between the company and the members, qua members, not ^ directors; Hickney v. Kent & Randumar Sheep Breeders Association. 4.30 p.m.

I understand the first part of Clause 11:

"The by-laws of a society bind the society and its members to the same extent as if they

- (a) had been signed and sealed by the society -> and by every member;"

That is saying that it constitutes a contract between the society and the members. I do not understand "(b)". That is the Hickman v. Kent and Randumar Sheep Breeders Association case. I do not understand "(b)". They are bound as if they:

"contained covenants on the part of each member and the legal representative of each member to observe the •""* by-laws."

What does "legal representative" mean there, Sir?

""legal representative", in relation to a society, member or other person, ...stands in place of the society, member or other person;"

Does it mean trustees, executors and so on? They have it defined in the definition section. It is defined in the

definition section. But I wonder why it is necessary to put it in here, Sir.

Aside.

Mr. D. A. C. SIMMONS: If the member is a member today and joins the co-op, he is bound by the by-laws. He dies two weeks later. Like any other contract, his estate would then be bound through his executor or administrator, in the same way as he was bound, while he was alive.

But it is, perhaps, an interesting observation to make, Sir, not that the by-laws constitute a contract between the members *inter se* but what you are saying now is that each member - this is new to Barbados law. I think what is new is that they are saying that each member now has, by virtue of signing the by-laws, the right to say to any other member, you must comply with the by-laws, otherwise we will have some action for redress. It is not settled in company law that a member must comply with the articles of association and can bring an action, in his own name, for breach of those articles, if the company does not follow them, Sir.

I go to Clause 22 (2) on page 14, Sir. Perhaps we better start at 21 (1) and compare that with Clause 195. As we understand it, Sir, the society is now a body corporate and it has the capacity of an individual to do anything that is legal and moral. No restrictions. When you compare that with Clause 195, I think there is a little conflict in the intent, because, even though it says that the society has the capacity, subject to this Bill and its by-laws, we find restrictions being placed on a credit union - I agree that it would be subject to this - to engage in business other than a business appertaining to a credit union and, in particular, underwriting insurance, acting as agents for insurance companies is specifically outlawed.

I would be grateful if the Minister would tell us what policy informed the decision to say that credit unions, no matter how successful, no matter how great the need for diversification of its investment portfolio, cannot invest in an insurance company. It may not even say it cannot invest in an insurance company. It cannot carry on the business of underwriting. If the members examine it, they do their own feasibility, they are satisfied and they make a management decision Suppose a company was going out of business and a credit union wanted to buy it over and it was a worthwhile company, or if we were leaving Barbados, should we do that? I do not know. We have the experience of the Insurance Corporation as a successful business in insurance. I have no objection to any credit union developing in the same way as the Insurance Corporation has developed.

22 (2), Sir:

"No act of a society, including any transfer of property to or by a society is invalid by reason only that the act or transfer is contrary to its by-laws or this Act"

I do not like that, Sir. I know some of these things creep into the law, from time to time. I do not believe that if a co-operative society does something that is nakedly contrary to law that you should smile on it and say that it is not invalid.

Aside.

Mr. D. A. C. SIMMONS: 22 (2) on page 14:

"No act of a society, including any transfer of property to or by a society is invalid by reason only that the act or transfer is contrary to its by-laws of this Act."

I could understand if you limited it to the by-laws because those are matters which regulate the internal management of the company. But can you really exempt a society for breach of a statute? Again, Sir, I should like to know what is the reason for the inclusion of that.

Clause 30 on page 20, Sir. We are coming to....

Aside.

Mr. D. A. C. SIMMONS: No. I am drawing on some things that cause me some difficulty.

Aside.

Mr. D. A. C. SIMMONS: Broad points. Clause 30, Sir. In the company law, we took the very bold step because it bedevilled the Cohen Committee and the Jenkins Committee in England, as to whether shares should be issued without any specified par value. We now have no par value shares in our law.

I see here that you say that in a society, a share must have a par value. That is contrary to the company law. Again, I would need an explanation, Sir, as to why that is so.

Lower down on that page, page 20, Clause 32, subsection (4):

"Shares issued by a society are non-assessable."

Non-assessable to what? What does "non-assessable" mean in that context, Sir? Do you mean non-assessable to Property Transfer Tax? I do not know what it means. I think we would have to spell it out clearly. Just to stick in two words, "non-assessable", Sir, gives me some difficulty, as a lawyer. There is a loophole there.

Clause 42 (1) on page 26. I think the provision in Clause 42 (1) is unhappy.

Aside.

Mr. D. A. C. SIMMONS: Unhappy. Put it this way. I am not happy with how Section 42 (1) and how Section 42 (2) are drafted. A society, we all know, gives loans, gives guarantees and so on, provides financial assistance to persons in the ordinary course of business. What we are aiming at in Clause 42 is, I suspect, to incorporate in this Bill the rule that applied - we do not have it now in Barbados in its fullest rigour - in company law which prohibited a company from purchasing its own shares. The rule in the case of *Trevor v. Witwood*. 4.40 p.m.

I suspect that that is what is aimed at in clause 42. As I understand it, unless the Society is insolvent, or will be insolvent, it can presumably make loans to Directors, officers or employees, or various associates of those persons for any purpose. It is only if, on reasonable grounds, the Society believes that it is insolvent, or after giving the financial assistance it would become insolvent it is prohibited. I do not like how that is done, Sir. There is something that just rings wrong about it.

Clause 62 (1) on page 38 states: "Subject to the regulations and by-laws, the members of a society may, by special resolution remove any director from office." It is a fundamental principle of company law and the law that has its roots in that type of legislation that we are dealing with shareholders' democracy in this area. They do not like a director. The only chance they have to deal with how the directors are running the business is at the Annual General Meeting by removing them. It happened at Mount Gay.

You should not put any unnecessary restriction in the way of shareholders, in this case members of the Society, to remove directors. Section 70 of the Companies Act asks you to remove a director by ordinary resolution. They have, "special" here. "Special" requires a particular majority. Remove them by simple majority vote, not cast on them an unnecessary burden to have a special three-fourths or two-thirds majority, whatever it is. I really think that this should be by ordinary resolution, let it harmonise with the Companies Act and with everything that everybody understands about these kinds of operations. Ordinary resolution, not a special resolution. Special resolution when you are going to change and amend your by-laws.

Aside.

Mr. D. A. C. SIMMONS: Is it in the definition section? I would have read it, but let me see, "at least ten days' notice", "at least three-fourths". This requires special notice and three-fourths. I am saying the ordinary resolution just means we meet and if they get voted out 20-19, tough.

One fellow is good enough to get you out. Ordinary simple majority, rather than special majority. Special majority as we know in here requires...

Aside.

Mr. D. A. C. SIMMONS: You have to get a specific number. As my friend from St. Peter says, you have to be able to fire a director without having any special procedures, because he may be able to frustrate you. If you have special procedures, he may be able to get hold of enough people to prevent you from having a three-fourths majority and buy them off, like people used to do with the juries before you had majority verdicts.

Aside.

Mr. D. A. C. SIMMONS: If a special majority were needed in the General Council of the Democratic Labour Party last Monday night to get rid of Mr. Comissiong, they could not have achieved it. All that was necessary was a simple majority.

I really am serious on this. I really think that we should let this be in harmony with...

Aside.

Mr. D. A. C. SIMMONS: Who are those? Consensus.

Sir, I wish to bolster the arguments raised by the Honourable Member for St. Peter in respect of section 129. As it now stands, it appears that a company which is registered under the Companies Act can, by special resolution, decide to convert itself into a registered society under this Act. After having passed a special resolution and sending a copy to the Registrar, on receipt of the special resolution from the society she should issue the certificate in accordance with section 8.

Our concern about this is that we can be operating a commercial company today and paying tax in the normal way on the profits, but there is nothing in this Act to stop us in anticipation of not paying taxes, or of avoiding the payment of taxes, from passing a special resolution and deciding to convert into a co-op among ten or 12 people who have the same interest. We do that and we deny the Revenue the income they could get from the tax.

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I really do not understand why the conversion. The weakness of this is that it is not limited to say companies that are guaranteed companies, like the Turf Club, set up for charitable or philanthropic purposes which have to come to the Minister of Trade to get his certificate. As presently worded, any commercial company can convert, and that is a danger to the Revenue of Barbados. If this is passed as it is, people will run a coach and horses through this. Lawyers

and Accountants are going to have a field day converting

companies, and the poor Registrar is going to be snowed under with applications for registration under this Act.

I warn against this, Sir. As I said, it has severe implications for the loss of revenue and avoidance of tax. If you want to limit it to guaranteed companies and that type of company, fine, because we know they are not supposed to make a profit and any surplus is applied to charitable, philanthropic and benevolent purposes. 4.50 p.m.

For the ordinary commercial company to make use of this is going to be a great aberration in the commercial life of this country. I think, Sir, that I have dealt with the main areas that are bothersome. Other Members have drawn attention to some that we have looked at. Perhaps in his reply the Minister could also enlighten us on what really is a workers' society in Part 20 of the Act. What does it mean, just a group of workers coming together to promote their own interests exclusive of trade union situations? I have never come across the phenomenon and I would like some elucidation. The Minister in his opening was very, very brief. He told us about the financial development and health of these societies over a ten year period, but really he did not condescend upon any examination of the broad parts of the Act, so perhaps in reply as we have drawn certain areas of concern to his attention, he will do so.

I just wish to correct one misapprehension on the part of the Honourable Member for St. Peter. The decision of the Registrar being final was part of the old law. Now the law has moved on a lot since that Act was drafted in 1949; we now have an Administrative Justice Act and everybody realises that it would be wrong for a Registrar to make a decision and he or she be the final arbiter of people's rights. There must be a right of appeal from administrative functionaries. I support the part in the Act which provides for appeals to the Administrative Tribunal or whatever it is called and on points of law from there to a Judge in Chambers. Trinidad has a similar thing; they don't have a tribunal situation, but you go from the Commissioner to the Minister and from the Minister to a Judge in the High Court. So I wish to just wind up, Sir, by saying that I am pleased that an attempt has been made to bring a comprehensive piece of legislation which would put the co-operative societies on a sure legal basis, a sounder legal basis, because the law and the society, community life, business, economic activity have changed since 1949 and the law needs to keep pace with social and economic development. I am happy therefore that after all the years of consultation we have a Bill before us. I think that the Bill can be refined and I would be grateful if Government would pay attention to some of the suggestions, I don't say criticisms, that have come from this side and indeed from the Honourable Member for Christ Church East Central with a view to refining the Bill, touching it up and making sure that we tie up some loopholes which can have the

potentiality for doing great damage to the economy of this country. I am much obliged to you, Sir.

Mr. R. P. BYER: Mr. Speaker, I am grateful to the Attorney General for giving way to me. There are one or two things I wanted to raise about this measure that we are looking at at the moment. Unlike the Honourable Member for St. Thomas, I still have some difficulties in understanding the philosophy that underpins this Bill, and right away, like him, I realised that we were importing company law concepts into this area of financial regulation in Barbados. I have certain difficulties in understanding this. I believe that if we are going to import company law concepts into the management, organisation and operation of co-ops we should go the whole way. I have difficulty in understanding why we cannot have proxy voting for example. I always remember some of the issues that were raised at the time of the Mutual debate, and they were some of the very things that we are considering today, because that debate had a lot of questions to do with the importing of company law concepts into the area of operation of a mutual company. It might not have been so difficult to understand there because a mutual company is a company of a different genus, but still it is a company nevertheless and those principles could be easier accommodated in that framework. In relation to the co-ops, if we are going to import company law principles, I believe we should go the full way and not come up with some of the half measures that we have come up with. Notwithstanding that, I must compliment the Government on making a step towards regulating this area.

The first Co-operative Societies Act was passed I think back in the 1940s and it is important that as we progress and as these societies build that we have legislation to regulate their operations in a modern and developing capitalist society.

In relation to offences in this Act, Sir, I believe that the sections in the Proceeds of Crime Bill that deal with the illegal acquisition of wealth and the way people who go about acquiring wealth in that way are treated should also extend to this Bill. I am mindful, Sir, of what is happening in America with these thrift organisations, the small banks in America, the thrift industry in America, and I believe that we should be as tough as possible. Now this Bill does not allow for the confiscation of that property. It allows for fines and so on, but I believe if any officer of a co-operative society had to dip his hand in the till and enrich himself, the property that he acquired from that operation should be taken from him if he is tried and found guilty of any one of the offences, either an offence under this Bill or an offence under any other legislation that we have on the statute books or any other law for that matter.

Now in relation to Clause 52 of the Bill, Sir, if I may refer to it, Clause 52 is one of the Clauses that concern me. It has to do with the restriction of membership. I did not

fully understand the explanation given by the Minister of Trade when he introduced the Bill, but this Clause says that no person shall be a member of more than one registered society whose primary object is to grant loans to its members unless the societies have agreed in writing thereto, subject to the approval of the Registrar. Anything that abridges a person's freedom of movement or anyone of the civil liberties that one has and freedom of association offends me greatly. As I said, I did not understand, or if I did understand I did not fully appreciate the reasoning given by the Minister when he introduced the Bill for this particular section. 5.00 p.m.

It seems to me to abridge the principle of freedom of association that is guaranteed by our Constitution and I have difficulty with that clause.

I fully appreciate that we must have checks and balances in legislation like, for example, those contained in Clauses 196 and 269, but one of the things I would like to see developing in Barbados in this area is an independent office or a section of the Registrar of Co-operatives that looks after the supervision of these organisations.

As I said before, I am mindful of the problems that the thrift organisations in America now have to grapple with. The thrift industry in America is now almost bankrupt and it will cost billions of dollars. No final figure has been given. It is now over \$300 billion that the U.S. Government would have to look for to bail out the thrift industry in America but this is not a final figure. As we go on day by day we are hearing a different figure coming up as the full extent of the bankruptcy in the thrift industry is realised.

I would like to see in the Registrar of Co-operatives Office a section dedicated to the supervision of the co-operative societies in Barbados. We do not have the Stabilisation Fund in here but I think sections of the original draft are no longer part of this Bill. At the same time, I think we must have further checks and balances if we are to guard against any possible bankruptcy of this industry in Barbados.

Now, I do not know what legislation is proposed to deal with financial institutions in Barbados in terms of organisation and in terms of regulation, but I think that if that legislation is coming, it ought to make some provision for the supervision of co-operative societies.

It is a bit disappointing, Sir, that Clause 18 of the present legislation, Cap. 378 is no longer part of the Law. This had to do with the transfer of interests on the death of a member. I have searched throughout the entire Bill and it is no longer there.

This was a very important section that was put in the law a couple of years ago. What happened was that

sometimes you had very small deposits and a beneficiary, where he is stated to be a beneficiary by the deceased member, was able to present the membership certificate to the society and he could withdraw that money. In other words, he did not have to apply for Letters of Administration and be constituted the administrator of the estate to get that money out of the co-operative society but Section 18 is now left out and you have to go the long way which is to apply for Letters of Administration or have a will approved if one is to get at the funds of a deceased person. Sometimes the deceased person might not want two benefits under the law. It places a burden on to make sure that he makes a will to safeguard that person whom he wanted to benefit

Now, this Clause, if I may read it very quickly says:-

"18. (1) On the death of a member, a registered society may transfer the share or interest of the deceased member to any person nominated in accordance with the rules or bye-laws made in that behalf or, if there is no person so nominated, to such person as may appear to the Committee to be the legal representative or heirs of the deceased member or may pay to such nominee, legal representative or heirs, as the case may be, a sum representing the value of the share or interest of such member, as ascertained in accordance with the rules or bye-laws:

Provided that in the case of a registered society -with unlimited liability such nominee, legal representative or heirs, as the case may be, may require payment by the society of the value of the share or interest of the deceased member ascertained as aforesaid."

It is unfortunate, Sir, that this Section has been left out and I would like to see in keeping with the spirit of the debate so far, that this Section be put back into the present Bill that we are looking at. As I said, it is a very important Section and it would afford persons with small deposits where a person has been nominated in accordance with the rules or bye-laws of the society to get at those funds.

For example, in relation to insurance companies, a person may be nominated, but the law is settled now in Barbados where that person is nominated he still cannot be a beneficiary. He has to go the long way and get the funds out. I think that in relation to co-operative societies that this Section is a very, very important one and ought to be maintained in the present legislation and I would suggest to the Government that it be put back in there.

Another point I want to make is in relation to Section 31 of Chap. 378. It is a point that was adverted to by the Honourable Member for St. Peter which has to do with the duties and powers of the Registrar and it was a very far-reaching power in the present legislation but it was not so reproduced in the Act. I think it would be a good thing if we

could have that section also imported into this Act because it would give the Registrar the kind of power that she really wants.

I am particularly heartened by Section 82 (1) which is the section that deals with the eligibility for membership. It always appeared a bit archaic to me, the section that dealt with membership, Section 22 (1) in the present legislation. This Section 22 (1) says that a member can qualify for membership if he has attained the age of 18 years and then there is a qualification in relation to land "be resident within or in occupation of land within the area of the operations of such society as prescribed by its bye-laws." You know, Sir, that in relation to voting the qualification in relation to land had long gone out of style, so it always appeared a bit archaic to me why we should maintain that. I am very glad that a person can now become a member of a society if he has attained the age of 16 years, is of sound mind and is not a bankrupt. This seems to me to be more in keeping with modern approaches to these matters.

This leads me into the area of junior co-operatives. I remember that the Honourable Member for Christ Church South Central said that we needed to educate the young in co-op principles. That is good if the movement is to proceed at any pace. If the movement is to have any real successful growth in the future, it must have solid foundations. The fact that we now have junior co-operatives, or that the law allows for the operation of junior co-operatives, would seem to me to satisfy this need.

This is a new concept which I heartily welcome and I am sure that at schools in explaining the principles of co-operatives teachers will encourage their students to form junior co-operatives.

That is about all, Sir, that I have to comment about on this legislation. 5.10p.m.

Hon. M. A. KING: Mr. Speaker, a number of points have been raised by the Honourable Members, particularly the Honourable Members for St. Thomas and for St. George South in relation to certain aspects of this Bill. I will deal with them, step by step, as I go along.

The Honourable Member for St. Thomas was concerned about the provision which permitted co-operatives to convert to companies. He made reference to the fact that there was a difference between a limited liability company and a co-operative. I just wish to draw to the attention of the House, Mr. Speaker, that the provision for conversion of companies into co-operative societies is not new. It is in the old Act in Section 57, which reads:

"A company incorporated or continued under the Companies Act, or a society registered or deemed to be registered under the Industrial and Provident

Societies Act or the Friendly Societies Act may by special resolution determine to convert itself into a registered society."

That means a registered co-operative society:

"(2) Any such resolution for conversion into a registered society shall appoint 10 persons, members of a company, industrial or provident society or friendly society, as the case may be, who, together with the secretary, shall sign the by-laws and who may by the resolution be given such powers to act on behalf of the company, industrial or provident society or friendly society, as may be specified in such resolution.

(3) A copy of the special resolution, together with 3 copies of the by-laws, shall be sent to the Registrar who shall there upon proceed as provided in this Act upon an application for registration."

The provisions, in this Act which permit companies to convert into co-operative societies are not new and if Honourable Members felt that the structure of the old Act was appropriate, the argument against permitting conversion on this occasion does not hold water. It is not a new concept That is the point I am making.

Let me deal, first of all, with the point made by the Honourable Member for St. George in relation to Section 18 of the old Act. He lamented the fact that Section 18 of the old Act is not incorporated in the new Bill. Section 18 of the old Act is one which provides for the transfer of the interest, on the death of a member.

There are, Mr. Speaker, some provisions in the existing Act which deal with this issue of the transfer of the interest to a deceased member. First of all.....

Aside.

Hon. M. A. KING: Well, the Bill before the House. Let us perhaps, Mr. Speaker, just start with Clause 49 of the Bill which I will not dwell on. Clause 49 relates to "Dealings with registered holder". I do not want to read the whole thing but you see, Sir, at 49 (2):

"Notwithstanding subsection (1), a society shall treat a person, other than the registered holder of a security described in subsection (1), as the registered holder entitled to exercise all the rights of the security holder here presents, where that person furnishes evidence satisfactory to the society that he is

(a) the legal representative of the estate of a deceased registered holder,"

and some others.

Aside.

Hon. M. A. KING: Clause 49, subsection (2). This does not fully deal with it but I just mention 49 (2) to indicate that it does deal with it at that early stage.

At subsection (7):

"A person described in subsection (2) (a) is entitled to become a registered holder or to designate a registered holder when he deposits with the society or its agent the original grant of probate or letters of administration or a copy of the grant of probate or letters of administration, certified to be a true copy by the Registrar of the Supreme Court with..... "

certain documentation.

I will pass on now quickly, Mr. Speaker, to Clause 107 which I think, perhaps, deals with it more fully:

"Payment of interest of deceased members

Where

(a) evidence is presented to a society showing that

(i) a member is deceased leaving an estate in Barbados, not including his interest in the society, of not more than \$1,000, and

(ii) no personal representative for the member mentioned in subparagraph (i) has been appointed in Barbados during a period of six months following his death; and

(b) the society has not received notice of a transfer or assignment of or a charge against the member's interest in the society;

the directors may pay any or all of the moneys payable with respect to the interest of a deceased member to the persons who appear to be entitled to the moneys under the Succession Act."

Aside.

Hon. M. A. KING: I am saying it is dealt with. It is not entirely ignored. You have to satisfy the society that he is the beneficiary.

When it goes on to look further at 107, it says:

"the directors may pay any or all of the moneys payable with respect to the interest of a deceased member to the persons who appear to be entitled to the moneys under the Succession Act."

Further on, at subsection (6) for instance, it says:

"Where evidence is presented to the society that probate has been granted or letters of administration have been issued in the estate of a deceased member prior to the payment Of any portion of the interest of the deceased member in the society to any person pursuant to subsection (1) or (3), the society shall make all subsequent payments to the executor or administrator.

(7) Where, at the time of his death, a person had ceased to be a member of the society and there remains unpaid a sum of money payable to him with respect to the purchase by the society of his interest in the society, this section applies to that person as if

(a) he were a member at the time of his death, and

(b) that sum of money was his interest in the society."

The point I am making, Mr. Speaker, is that some provisions are made in the Bill before the House for dealing with the matter.

The Honourable Member for St. Thomas has made the point and, quite rightly, that legislation is never perfect when it comes out. There may be need, on examination, to review, from time to time, certain aspects of legislation and if it is found to be working not to the best advantage, there may be opportunity taken at an appropriate time to amend it. I do say that there are provisions for dealing with the matter. 5.20 p.m.

Perhaps other provisions may be better, but the fact is they do exist and if there is need to amend at some subsequent stage, I am sure there will be no difficulty whatsoever in doing that.

Another point made by the Honourable Member for St. Thomas is that there is no provision for the shares or interest of a person to be exempt from liability to attachment. That was at section 17 of the old Act. There is no provision, in the terms of section 17 of that Act. That is something which could possibly be looked at again as well, but what the Bill does is that at clause 80 the terms of membership are shown. "Subject to this Act, the by-laws govern membership in a society."

Section 81 reads as follows:

"81. (1) Every person who has paid a membership fee, if any, is deemed to have agreed to become a member of the society and, upon registration of the society, shall have his name entered on the society's register of members.

(2) Subject to the by-laws,..." -

this is the one I am referring to -

"... no person, other than one described in subsection (1), is eligible to become a member of a society until his written application for membership is approved by resolution of the directors or members or the directors and confirmed by the members and recorded in the society's register of members."

When one looks at the whole structure and framework of the Bill, what seems to come through - you say there is no provision against attachment of shares, but look at it the other way, once shares are attached, what are the rights of the execution creditor who attaches the shares? He has no right to become a member, because the law says that he ...

Mr. D. A. C. SIMMONS: On a point of order, Mr. Speaker. The Honourable Attorney General, I think, has misconceived the argument. The argument was that under the existing section 17 the share or interest of a member is not liable to execution process. In other words, if I am a member of a co-op and the Honourable Member gets a judgment against me for libel, he cannot execute against my shares in the co-op to satisfy that judgment. The problem that arises is that if I have that right today as an existing member, the fact that it is now extinguished from the new legislation creates a problem in the interpretation of the statute, because what may well be happening is that I am being divested of an accrued right which I had under section 17. It is a nice point, it may be a constitutional point too, because my right and interest in the shares in the company are rights of property and under section 17 I could not have been deprived of them. Now under this Act there is an implied repeal of that, and to that extent I may well be deprived as an existing member.

Hon. M. A. KING: Mr. Speaker, it is an arguable point, as the Honourable Member says, a right not to be executed against. The point which I think one needs to address is what kind of philosophy, what kind of policy you wish to establish? What is the logic, one may ask? I am not arguing one way or the other. What is the logic, one may ask, of providing for a debtor to have his property free from execution if a creditor gets a valid judgment against him? . What is the logic behind the protection? For that matter, what is to encourage people to enter co-operative societies? If I suspect that a judgment is going to go against me for any major thing, what I might do then is to rush to join a

co-operative society, put all my property in the society, convert the company into a co-operative and thereby defeat the ends of justice. Is this a desirable thing to do?

Aside.

Hon. M. A. KING: This removes the exemption from the member of the co-op.

Aside.

Hon. M. A. KING: I think we have to deal with the problems as they come. I do not think it is a defect in the legislation. It provides the execution creditor, it does seem, with a right to execute but not a right to membership. The whole policy of the legislation seems to be articulated in clause 45. Even although clause 45 says:

"Subject to any conditions or restrictions contained in this Act, the regulations or the by-laws of a society, , shares and membership in the society are personal property and are transferable in any manner."

So that this provides for the transferability of shares in a society. Then 48 (1) goes on to detail a bit further the way how transfers of shares are to be done.

"48 (1) Subject to the by-laws, no transfer of a share in a society is valid for any purpose unless

- (a) a written application for membership by the transferee is approved and the transfer is authorised by
 - (i) a resolution of the directors, or
 - (ii) a person authorised by a resolution of the directors to approve applications and transfers of that kind; and
- (b) notification of any approval given pursuant to paragraph (a) is sent to the transferee and his name has been entered on the register of members."

Now, (2) is significant.

"(2) Notwithstanding subsection (1), a transfer of a share is valid for the purpose of evidencing the rights of the parties to the transfer between the transferor and the transferee."

So the transfer of a share from a registered owner to a non-member evidences rights which exist as between the two of them, but it does not give the transferee the right to membership unless the provisions of 48 (1) are complied with.

Before I wind up on this aspect of my statement, Mr. Speaker, on the rights of members, the Honourable Member for St. Thomas made the point that the question of the rights of members after the passing of this Bill in relation to liability for attachment are different from what they may have been before, and raised the suggestion that it is an arguable point whether constitutional issues could be raised or not. It is an arguable point, but let us remember that the Constitution itself does provide that property may be taken to satisfy a breach of the law.

It would seem, arguably, there may be nothing unconstitutional about it, but one never commits oneself on issues like this unless you really study the case fully. Before I give considered judgments I like to see and assess a situation in its fullness. 5.30p.m.

There are a number of other points which have been made. The Honourable Member for St. Thomas again made the point about the special resolution in clause 62, and expressed the view that it was undesirable that a special resolution should be required to remove a director from office. I understand the concern raised by the Honourable Member for St. Thomas on this point, but I think any harshness which the special resolution procedure could perhaps generate would to a large extent be mitigated by the provisions for the appointment of directors, because I think what the Bill says is that directors shall be appointed annually. If you have the right to deal with your directors annually, if you want to have a director dismissed in between that period, you would have to summon a general meeting anyhow, so that I am saying that I don't think it is a great hurdle because you have the right to speak once in every year. At the annual general meeting that decision can be effectively taken by a simple majority.

It has been drawn to my attention, Mr. Speaker, that the provisions in relation to special resolution for the removal of directors are contained in the existing Co-operative Society Rules, 1950, which provide for a three-fourths majority. This is something which again I suppose can be looked at. I have no strong position on it, but I will let the Minister deal with that. It is a question of policy which he will perhaps look at.

I do not know that there are any other points which Honourable Members raised, Mr. Speaker. One other point addressed by the Honourable Member for St. Thomas I think was at Clause 7 (1) (c):

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

Mr. Speaker, I think it must be clear from reading of the whole Clause and sub-clause that "unless it is

considered to be economically viable" can only with any sense apply to the second half of the early statement. It would read in order for it to make sense - and I think one of the rules of construction is that you must construe legislation that it makes sense -

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

I think there is nothing wrong. The question you are asking is in what way does the Registrar exercise a judgment and determine whether a society is economically viable or not. The Minister will deal with that in his response. That is not a matter of law; that is a matter of policy.

If a Co-operative Society is in a massive amount of debt and owes everybody over the place left, right and centre and has problems, the Registrar surely must have a discretion to say you are not fit to be registered and should not continue to be registered. I think some latitude should be allowed the Registrar in this regard. Do not ask me the mechanics. I am only the lawyer. The word "financially" might be better than "economically", but we will look at that during the course of the Committee stage.

Mr. Speaker I think those are the major points which have been raised by Honourable Members on the other side with which I wish to deal at this stage. I conclude by making the point which can be made in relation to any legislation. If legislation is seen to need refinement from time to time, that is what we are here for, and we will have no difficulty with refining any legislation which covers any reasonable and rational points which may be required. Thank you, Mr. Speaker.

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I rise just to make a few brief comments on this piece of legislation. I believe that second reading speeches should really concern themselves with the main principles and objectives of the legislation that is before us, so I do not intend to get into the details of the Bill, nor would you, Sir, permit me so to do.

Mr. SPEAKER: I would give some room, if necessary, to do so. 5.40 p.m.

Rt. Hon. L. E. SANDIFORD: Let me say, Sir, lest the importance and significance of this piece of legislation may be lost amidst the very complexity of the provisions included therein that, for my Government, this is a most important, significant and path breaking piece of legislation in the social and economic life of this country.

It is not just another piece of legislation. It is an attempt to strengthen the access of persons in this community, particularly those who are not the holders or

accumulators of large amount of wealth, to a share in the economic growth and development of this country.

It provides an opportunity, Sir, for the disadvantaged and the under-privileged in this country through the pooling of their resources to participate more fully in the economic life of the country, whether in terms of seeking to make use of purchases in bulk by combining their resources in the form of producer co-operatives, or whether they are selling their produce, or other goods or services in the form of consumer co-operatives.

I think the first thing we have to note, Sir, is that this is a decision on the part of my Government to update a form of economic participation that holds out hope and promise for what has been traditionally termed "the small man" in this country. To that extent, Sir, it is a significant addition to the forms of economic organisation which we have in this country and as the Minister so very eloquently and persuasively stated in his introduction of this legislation, is one that will bring the co-operative movement into the 21st Century.

The Bill is one relating to the registration, supervision - and I am quoting from the title, Sir, - and management of certain societies, the members of which have a common bond of philosophy and social and economic objectives and for related purposes.

Sir, in respect of the purposes of this Act, the whole philosophy and the objectives of the co-operative movement date back. I believe, the middle of the 19th Century, I think it was 1844, in Rochdale, a northern town in Britain. Those principles still constitute the basis, the philosophic under-girdings of the co-operative movement and those are to be found, I believe, in a modernised form in Clause 4 of the Bill that is before us which sets out those co-operative principles.

Ever since the time those principles were enunciated by the pioneers in the equitable society - I believe that was the term used to describe it - the movement has expanded and has gone from its original home and has been transplanted in the United States, in Canada, in Europe and in other parts of the world.

One thing we must note, Sir, is that this is perhaps a unique form of co-operation. Those three forms of economic organisation, the sole trader, the partnership and the corporation or limited liability company, have also spawned this kind of hybrid, the co-operative, which combines some of the aspects of partnership with the aspects of a corporation. But its principle, Sir, is that it is not merely a capitalist organisation, economic form of organisation, but one which seeks to combine equity for the members who participate, a democratic form of organisation, and the distribution of any profits or dividends

to the members in proportion to their contribution towards the organisation.

I believe, Sir, that in some of these respects, it would differ from a corporation or, indeed, from a partnership because its principal effort, its principal purpose and objective is to bring benefits towards those members who agree to co-operate and who agree to be part of the co-operative for their own advantage and for their own economic and social benefit.

If, Sir, a group of persons is in farming and they wish to purchase equipment and they wish to get that equipment at competitive prices with others who operate in the same economy, they can pool their resources in a co-operative and, perhaps, purchase the equipment at a better price than if they are acting as individuals. If those same farmers wish to sell their produce but they wish to gain the advantages, I believe the term is "advantages of scale", to gain those advantages they can pool their efforts together and, by coming together, hope to gain the advantages to which I have made reference.

Sir, whether in the area, therefore, of producers or in the area of consumers, this particular form of organisation holds out tremendous benefit for persons in our community and we must not lose sight of the social and economic significance of this movement. That we are able, Sir, to look at the legislation that has been on the statute book since the late 1940's and review it, repeal it and put a new piece of legislation on the statute book in this area, is an achievement. I would like to congratulate all of those who have worked together, pooling their ideas and spending many hours in seeking to put together a piece of legislation of which we can be proud in this country. 5.50p.m.

I should like to pay an especial tribute to the Minister of Trade in this particular area for the leadership that he has displayed in this particular matter.

Sir, it has been pointed out that credit unions and the co-operatives have made significant strides over the past years. The Minister himself gave some statistics on the growth and development in those areas. I shall not repeat them.

What I would wish to say, Sir, is that I agree with those who indicate that it is not merely enough to put in the legal framework but there are other inputs and other forms of assistance which must guarantee the development and further growth in the area of co-operatives or credit unions.

We are very conscious that support services are required whether it is in the area of youth services or community services or whatever else there may be. Simply passing a piece of legislation is not enough. Technical and financial accounting and other kinds of support services and

administrative supports which are part and parcel of modern business organization must be available to help organizations of this type, not only to compete successfully, but also to enable them to grow and to develop in a way that will mean additional benefit for their members. We do not write these necessarily into the legislation. But we make inputs towards that end, so that we would be able to lend that kind of helping hand. I believe that is a term which may have come from one of the friendly societies at one time. I believe one of them was called "The Helping Hand Society". We must continue to lend a helping hand.

We are providing the additional staff at the headquarters and the accommodation so that this facility will be available and, in addition, if any other inputs are indicated, as we proceed, we will seek also to provide those supports.

Sir, there are a number of areas that are included in here. I mentioned about two or three areas in which the co-operatives have operated. I mentioned, particularly, farming. But that is not the only area, Sir. A co-operative may operate in a variety of economic services. It can provide insurance. It can make loans and it can enter into other service areas, Sir. As we develop more into a service economy, I believe we will find more and more of our co-operatives going into that area. There is nothing that the imagination cannot permit, that would hold back the co-operative movement in this country. If the imagination is there, if goodwill is there, and if the integrity is there in the administration of the affairs of the co-operative societies then, I think, this additional aspect of economic life in this country, holds very well for the future.

I just, Sir, wish to make those few comments. I, of course, support this Bill wholeheartedly. Whatever developments or changes may be indicated as we have experience in the operation of the Bill, I would give this House the assurance that we will not hesitate to come to make any amendments to strengthen this most important development.

Thank you, Mr. Speaker.

His Hon. J. J. PAYNE: Mr. Speaker, I should like also to make a brief contribution to this Bill which I consider a landmark in the social, economic, political, historical and educational development of this country.

This legislation really reflects the policy of the Democratic Labour Party in uplifting the people of this country and raising the standard of living of the people of this country. This legislation is designed to help the less-developed to help themselves. If we analyze this sort of legislation, we would recognize that there are those persons who are less able to help themselves and who are less able to benefit from some of the other financial institutions of

this country who can benefit significantly from an institution such as the credit union movement.

The co-operative society movement has developed that reputation in this country of helping thousands of Barbadians secure a fuller life. We, by bringing this legislation, through the Honourable Minister are seeking to further that particular movement. ^

I should like to take a brief look at the historical significance of this legislation. Most institutions established during colonial times are now accused of being mere tools of exploitation. They are accused regardless of their genuine social purpose or their genuine need to society. We have many of these institutions which have made significant contributions to the development of this country. But people are now beginning to feel that many of these institutions do not sufficiently cater to the needs of many of our less privileged people in modern times. Hence we have the emergence of the co-operative movement.

Two of the main factors of these institutions were:

- (1) The fact that members or depositors were not given any control over the management of these institutions.

That was something and is something which has** continued to be criticized about many of those colonial institutions.

- (2) The other significant factor, Mr. Speaker, is the fact that the members or the depositors of those institutions were not given any control over the use of considerable profits which were made by many of these institutions.

Some of these institutions of the colonial past have been accused of being mere exploits to people in these present day times, even though they still continue to make a contribution towards the development of our people. Many of these institutions, Mr. Speaker, have a profit motive. In fact, many of these institutions put profit first. In a society today, we have to put human values before profit.

We have to recognize that if a society is to grow and develop the element of profit must not come before human^,, considerations. The co-operative movement is one of those progressive movements which does not only look at the profit element but also looks at human values, human development and development of resources. This is an area which, I believe, should be most complimented, the fact that we have found it necessary to bring this legislation to improve the contribution which the movement is making to** the development of the economic, social, political, historical and educational landscape of our country at this time.

I am one of those people, Mr. Speaker, who believe that when we find a situation where institutions have demonstrated that they are symbols of colonial exploitation, we should find ways and means of creating some environment where the ordinary people and the less privileged people in this country should be able to find some ways and means of being able to develop themselves.

As I said, many of these institutions still continue to make their contribution. But we have to recognize that these institutions would not have a monopoly on the economic landscape of our country.

I believe that the growth and the development of the co-operative movement is something which has to be lauded particularly in view of the contribution which it is making.

The Minister, during his introduction, was able to give a considerable amount of information regarding the development of the movement. 6.00 p.m.

When we analyse the information which he has given, we will come to the conclusion that during the period which he has outlined - in fact, he went back as far as 1975 and in 1975 there were some 7 808 members and 92 societies at that time - by 1990 the membership has moved to some 40 000. So we can see how the whole Movement has developed over a 15 year period. In 1975 the assets were in the region of \$1.6 million and by 1990 the assets have increased to around \$147 million, so we have seen the expansion of this Movement.

During the course of this expansion we have recognised that there are many teachers, labourers, people who work at hotels, who have been able to purchase motor cars, they have been able to obtain loans for housing purchase, they have been able to develop their educational capabilities, they have been able to buy shares in various companies and they have been able to improve their social and economic well-being because of this Movement.

Any Government which sees this kind of development in a society and does not move in to give some form of assistance and some form of initiative to boost it would be considered as negligent. I believe that we have to compliment the efforts of this Government, and in particular all those persons who were involved in the formulation of this legislation, particularly the Minister, who I am sure has done a lot of work, and the staff at the various Departments who have put it together so as to make it possible that we can further advance the interest of those persons in the society.

Whenever we introduce a piece of legislation of this nature, it is always possible that we will get criticisms. There is no occasion that a Government can bring

legislation before a Parliament that we will not find areas where people will differ. In his contribution, for example, the Honourable Leader of the Opposition was suggesting that controls by the Central Bank should not be encouraged. We have to ask the question, to what extent should Government be involved in the development of this Movement? I want to suggest that Government must play a significant part in granting assistance and in looking at the Movement in every way to ensure that it continues to develop in a direction which is beneficial to the country and to the people of this country.

We cannot stand today and decide to what extent Government will become involved. We have to watch the Movement and see how it moves and we will take appropriate action at the appropriate time. I think that is the best one can put on any situation at any particular time. There is no institution that will cater to the needs of the people of a country the way how a Government will do it. If I understand most of these institutions correctly, most institutions are concerned, as I pointed out earlier, with the profit motive. Government has to ensure that the welfare of the citizens is looked after. If we find that the only way to look after the welfare of the citizens is to introduce some means of control, or to introduce some means of checks and balances on some of these institutions, I believe that those efforts should be supported.

The Minister mentioned the Trade Confirmers situation. We must always be vigilant. We must not assume that because there is progress there will not be pitfalls or difficulties along the way. It must be recognised that in every situation we must be cautious, and particularly at those times when we appear to see success coming in our direction. I believe that we will have to look at those particular moves as we proceed.

The point I am trying to make, Mr. Speaker, is that the Co-operatives Movement has an accelerating impact on the social progress of the people of this country. The Movement will continue, therefore, to need Government's assistance if it is to develop and Government must continue to provide initiatives and assistance.

One of the objects of Government in this particular regard, therefore, must be education. I believe that if the people of this country are not properly educated regarding this particular social and economic opportunity which is available to them, that it will not have the results which we intend. No matter how good are the plans a Government may produce, if the people are not carefully prepared they will fail and therefore I want to emphasise at the very earliest stage that we continue to develop more ways of educating the people of this country about the impact and the importance of the Co-operative Movement in this country. In fact, I will go so far as to suggest that such a policy is one that should be encouraged.

We have a policy where we seek to create a situation that every Barbadian should get a job, should have the opportunity to own a piece of land. I believe that we should go further and create a situation where every single Barbadian should seek to become a member of a Co-operative Society. I believe that if we can push this Movement in that particular way, where we make it known to people the significant contribution which such an organisation can make to our society, we should seek to encourage members of our society to become involved.

In this regard I believe that the schools around this island will have a significant part to play in the development of this Movement. I believe that we should seek to ensure that the principles of economic development and the whole co-operative idea are instilled in the minds of our youth from a very early age. We must bring to them the importance of being economically aware of what is going on around them.

Church groups and leaders in our communities will also have a part to play in terms of explaining and bringing further information to members of our communities on the importance of making their importance felt in these institutions. 6.10p.m.

I believe that when people come together and co-operate, they become more aware of opportunities which are available to them. The fact that the co-operative movement is a movement which gives people the opportunity to become involved in the management and to become involved in making decisions on the use of profits made in these institutions would be a very important way of bringing this matter strongly home to the minds of our people.

Television is also an instrument which has not been used effectively in educating many of our people on some of the opportunities which are available to them. I feel that with legislation or proposed legislation as important as this, we should have an opportunity where members who are involved in the movement could explain to our public some of the changes which are being brought about, and some of the significant benefits which will enure to our people as a result of this legislation. We cannot under-estimate the importance of television in our society, and I feel that this is a particular instrument which can educate people on the commercial talents which are necessary if we are to progress into the 21st century.

Now the Honourable Minister when he introduced the legislation dealt with the question of staff, and this is an area which is no doubt important. Section 183 of the Bill deals with this particular question of training, and I believe also that we have to look at the question of space. Very often we have complaints that many of these departments are over-crowded, and I believe that all these are matters

which will be given due consideration as we proceed. It is noticeable however that the legislation has made provision for the Registrar to be recognised as a Notary Public. I think that this is also a significant landmark in the legislation. We have a situation where the Registrar of the Supreme Court and the Deputies act as Notaries Public in Barbados, and I feel that many people in the legal profession sometimes complain that there is not a sufficient number of Notaries *** Public. This particular appointment of the Registrar of Cooperatives as a Notary Public is something that will be welcomed by the legal profession and no doubt many accounting firms and business people in the island who find it necessary from time to time to rely on the services of a Notary Public. Anytime a document has to be used abroad, it becomes necessary for that document to be executed in the presence of a Notary Public, and it will ease the pressure in the commercial community in this particular regard.

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The legislation also gives means of dealing with disputes and problems which may arise. It gives the Registrar certain powers in these special circumstances: Clause 171, and it makes provision for the appointment of an arbitrator who will have certain powers and provides for the establishment of an Appeals Tribunal which is all set out in Clause 171 of the legislation.

Mr. Speaker, there is another very important aspect of ** this legislation, and this is provided in Clause 107. We have a situation in Barbados where there are many persons, who deposit money in financial institutions and the occasion arises from time to time that the person dies, and the relatives of that person who have to bury that individual find extreme difficulty in finding the resources to pay an undertaker to carry out the burial. In this legislation, Clause 107 makes provision that where the amount does not exceed \$1 000 and no personal representative has been appointed within six months, the Society can transfer or assign the money to a person so as to pay these expenses. I *** believe that this is an aspect of our social legislation that needs to be looked at very carefully, because in my view and as a member of the legal profession, I see many people face hardship in this situation where a person dies with a small sum of money on a bank or other financial institution, and the institution refuses to release those funds unless and until letters of administration or probate can be produced. I believe that is a matter which is a welcome sign, and it will ease the problem on many of the relatives, because in many ^ instances they have to pay sums in excess of \$500 in order to obtain probate or letters of administration, and sometimes the cost of making the application exceeds the amount of funds which are on the bank or in the financial institutions. What actually happens, Mr. Speaker, is that there are many situations where persons die leaving small amounts of money on a bank or in a financial institution * < and the relatives do not even bother to pursue that money. They feel that it is not worth the effort of spending so much money to pursue the amount which is on the bank, and this

is a matter which I believe will be very welcome to members of the legal profession and will come to the benefit of many relatives of deceased persons. One of the very significant pieces of social change also brought about by this legislation is the fact that the Registrar can issue certificates which can be used as security. This may not appear to many persons as an important instrument of "change, but there are many situations where a person may have, let us say, a thousand dollars on a credit union or in a co-operative society, and they may need a small loan or they may need security to carry out some small transaction. This piece of change will assist many persons in those situations where they will have security. This provision can be used to the advantage of persons who operate in that sort of situation.

I would like in my contribution to highlight those particular points, and also as was outlined in Clause 4, to mention the importance of the use of surplus savings, if I can just quote from Clause 4 of the Bill, Mr. Speaker. Clause 4 is also a significant provision because it says:

"For the purposes of this Act, a society conforms to co-operatives principles if among other things any surplus or savings arising out of its operation is used to educate its members, officers or employees or the general public in the principles and techniques of economic and democratic co-operation." 6.20 p.m.

This particular provision will encourage these societies to spend some of their funds towards the education of members and towards the upliftment of the general public, bringing home to them the importance of this particular piece of legislation.

Those are the highlights of this legislation which I should like to mention in my contribution and I should like to say, finally, and in conclusion, that this legislation is only one of the efforts made by this Democratic Labour Party to bring a better state of living and to improve the standard of living of our Barbadian people.

Again, I should like to compliment the individuals, the Minister and all those persons who were involved in piloting this legislation and having it brought before Parliament. I give my support to this Bill.

Hon. E. E. GREAVES: Mr. Speaker, in winding up this debate on the Second Reading, I just want to make a few points because I think a number of the points which were raised by the Honourable Member for St. Peter and particularly by the Honourable Members for St. Thomas and St. George South, were, to a large extent, dealt with by—the Honourable Attorney General.

The Honourable Member for St. Thomas asked about workers' societies and what they are. I draw to his attention

that the definition and the whole rationale for workers' societies are set out at Part 20 beginning at paragraph 232. It states very clearly what they are and, basically, a workers' society is a situation where workers form themselves into a group to create work for themselves and the whole system which would follow from that. I think it is set out very clearly here in this section.

There was another point which was raised by the Honourable Member for St. Thomas: Clause 42 (1) where he raised the question relating to prohibiting loans and guarantees. I suspect that as the Honourable Member was making his point and he read on he discovered that on page 27 the whole idea was covered, that is, the point which he was raising:

" Subject to subsection (2) no society and no member society shall, directly or indirectly, give a loan, guarantee or other means of financial assistance,

- (a) to a member, director, officer, or employee of the society or member society or an associate of any such person for any purpose, or
- (b) to any person for the purpose of or in connection with the acquisition of membership of the society or the purchase of a share issued or to be issued by the society or member, where there are reasonable grounds to believe that the society is insolvent or would, after giving the financial assistance, be insolvent"

This is very clear and I think the Honourable Member in looking at this did not take into cognisance what was contained on the page over so I think that point is very clear.

Sir, that there have been a number of suggestions made on the Floor of this Honourable House, we have taken note of as many of them as possible. Some of them I would want to submit, we are prepared to take on board. We would, therefore, wish to ask that...

Aside.

Hon. E. E. GREAVES: What I would propose is that we will complete the Second Reading, postpone further consideration then, when we go into Committee, we will take on board some of the suggestions which were made because for example, the Clause with the phrase "economically viable" which has been mentioned, could be adjusted and there are one or two others that we would want to tidy up. In any event, I did indicate that there were some minor amendments which we would have to make. I would therefore wish to indicate that that would be the way in which we would like to proceed.

Just let me say that the Rt Honourable Prime Minister in his speech substantiated the concern which this Government has in terms of the administrative support for this particular Bill and the Honourable Member for St. James North made reference to the need for space for staff.

Sir, that we have recognised that where the Co-operatives Department is operating from at the moment is very limited in space and Government has taken the decision that the Co-operatives Department will be moved from where it is at the present and we are hoping that the Co-operatives Department will be accommodated in the building where the Immigration Department is located on the Wharf, when the repairs are completed.

It will be done, particularly, to bring it a little nearer into Bridgetown where it would be more accessible to people and where the surroundings would be more commodious. I think it demonstrates our concern for the further development and for the administrative support.

I would emphasise that the whole question of education and the organisation of education programmes is something which we will continue to insist on and the department will be playing a very active role in that. As I said at the beginning, we will be putting together a companion handbook which will go along with this and, certainly, the suggestion about the use of television is one which will be taken on board.

I think that there is a lot which can be done further to cement the whole question of the development of co-operatives in this country. This administration will give the public the assurance that we will continue to work for the development of this.

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

Hon. W. O. FRANKLIN: I beg to second that.

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

Hon. P. M. GREAVES: Mr. Speaker, as indicated by the Honourable Minister in moving the Second Reading, I am moving that further consideration of this matter be postponed.

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

The question was put and resolved in the affirmative without division. 6.30p.m.

Hon. P. M. GREAVES: Order No. 4, Sir. Mr.

SPEAKER: Order No. 4.

SUPPLEMENTARY ESTIMATES 1990-91, No. 1

Order No. 4 -To move that this House resolves itself into Committee of Supply to consider the grant of sums of money for the service of this Island.

On the motion of Hon. P. M. GREAVES, seconded b^ Hon. W. O. FRANKLIN, Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. L. L. BRATHWAITE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The House is in Committee of Supply.

HEAD 15-CABINET Subhead 1 -

General Administration

Rt. Hon. L. E. SANDIFORD: Mr. Chairman, the purpose of this Resolution is to supplement Head 15 (1) Object No. 30 Contingencies by the sum of \$100 000 to meet expenditure including claims for the Installation Ceremony for the Governor-General.

The sum of \$100 000 was allocated in this year's estimates for this particular Head. To date, Sir, some \$7:538.93 has been spent. It is a vote which one cannot predict because it deals, as I said, with contingencies. But, so far, from this vote, we have spent \$40 809.37 as compensation to Mr. Winston Chadderton for injuries sustained while being driven in a vehicle owned by the Barbados Defence Force, \$1 000 to Cecilia Springer for compensation for breakages of some items which were being held, I believe, in the Ministry of Agriculture, \$503.23 as compensation to R. Harbin for damages sustained to his motor car, compensation of \$2 736.33 to Mrs. Earle for damagaa, sustained to a motor car, and \$30 409 for services rendered in connection with the funeral of Lady Adams. There are further commitments also of some \$19 461.07. You can see, Sir, that there were a number of contingencies which were clearly unforeseen and the vote has been committed in that particular regard.

We have now, Sir, claims in respect of the installation ceremony amounting to some \$51 251.32. It is therefore necessary to supplement the vote. We are doing so by aP* amount of \$100 000.1 therefore beg to move, Sir, that this resolution do now pass.

Hon. P. M. GREAVES: I beg to second that, Mr. Chairman.

Mr. D. A. C. SIMMONS: Mr. Chairman, I hope five Prime Minister has some money built in there for some of my friends. I have some judgements and costs outstanding. The Crown would not pay.

Aside.

Mr. D. A. C. SIMMONS: No. I declare an interest, Sir. I hope that I would have an interest in this money.

There is the case of Bolden. The police denied him a licence to run Paul's Disco and the court ordered that he be paid \$15 400 and costs almost of the same amount. There is another one with a young boy, Carl Maloney, who was wrongfully arrested by the police and had an epileptic fit during the course of the police misconduct. He got \$5 000 and there are costs of I do not remember 8 or 10. Those claims have gone in. Claims have gone in with costs to be taxed by the Deputy Registrar.

In regard to the Governor-General's installation Sir, this side of the Opposition has no quarrel at all with the expenditure. We are delighted that the Prime Minister listened carefully to the recommendation of the Leader of the Barbados Labour Party at Holder's Hill at a meeting a few weeks before he finally made up his mind. It was fully reported in the press, deliberately contrived to ensure that he would see it, where the recommendation was for the Dame, Sir Kenneth Stuart and Mr. J. C. King, in that order. We have no quarrel with the choice of the Prime Minister. He convinced us then that he not only hears, but he listens to the Barbados Labour Party. We will claim some of the commendations for the acceptability of that appointment, Sir. We share the plaudits of the community equally with the Prime Minister, Sir.

There was one feature though, Sir, of the function at Government House that I wish to draw to the Government's attention that, as a matter of protocol, seem to me to be a little odd. The substantive Chief Justice acted as Governor-General until approximately 5.00 o'clock on the evening when Dame Nita was installed.

At Government House the night, when she came out of Government House through the pathway walking to meet the guests and so on, the person who had acted as Governor-General up to 5.00 o'clock that evening, was a matter of two hours later not in her party but was just anywhere about on the lawn.

I think that it would have been more appropriate that -and I am assuming that the protocol I am submitting is correct, for whether there is protocol or no protocol, I still ,, feel that Government, in future, must be more sensitive to these things - the Acting Governor-General whom Dame Nita succeeded, in my submission, should have been in her party when they came from the house on to the lawn.

There were a number of people who commented unfavourably on it, Sir. It was obviously an oversight. I ;" know that the Prime Minister himself would not be one to do deliberately these things which may cause some offence. I think I said it was a matter of an oversight. I think I know the Prime Minister well enough, in these matters, to believe

that he would only do what is right. He cannot see everything. He cannot know everything, Sir. But I am just saying that in future, I think, one should be more sensitive to these things.

Mr. CHAIRMAN: The Right Honourable Prime Minister. .

Rt. Hon. L. E. SANDIFORD: Just to respond briefly, Sir. I would not really reply to the political remarks with reference to a little cold pone meeting at Holder's Hill, Sir.

Asides.

6.40 p.m.

Rt. Hon. L. E. SANDIFORD: I will not refer to when there was another meeting taking place in another part of St. James where the political information and political education was being given to the people of Barbados, particularly the people of St. James. They travelled from all parts of Barbados and it was time very well spent. They even came from the Holders Hill area and quite a number of them drifted away from the meeting that was being held at Holders Hill to hear the proper gospel, Sir.

I would, however, like to indicate, in terms of payments which may be outstanding, that we will seek to honour them as expeditiously as possible.

In respect of the point of protocol being raised, this is the first time that is being drawn to my attention and I will certainly examine the point being made for future reference.

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

On the motion of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, Mr. CHAIRMAN reported the passing of one Resolution in Committee of Supply, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. P. M. GREAVES, seconded by Hon. M. A. KING, the Resolution was read a first and second time and agreed to.

ADJOURNMENT

Hon. P. M. GREAVES: Sir, I do not know if Members are interested in Private Members' Business at this time.

Aside.

Hon. P. M. GREAVES: In that case, I move that the House do now adjourn until Tuesday, 10th July, 1990 at 12 o'clock noon.

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

The question was put and resolved in the affirmative without division, and Mr. SPEAKER adjourned the House accordingly. 6.45 p.m.

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SPEAKERS IN THIS ISSUE

ARTHUR, Mr. O. S. (St. Peter) BLACKMAN, Hon Dr. D. G. (St. Michael East) BLACKMAN, Hon. H. A. (St. Philip South) BRATHWAITE, Mr. L. L. (St. Michael North East) BYER, Mr. R. P. (St. George South) FRANKLIN, Hon. W. O. (St. Philip North) GREAVES, Hon. E. E. (St. Lucy) GREAVES, Hon. P. M. (St. Michael North) HAYNES, Dr. R. C. (St. Michael South Central) KING, Hon. M. A. (Christ Church West Central) MILLER, Mr. P. J. M. (City of Bridgetown) MORRIS, Mr. R. L. (Christ Church East Central) PAYNE, His Hon. J. J. (St. James North) SANDIFORD, Rt. Hon. L. E. (St. Michael South) SIMMONS, Mr. D. A. C. (St. Thomas)