
THE House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1994 – 99

HOUSE OF ASSEMBLY

Tuesday, February 13, 1996

Pursuant to the adjournment, the House of Assembly met at the Parliament Buildings on Tuesday the 13th day of February, 1996 at 11.15 a.m.

PRESENT

His Honour I. A. ROETT, B.A., Dip. Ed., (Speaker)
His Honour R. D. MARSHALL, (Deputy Speaker)
Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.),

J.P.

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

Rt. Hon. O. S. ARTHUR, M.Sc. (Econ.), (Prime Minister, Minister of Finance and Economic Affairs and Minister for the Civil Service)

Hon. D. A. C. SIMMONS, Q.C., LL.M. (Attorney General and Minister of Home Affairs)

Mr. D. J. H. THOMPSON, LL.B. (Hons.) (Leader of the Opposition)

Hon. Sir HAROLD St. JOHN, Q.C., LL.B.

Mr. L. R. TULL, Q.C., M.A.

Dr. R. L. CHELTENHAM, Q.C., M.A., M.Sc. (Econ.)

Hon. Miss B. A. MILLER (Deputy Prime Minister, Minister of Foreign Affairs, Tourism and International Transport) (Leader of the House)

Mr. J. O. TUDOR, J.P.

Hon. G. W. PAYNE (Minister of Public Works, Transport and Housing)

Hon. R. C. EASTMOND, J.P., B.A. (Hons.), Dip. Ed., LL.B. (Hons.), L.E.C. (Minister of Agriculture and Rural Development)

Dr. R. C. HAYNES, M.B., Ch.B., F.R.C.P. (Edin.)

Mr. D. Carter

Hon. R. N. GREENIDGE, B.A., LL.B., (Minister of Labour, Community Development and Sports)

Mr. G. A. CLARKE, B.Sc., Dip. Ed. (Parliamentary Secretary, Ministry of Public Works, Transport and Housing)

Mr. J. M. EDGHILL

Mr. F. J. STUART, B.A. LL.M.

Mr. W. C. C. CALLENDER, J.P., B.A., Dip. Ed., B.Sc. (Chairman of Committees)

Mr. H. F. LASHLEY

Hon. R. St. C. TOPPIN, LL.B. (Minister of State in the Ministry of Foreign Affairs, Tourism and International Transport)

Mr. D. St. E. KELLMAN

Hon. Miss H. E. THOMPSON, LL.B., (Minister of Health and the Environment)

Hon. Miss M. A. MOTTLEY, LL.B., (Minister of Education, Youth Affairs and Culture).

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: This House is now in session.

MINUTES

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that the Minutes of proceedings of the Honourable the House of Assembly for its meeting of Tuesday 6th day of February, 1996, which Minutes have been circulated, be taken as read.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

Mr. SPEAKER: If there are no observations or corrections then let those Minutes stand confirmed.

PAPERS

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, I am commanded to lay the Representation of the People (Expenses) (Amendment) Regulations, 1996. I am also commanded to lay the Annual Report and Statement of Accounts of the Barbados National Bank for the year 1994.

GOVERNMENT NOTICES

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to give notice of the National Council on Substance Abuse (Amendment) Bill 1996 and further to give notice of a Resolution to approve the compulsory acquisition of a parcel of land at Lodge Road in the parish of Christ Church for road improvement.

FIRST READING OF BILLS

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, I beg to move that the National Council on Substance Abuse (Amendment) Bill 1996 be read a first time.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

OBITUARY

Hon. Miss B. A. MILLER: Mr. Speaker, Sir, since the last occasion when we met in this Honourable Chamber, we laid to rest a former Member of this Chamber. I speak of the late Lloyd Beresford Brathwaite, known among friends and acquaintances as L. B.

Our colleague was a Member of this Chamber from 1976 to 1986. During those years he sat on the Front Bench as a Minister of the Cabinet, holding the portfolios variously from time to time of Agriculture, of Public Works and of Health.

L. B. as we all knew him went back in the political life of this country a long time. He ran for the first time for Parliament, I believe it was 1951 and it is said and it is true, that he ran in every General Elections subsequent to that, until he first gained a seat in this Parliament in 1976. I think that performance was unprecedented. This would have been subsequent to the times when there were general elections for entry into this Chamber every two years. Straightway that tells us that one of the most important qualities of L. B. Brathwaite was perseverance.

This was a man who would not have had the words "give up" in his vocabulary. It also tells us that loyalty was another virtue which would have to be used to describe the

man L.B. – loyalty to his own conscience, loyalty to his own ambition, loyalty to his own vision, both of himself and for Barbados, loyalty to a political party, loyalty to this Chamber. That is, I think, one of the virtues that marked out L. B. Brathwaite.

He was one of the founder members of the Democratic Labour Party, a fact which is not well known, I think, in Barbados or it certainly was not up until the time of his death. But they soon parted company. He was a man of integrity and a man of his word and having come to a dividing of the ways he parted company with the Democratic Labour Party after a relatively short period, relative to the long political life that he had. He parted company with the Democratic Labour Party and joined the ranks of the Barbados Labour Party. I do not think that it could be said that L. B. Brathwaite was other than loyal throughout his years of membership to the Barbados Labour Party.

L. B. in those early years, Mr. Speaker, Sir, as I said persevered. There is a story to be told about him. It may sound like an apocryphal story but it is perfectly true that in the 1950s on an occasion when L. B. was running in St. Lucy, and he ran in more than one parish... There were the days before CBC and CNN and VOB and Rediffusion, in the days of Radio Distribution, in the days when in a village you would not have a single telephone, when you would have to drive or ride or walk miles to get a telephone message, when in political campaigns you used loud hailers. Amplified systems were few and far between especially when you were in a country district such as St. Lucy. L. B. was running in St. Lucy, the story goes, and the day before the election a man with a loud hailer, in a car with the loud hailer or loud speaker projecting out of the car, drove up and down the length and breadth of St. Lucy to say to the people:

"Ladies and gentlemen, electors of the parish of St. Lucy, we regret to announce that Mr. Lloyd Beresford Brathwaite has withdrawn his candidature and will no longer be a candidate for election to Parliament." Now in those days there was no way at the 11th hour and the 59th minute that that could have been reversed. So naturally, overwhelmingly he was defeated at that poll.
11.25 a.m.

L. B. was the kind of man who could tell a story like that about himself and when he told the story he would tell you: "Do you know that for weeks and months afterwards people from St. Lucy would meet me and say: Mr. Brathwaite, I do not know why you did not run. I would have voted for you." Now that is a true, true story, Sir. But we are so tame in this Parliament nowadays and we are so courteous with each other compared to those who preceded us or our forefathers in here. That kind

of occurrence would not have deterred L. B. Brathwaite and he simply ran and ran.

At the funeral service during the sermon the Rev. Lawrence Small pointed out that during those years L. B. kept very close to his constituency and that is another feature of his life. He was very much a man who paid the closest possible attention to his constituency whether at weddings, funerals, christenings, all sorts of community and other events. L. B. made it his business to be there. So his is a story in politics of where perseverance can take you, where loyalty to a cause, where loyalty to an institution can take you. There was something very interesting, too, about L. B. Brathwaite which was not much known until his death and that is that his father, Mr. Graham Gittens, preceded him in this Chamber in the days when very few black people could gain entry here. L. B.'s political life, as indeed his life generally speaking, was a tale of that kind of struggle with which he identified himself as a daily participant. To use a common phrase in Barbados, he was a man who carried himself well. He always came to this Chamber and wherever else he went well dressed. It was something that one always noticed about him. His posture was erect and the dignity that attended L. B. Brathwaite was something that you noticed if you had any dealing with him.

As a Minister, he was firm and true to the Barbados Labour Party's Manifesto and its policies. He started his working life as a sugar chemist in the sugar industry in Barbados and L. B. then turned to real estate later in life until, of course, he came to the Cabinet. But because of that early start in the sugar industry he had a feeling and a technical understanding of the sugar industry. After all, Mr. Speaker, he grew up in St. Patrick's deep in the heart of the sugar belt in Barbados and so he brought that very special quality to the Ministry of Agriculture and to the sugar aspect of agriculture. He also brought a very keen interest and enthusiasm to non-sugar agriculture as well. He was a man who always had his piece of ground, and worked it, too.

He retired from active political life after 1986. He did not lose his interest in things political and in the fortunes of the Party whose flag he carried for so many years and so valiantly and that went on until he was overtaken by ill health. I noticed, Mr. Speaker, that in the local Press and elsewhere where discussion is carried on in the public domain that there has been some comment about, if not the fame, the fortune of parliamentarians when they ceased to be active parliamentarians. L. B. Brathwaite belonged to a generation of Members of Parliament who really came into active politics when there was little or no reward. I have said from time to time in this Chamber and I say it again that, contrary to public opinion, we do not treat ourselves particularly well as parliamentarians and I have thought for

a long time that it was a sad thing to see where some of our former parliamentarians have ended up. It would be invidious to call names but some died in penury and there is no other way to describe it. Some of them as Ecclesiastes says: "There is no memorial of." But of L. B. Brathwaite I would like to believe, Mr. Speaker, Sir, that in this Chamber when the history of this period is written and I hope that the historians are doing their research and will indeed write, and when that comes to happen that there will be a memorial for Lloyd Beresford Brathwaite because L. B. represented so much that we think of as the best in politics. He was an ordinary man. He went to the elementary school and he understood life in the context of a man who was born and grew up in the country, came to town to make his fortune and by dint of perseverance and large effort did in fact find his fortune and rose in the world, and pulled himself up by his own boot-straps. He was a man who read quite a bit and to a large extent educated himself as an adult and a man who went back to his beginnings to seek to represent the interests of those who nurtured him in his strife. That he got the opportunity to do that I think was the crowning point of his life.

We live in a small community and this is a small Parliament. It is an ancient Parliament, a much respected Parliament within the Commonwealth. But we take so much for granted that our forbears hoped for and had to claw back out of the old colonial system, the old empire days. We take so much of that for granted and it is not always a good thing, because I do not think that sometimes we fully appreciate the enormity of what Barbados has achieved in this century which is coming to a close now. But I think that more has happened in this Barbados in the 50 or 60 years this end of the 20th century than ever in the history of this island.

11.35 a.m.

L. B., like so many others of his generation – and his passing marks the closing of an era – so many of those who were with him are leaving us. The members of that first Cabinet of Barbados have all left us now, and L. B. was part of that. L. B. was perhaps at his most vibrant in the years of the 1960s. He was part of the struggle of the Barbados Labour Party in the sixties and went into Government with us, as I said, in 1976, but the life story of a man like L. B. Brathwaite is in a way the life story of social and economic Barbados. The Barbados L. B. knew in his years as a boy has virtually been transformed. Today's generation would not recognise it if they saw it, and that is why it is important that those who write books must write, those who write, particularly biographies and history, must write and must record for posterity what men like L. B. Brathwaite stood for.

The Labour Party is poorer for his passing, and that is not a trite remark, because L. B. represents what

the Right Honourable Prime Minister quite properly likes to refer to as the great eminence of the Barbados Labour Party. When that is diminished by any one member, the whole is diminished and it means that that pool of experience, that well spring of past political wisdom, is diminished. With the passing of L. B. Brathwaite we are poorer in that respect. The well is a little more shallow now than it was.

Mr. Speaker, Sir, the late Lloyd Beresford Brathwaite was twice a married man, the father of several children and the grandfather of many as well. I would wish to move that the usual Resolution of condolence, when passed, would be communicated suitably to his sorrowing widow and his children, the family that he left.

Mr. D. J. H. THOMPSON: Mr. Speaker, I want to take this opportunity, on behalf of the Opposition and members of the Democratic Labour Party, to second the Resolution moved by the Honourable Member for the City and to join with her in extending condolences to the family of the late Lloyd Beresford Brathwaite.

I was a regular visitor to the House of Assembly as a schoolboy, certainly in the period 1976 until about 1983 or 1984, and I recall the contributions which Mr. Brathwaite made in the Chamber. He certainly was a very powerful speaker and appeared, from his countenance, to be one of those very clear-minded and stubborn individuals who had his own outlook on life and was not easily shifted from the philosophy which he believed in. Certainly from the things that others said about him to me, since I cannot speak to many occasions of having met him, that appears to be the case.

My first encounter with him was even more interesting. In 1976 the Government changed and as one of those students who assisted in ushering at the Independence Parade in the days before the Barbados Defence Force was established, I remember there was much confusion, because there was great difficulty identifying the persons who were now Ministers. I think the Honourable Member for St. George South would agree with me that the students who were given this task of ushering Government Ministers to their seats, which seemed to be a very silly thing to do in any event, could not recognise many of them. Of course, it would have been easy to recognise the Honourable Member for the City, since she was the only female member of the House, and probably the Prime Minister, but I know that there was great difficulty with the others. A girl guide ushered Mr. Brathwaite to the very back of the area for dignitaries, at which point he dealt with her in a manner which I thought was really very unfortunate. I don't think she would ever usher again at a function like that.

As I said, on subsequent occasions, having formed that early impression of him, I was always afraid of him,

but on the occasions that we did get to speak I found him to be one of those interesting Barbadian politicians of an era that is now coming to a close. He certainly would not have been part of the original Barbados Labour Party team; he would have been part of the Great Combination so called. Perhaps his later life is not something that we as politicians should be proud of, and the question of course goes out now from other quarters, what can be done to improve the quality of life of persons who have in some way given public service or who seek to give public service in Barbados. I think that his passing and the circumstances in which he spent his last days on this earth will perhaps propel those who have been thinking of ways in which to honour those who have served this country of thinking in ways other than declaring them national heroes. It is something that needs urgent consideration. There are many others, there are some who are presently functioning in circumstances which are very difficult, some who have contributed at various levels, and perhaps consideration should be given to their plight.

As each politician who has made an outstanding contribution to this country, even in a small way, passes on, it brings to our own mind the very difficult task which we all perform and how quickly one can be forgotten, until we get up in here again and extol the virtues of those individuals. Those who remain in this Chamber for a long time, like the Honourable Member for St. Michael South, and who have had the privilege to serve for a long time, their role is kept in the public mind, but there are some who only serve for a short time for whatever reason and some in that short time do make a very valuable contribution to public life, make sacrifices which afterwards do not endear themselves to comfortable or even basic employment in the private sector in Barbados, and therefore it is something which does need compassion and maturity. I hope that will be forthcoming from this Parliament when the appropriate consideration has to be given to that matter. 11.45 a.m.

Until then, I would not wish in any way to detract from the comments which the Honourable Leader of the House made about Mr. Brathwaite since I cannot deny any of them. I wish to say to his family and to his supporters and to his friends that this Parliament values his contributions and we thank them for whatever support they would have given him and for holding him up during difficult times and even in times when he was serving. We extend to them a very sincere sympathy on the passing of this Barbadian who obviously was a hardworking self-made individual, courageous at all levels, both at the national level and within his own Party, as I understand.

He was willing to take on anybody and did take them on and dealt with them and was dealt with. Nevertheless he was courageous and that is a quality which is not always apparent in politics. That kind of open courage in

which you put your position on the line and face whatever consequences flow therefrom.

In that regard, therefore, I extend my profound sympathy and the sympathy of the opposition and the family of the Democratic Labour Party, of which he was a founding member but did not remain to see it grow and flourish into the great institution which it now is; but we nevertheless thank him for his foresight and diligence in those very early weeks and months of its founding. Thank you.

Dr. R. L. CHELTENHAM: Mr. Speaker, Sir, I have already, in another forum paid tribute to the work and the memory of my good friend, the late Lloyd Beresford Bruthwaite. However, I am delighted today to be speaking and lending support to this Resolution before the House and to be afforded this opportunity to put some facts about the late L. B. on the record and to echo some eulogistic sentiments which I think he well deserves.

I have known him for the last 45 years. He was born in a village in the wider St. **Patricks** called **Fairview** and grew up there. When I was about 10 years I first met him living near to my grandmother in another St. **Patricks** district known as Bright Hill. We very soon became friends. L. B. was 71 years old when he died having been born January 4, 1935. From the time I knew him he was interested in politics and in public life. I formed the impression a very long time ago that there were 2 dominant factors that shaped that interest. The first was the fact that he was born into a St. **Patricks** that was really a part of the sugar belt of Barbados. It was bounded on all sides by sugar factories, Searles, Four Square and Carrington and Oldbury and Frere Pilgrim and many others to the south, the east, the north and the west and there were plantations on all sides: Woodbourne, Yorkshire, Lowdens, Spencers among others.

As I said in an earlier place, L. B. grew up amidst people who for the most part worked hard and enjoyed some very rough conditions, long hours, meagre wages, poor housing; and all of those conditions cried out for improvement. As a young man therefore those conditions were to disturb L. B.'s sense of justice and to fire him with a determination to so position himself as to be of help and assistance to the cause of the working man. I think that was the first important factor that was to shape his outlook.

There was also a second factor again arising out of St. **Patricks** that is important. It was an area that had side by side of all of these plantations and factories, a fairly sizeable peasantry and that gave rise to an independent class. He was attracted to that class and saw it at work. They were people who were proud of their independence. They spoke freely and debated fiercely the issues of the

day. It was reflected later in the fact that the St. Patrick's Old Boys Association of which he was a member was a great force in debates in this country for over 50 years until the early 70s.

It should be said, Sir, that the church and the school were 2 dominant institutions in the St. **Patricks** of yesteryear and a high premium was placed, and St. **Patricks** was not alone in that regard — by all parents in St. Patrick's on education.

The third factor that was important in shaping L. B.'s outlook was the fact that his father was **Graham** Gittens who was a vestryman for many years in the 30s and early 40s and who was to serve in this House as a member for 6 years between 1938 and 1944. He was then one of the two **MCPs**, Members of the Colonial Parliament, as they were called then, who was returned by the electorate of Christ Church to the House of Assembly.

L. B.'s education was partly at St. Patrick's Boys at the primary level and partly at St. Margaret's. He sat at the feet of the late Luther Thorne who was to become one of our early Ministers of Education. That arose because of the fact that L. B.'s mother, Mabel Brathwaite, married a gentleman called Goldbourne Cook and in the early 60s it was very fashionable for people like the late E. D. Mottley to refer to him on public platforms as Boy Sonny Cook, and never Boy Sonny Brathwaite. Goldbourne Cook worked with railways and lived in the Martin's Bay area. So after the marriage the family moved to Martin's Bay and L. B. was for a short while to be educated at St. Margaret's Boys.

He came back to St. **Patricks** in time to finish his primary education there and to continue his post-primary at, a well known private secondary institution, the Rural Studio, which was run by a great uncle of mine, Charles Durant. After L. B.'s secondary training there at that private school he was to continue with correspondence courses at Wolsey Hall. Again when he was in his late teens he got a job in the sugar industry working as a sugar chemist. He worked at Porters in James, at Searles Factory and also at Oldbury.

L. B. was a man of independence of outlook. He spoke his mind and he obviously needed an independent profession. So he became a real estate agent at a very early age, in his mid 20s. He had, as I remember well, offices in Swan Street, Bridgetown. But the passion for public life and politics could not be abated and by the tender age of 26, L. B. was running in the 1951 General Elections, the first under adult suffrage.
11.55 a.m.

Prior to that he ran for the Christ Church Vestry unsuccessfully and he ran in each and every election in

this country from 1951 until 1986. He ran without missing a general election through that 35-year period. He ran in Christ Church in 1951, as I said earlier. He ran again in 1956 in St. Lucy. He ran again in 1961 in Christ Church, with Clyde Jones the well-known **mortician** as his running mate. He ran in 1966 in St. Andrew, in 1971 in St. Andrew and he first came to the House of Assembly in 1976 as the member for St. Andrew. He was again returned in 1981 as the member for St. Andrew, so he served in this House for 10 years. Throughout those 10 years he also served as a member of the Barbados Labour Party Cabinet during the period 1976 to 1986.

L. B. was a founding member, as was alluded to earlier, of the Democratic Labour Party. He joined the ranks with the late **Errol** Walton Barrow in early 1955, but his association with the Dems was very short-lived for I well remember the **Monday** the "Advocate" newspaper carried the headline saying "Brathwaite Quit Dems." It went on to say that he accused Barrow of being a fascist. That was the language of the day. It was usual for politicians then to call one another communists and fascists. It was not at all fashionable in the 80s and 90s but in the 50s it was quite usual for that charge to be made by politicians against one another. So he accused Barrow of fascism and left the Dems after a few short months during which time he was one of the founding members.

My memory is that by as early as 1957 L. B. had joined the Barbados Labour Party. I think that, had he lived that next year would have **marked** his 40th year as a member of the Barbados Labour Party because I seem to recall quite vividly that at the 1957 Annual Conference of the Barbados Labour Party in **Roebuck** Street in a dirt yard with no more than 50 or 60 people present, L. B. took me to that Conference, and we were very much there. That was the role he played in those early days in my life.

He provided me with transportation. He provided me with early inspiration and contact with some of the senior political figures of the day. I met the late Ronald Mapp, and the late M. E. Cox, the late Sir Grantley, even before he went on to the Federal, and had early conversations with the late Hugh Gordon Cummins before he became Premier of Barbados. That was the role he played in those early days in my own life.

L. B. brought a fine physique and an arresting voice to politics. He was a good height and well built. He loved clothes. He loved good food and he was always well dressed. He had a warm and confident manner. He was generous, charming and loyal to his friends. At close range he was a man of great fun. He received a good joke with boisterous delight and gave one in return with infectious enthusiasm. He loved a joke. He loved receiving one and giving one.

As a constituency representative he was visible. Father Small referred to the fact that there was a period when he scarcely missed a funeral. He was attentive and he was caring.

It ought to be said at this point too that there was a sharp divide in politics in which he grew up and served but that did not prevent L. B. from having a very warm and sincere relationship with others on the other side. He held the Honourable Member for St. Michael South in high regard and they enjoyed a warm relationship. The same thing can be said in relation to the Honourable Member for St. Michael West and the Honourable Member for St. Michael South Central. He admired them. He did not disguise that and he enjoyed a warm relationship with them at the personal level.

On the platform L. B. was a powerful speaker. He was knowledgeable and usually articulate with a great capacity to **attack** his opponents. That is not surprising, Mr. Speaker, when you think of the speakers of that era. Sir Grantley himself was an attacking speaker and he passed on that in many respects to his son. E. D. Mottley was one of the prominent attacking speakers of that era as was Sydney Walcott, a man not very much remembered who was the opening batsman for the PCP, the Progressive Conservative Party, later to become the Mottley Group. Owen T. **Alder**, a close friend of L. B., he too was a great attacking speaker. It was not surprising that L. B. was very much part of that tradition, a tradition into which Lionel Craig was to fall and Tom Adams himself. It is only now that we are pretty well at the end of that era but there was a whole era stretching from the 30s and perhaps from before in Barbadian politics right down into the late 80s where we had attacking speakers in Barbados.

The prominent and well-known speakers were attacking speakers. I suppose it was also partly a demand of the crowds of the day that they expected them by way of providing entertainment to attack their opponents. But, in that tradition, L. B. was outstanding. I think it fair to say that between the period 1961 and 1976 and thereabouts he was really one of the finest platform speakers of that age. Many who are young in politics today have no feel of the extent to which the northern team of which he was a part went. The Barbados Labour Party northern team for 20 years was such a rugged force in Barbadian politics. They drove fear in the hearts of their opponents. Asquith Phillips, who is no longer with us, once ran in St. Peter against Burton Hinds who was a member of that team and he told me how effective and devastating the northern team, comprising of Tom Adams himself, Lionel Craig, Lindsay Bolden, Burton Hinds and the same L. B. Brathwaite was. They were really a very rugged and devastating force in Barbadian politics on the public platform. No one ran against them except he was bruised.

But L. B. was perhaps at his best in the windfall dispute of 1963-1964. The issue in the country was whether the sugar workers' windfall, resulting from an unexpected increase in the price of sugar, should be invested by the union on behalf of the workers, as indeed Frank Walcott argued, or whether the money should be distributed among the workers, as the Barbados Labour Party contended. In that impasse the Barbados Labour Party took to the platform and L. B. was among the most prominent of the speakers that put the case in about 80 to 100 meetings across Barbados in 1963-64.

It was a time of high political tension and those of us who know the history of the period would recall that there developed a divide between Barrow and Frank Walcott. Previously they were operating like Siamese twins, but Barrow told him publicly that he must now break for himself on the whole question of the windfall issue. In the end the workers and the Barbados Labour Party triumphed and the money was distributed among the workers. 12.05 p.m.

But it was a period of high political tension in this country. During that period L. B. was arrested, as I remember, for having firearms without a licence. It was a period when prominent political figures asked for police protection and so on. It was a period of really high tension in the political life of the country.

But he was at his best night after night on the public platform putting the case, in his usual effective manner starting, "My friends, my friends" and ending off with, "I hope and pray that you will do" so and so.

The high point of his life, however, was in my view his service for 10 years in the Barbados Labour Party Cabinet of 1976 to 1986. Nine of those years, you would recall, Mr. Speaker, were under the leadership of the late Tom Adams and one under the Prime Ministership of **Harold** Bernard St. John, now Sir Bernard and who is still very much with us here in Parliament.

Over those years, L. B. was Minister of Communications and Works, of Housing and Lands and of Health and Agriculture. I succeeded him at the Ministry of Agriculture and he seemed to have got on well with the staff. It was my observation and I think, the observation of all of us, that he brought keenness, enthusiasm, seriousness and dignity to his work as a Minister. He deserves, in my view, the admiration and thanks for the role that he was to play in what has come to be called the Great Combination of 1976-1986. Whether we like it or not, it was to transform the physical features of Barbados. The great highway schemes were conceived by Tom Adams and the Barbados Labour Party of that period. It was to widen our institutional infrastructure. I can think of the many statutory

and state corporations that were established in that period. It was to further diversify our economy. Credit must in particular be given for its role in the establishment of the offshore sector that now means so much to our economy.

It was a combination that was to dramatically improve our health delivery system. Almost all of those polyclinics which we have scattered across this country were established in that period. It was, too, to upgrade and modernize our educational plant and significantly enhance the standard of living of our people. That is really his claim to fame, as it were. He was part of a team that was to have made the difference in this country over a 10-year period.

L. B. was twice married and leaves behind him some 10 children and a large number of grands. I want to pay particular tribute to his first wife Nita and to his second wife Eureka because both of them supported him to the end. It was really very admirable indeed for when normally, we would have expected friction and a great divide, they focussed on the man and not on themselves and supported him to the end.

To them, as well as to his children, who reciprocated his affection for them by their care and concern, particularly in his last years when he was hospitalized, and to his brother David and his sisters Earl and Edith and all the other sorrowing members of his family, I should like to extend my sympathy and that of my family.

In the end, I think that we must conclude by observing that L. B.'s was an active and useful life spent, in large measure, in the service of his fellow men and of his country. His was a classic example of perseverance in politics. We do not know if today, any man in one political party would be allowed to run for 25 years before he gets in. That is, in effect, what happened. But fortunately for him, the party system was not then as crystallized and well established as it is now and, on some of those outings, he ran as an independent. Another Brathwaite was to run for many years in St. Lucy but there is no one that I know who, in one party ran for as many as 25 years before he became successful.

It is a classic example of perseverance in politics and really striving in life. That is certainly one example from which we can all learn. The real goal which L. B. set himself was to make his mark in life to the Barbados into which he was born and to ensure that he left it a much more just, compassionate, prosperous and livable place than the Barbados into which he was born.

He was blessed with sufficient years to have died with the certain knowledge and the satisfaction that those goals had been realized. He has certainly gone to the Great Beyond seeing a transformed Barbados which was his big ambition and the big goal which he set himself and,

to which he made a contribution. He was part of the transformation of Barbados.

It only remains for me, Mr. Speaker, to express the wish often heard in our churches, "May he rest in peace and rise in glory."

Rt. Hon. L. E. **SANDIFORD**: Mr. Speaker, I rise to associate myself with the words that have been spoken on this resolution in respect of the passing of Lloyd Beresford Brathwaite. I think we are all indebted to the Member for St. Joseph for his very clear detailed review of the life of Lloyd Brathwaite and he has placed that life within the context of the politics of Barbados.

I am also indebted to the Honourable Member for, from time to time, keeping me up-to-date on the struggle of Lloyd Beresford Brathwaite for life and for dignity.

The Honourable Member for St. Joseph has put Mr. Brathwaite's life within the context of local politics. I should like to look at it against the background of international affairs that would have influenced the outlook, not only of Barbadians, but in particular of Lloyd Beresford Brathwaite.

He was born in 1925 and, Sir, this would have been at a time which would have been a few years before the world would have seen and witnessed the Great Depression of the 1930s. That was a time of severe hardship not only in Europe but in the Caribbean and, indeed, worldwide, Sir. In a sense, we can say he was born into times of hardship and privation. It was also a time when the world saw the rise of the modern tyrants and dictators. Hitler in Germany, Mussolini in Italy and it was a time, Sir, when those who followed British politics would have known of the marches of Moseley and his own fascist version. Sir, that was of course to be reflected also in the absence of democracy in South America and it was a time also of Duvalier right here in the **Caribbean** in Haiti.
12.15 p.m.

L. B. Brathwaite would have known also of the outbreak of World War II. He would have been old enough, 14 years old, to be conscious of the currents that led to that outbreak of hostility and then into the fifties there would have been the other wars, the Korean War, later on the Vietnam War and all of the turmoils which we have experienced.

At the end of his days he would also have been a witness to another depression, the worst in the international economy since the great depression of the 1930s which came at the start of his life. So we can say, Sir, that both at the commencement and at the end of his life there was turmoil. I believe, Sir, that those events would have had a

tremendous impact on Lloyd Beresford Brathwaite as he sought to make meaning and to give some kind of purpose to the kind of objectives to which he should dedicate his life.

Let me not forget, Sir, while we are looking at this background and backdrop, that colonialism was still very much alive and Barbados was a colonial **territory**. He also lived during a time of social dislocation in Barbados, it was the time of the riots and the rise of the nationalist movement in Barbados to seek to transform Barbados from being a colonial outpost into a modern country.

I think, Sir, that Lloyd Beresford Brathwaite, living through these times as he did both in terms of the international current of events and the national and local situation would have inspired him to devote himself to political activity and political life. How else can we explain, Sir, a young man battling through our educational system, without the resources to gain access to the best that Barbados had to offer. I am not referring to the best of St. Patricks, Sir. That was at the primary level but I am talking about the secondary level and beyond. He was not able to access the benefits of the educational provisions such as it was at the time but he was able, in spite of that to rub shoulders with the political participants and decision makers of the day. And not only to rub shoulders but to make his own distinctive mark.

I think, Sir, sometimes we do not fully appreciate the role that the representative has to play, the sacrifice that he or she may make and the contribution, small as it may be, that each one of us may make but we make it to a total situation, the unfolding of which hopefully should be a better life for all of us.

The very fact that during the period 1951 to 1986 that Lloyd Beresford Brathwaite contested elections, both at the local level and at the national level and sought to influence the trend in politics and decision making itself, is very significant because he would have come up at a time when there was no universal suffrage in Barbados and he would have come up at a time when there was a need which he perceived – he was very perceptive, Sir – perceived that there was a need for another major political party in Barbados and he was part of the movement. He felt that there was a need for a new movement and he joined forces with that new movement at its foundation in 1955. Sir, alas another light struck him and he turned or returned, I am not sure which one, Sir, to the fold of the Barbados Labour Party. That is a fact of history.
12.25 p.m.

I have sat in this House from 1976 to 1986, and I am talking about the period during which I shared with him as a colleague in this Honourable Chamber, and I can say that in spite of the divide across the House that we were

able to discuss the issues of the day, whether they were issues in any of his Ministries of Communications and Works, Health, Agriculture or whether it was in relation to other issues, or it may have been just a quiet personal moment. I think, Sir, the sooner we realize not only in this House but in our country that politics is not only the art of the possible, but it is about seeking to arrive at decisions and seeking to narrow differences, and seeking to take those steps and measures which are in the best interest of our people, no matter where we start from or where we may end up, that, Sir, is still the greatest goal of what I consider to be the greatest profession in life that has attracted some of the best minds that the world has ever known. I speak about the profession of politics, Sir.

Lloyd Beresford Brathwaite was part of that and he did not give up. What are those qualities that he illustrated during his life. The Member for St. Joseph referred to his contesting I believe on two occasions as an independent. The Member for St. Joseph also indicated that he followed in the footsteps of the Member Lloyd Beresford Brathwaite into the Ministry of Agriculture. Only history will tell us whether he intends to follow him as an independent also, Sir. I cannot illuminate on that but I do know, Sir, that the Member for St. Joseph is very astute. He is a student of politics and I am sure that he will try to draw the best lessons from the lives of those who have gone before.

Sir, I think what Lloyd Beresford Brathwaite's life indicates is that when there are obstacles we can fight to deal with those obstacles and his pertinacity and his ability to deal with adverse situations, his determination and his resoluteness in the face of those adversities are all qualities and values which as Members of Parliament we can seek to emulate. He knew what misfortune, suffering and hardship were all about but he persisted and in the end let us hope that he has made a tremendous contribution to our society and to our Parliament.

I recall him, Sir, as a very eloquent and persuasive speaker. I recall him as one who sought to use language to convey his thinking and not to obfuscate. He could be very brutal and devastating in opposition, Sir, and I know that I was told that, if you offended him, he went into his armoury of words and drew on his command of the language in order either to silence or to humiliate. But I am satisfied that in the end it all came from a heart of gold.

I would, therefore, like to pay a tribute to one who not only embraced our profession but who also sought to make the best use of his opportunity. I extend to his ex-wife, Nita, to his widow, Eureka, and to his relatives, his children, grandchildren and all of the sorrowing members of his family my deepest condolence, Sir.

Hon. Miss H. E. THOMPSON: Mr. Speaker I must say a few words on this occasion. I knew the late Lloyd

Beresford Brathwaite not perhaps as well as some of the others who have spoken before me. Indeed, there was a great disparity in our ages. But I remember him well because he was a good friend of my parents. I was unable last Wednesday to attend his funeral because as the duties of the Ministry I had to speak at the BRNA Annual General Meeting. But I do want to extend my sympathy on this occasion to his family and to say that indeed he was part of the team in 1976 to 1986 which helped to shape my view of politics and indeed my affiliation to the Barbados Labour Party. I was 14 years old at the time of the 1976 campaign and my parents were very strong supporters of the Barbados Labour Party and during the course of that campaign they took me all over the country. I had an opportunity to hear the platforms of both Parties at that time and certainly L. B. Brathwaite tremendously influenced me in the way he spoke. He was a very articulate speaker and I could not let this occasion go having not attended the funeral without rising just to say a few words and, of course, extend my sympathy to the family.

Dr. R. C. HAYNES: Mr. Speaker, much has been said so far about the life and times of L. B., as I shall call him, because I have never known him in any other terms. I have always found him to be a genuinely decent human being. It was last Tuesday when the Honourable Member for St. Joseph indicated to me the time and the location of his funeral and I instantly told him that I will be there. In fact, I made all preparations to be there and then I learnt that it was an official funeral. Although I did not receive an official invitation, and I am not complaining, until about 1 o'clock in the afternoon, I just want to make the point in relation to the invitation that I had decided to go, invitation or no invitation.

12.35 p.m.

The question was, why would I have taken such a decision. I liked L. B. My recollection is I heard a lot about him prior to 1974 or thereabouts, I heard him on various platforms and I recognised the force and dynamism with which he spoke on political platforms. But it was in 1974, as I recall, well in advance of the election campaign of 1976, that I received three calls one morning. Two were from very close friends of L. B. – the late Hubert Dowell and Mr. LeRoy Miller – and later in the morning I got a call from L. B. on a particular matter, a private arrangement, and instantly liked the fellow. From that day we struck up a very good relationship which lasted right through, and over time I met many members of his family and was involved with some of them professionally and otherwise. Indeed, in 1976 when I ran unsuccessfully in the parish of St. George, L.B. was a candidate for St. Andrew. The very arrangements which we made in 1974, at least one person thought that arrangement I made would militate against my particular electoral success, and I recall being

approached to do something about it. I took the very firm decision that L. B. was a decent fellow, a friend of mine, it had nothing to do with politics, I was very sorry, win or lose I was **sticking** to my arrangements with L. B. This was way back in the 1975-76 period.

I have always been very proud of that decision, because when I came to the House after the bye-election in 1978, I recognised that L. B. was one of the best Ministers of that **period** in several respects. He always conducted himself with unusual dignity in this Chamber. He always sought to form good relationships with those in Opposition. Outside of this Chamber when I have seen him performing in a ministerial capacity that dignity and appreciation of the standing and role of a Minister always came across. I am not just saying this now, I have said it during the 1978-86 period to him and to several people, including the Honourable Member for St. Joseph, that in many ways he was my favourite Minister of the Crown. Now it is true he was a devastating debater, and even in a team that included the late Tom **Adams**, the Honourable Member for Christ Church South, the Honourable Member for Christ Church West, the Honourable Member for St. Joseph and the Honourable Member for St. George South, it was a team of good debaters and better debaters on the other side, but nevertheless it was a good debating period. There were times when he was devastatingly outstanding in his debate and he was excellent in the area of rebuttal. He did not often lead in debate, but any time the Government of which he was a member was brought under pressure, L.B. could get up and defend that Government with remarkable clarity of language and it was clear to me that he always organised what he was going to say before he rose.

I have never wavered in any way in my judgement of him as a person, as a Minister of the Crown or as a parliamentarian, and I am quite sure that I was correct particularly when one considers the kind of struggles he had gone through throughout his life, not only in the political area, but the many instances of difficulties which he reported to me that he had to encounter in the past, and survived.

I can recall one particular instance when there was a very forceful exchange between himself and the then Honourable Member for St. John, the late **Errol** Walton Barrow, former Prime Minister of Barbados. In the middle of that exchange, Mr. Speaker, all of a sudden L. B. got up and screamed across the Floor and said: "You are no Frigidaire, you can't keep." It took me like a second to fully understand exactly the relationship between someone keeping and a Frigidaire, but that is the kind of approach and use of language that is typical of what L. B. would do, the way in which he spoke and the way in which he used language in relation to commonplace things that people easily recognised.

Therefore, Sir, I felt that very deep need to attend his funeral. I know I have lost a friend, I know that he was the **kind** of person who went beyond the narrow boundaries of political affiliations in his dealings with people, in that I thought he always saw the human dimension to most people, or almost all persons, who came in contact with him. That is consistent with the kind of experiences, the kind of aspirations, the kind of hopes, the kind of fears, the kind of difficulties which he experienced throughout his life.

12.45 p.m.

Finally, when he had the opportunity as a Minister of the Crown to perform he brought, I believe, all those experiences. They were well welded together and they had moulded him in a particular way so that in the judgment of someone like myself when I listened to him, looked at him, saw him function, although I had a very limited personal relationship with him dating only back to 1974, some 4 years before I saw him functioning as a Minister of the Crown, I came to that conclusion that he was one of the best Ministers of that particular period. I am not reflecting on anyone because in these situations of eulogies one has to be very careful of the sensitivities of others, but it is not intended to be a reflection. It is just a judgment that I made when I looked at the totality of his performance as a Minister inside and outside of this Parliament.

He always wished to live to a ripe old age. In the 1970s, it was almost a constant theme of his when he spoke of the responsibilities to ensure that one so positioned oneself healthwise and otherwise that one would enjoy the fruits and benefits of a ripe old age. Indeed, I think that whereas he has not lived for the length which he may have prepared himself, nonetheless he has certainly gone over the 70 mark and I think that he would feel a deep sense of satisfaction.

One final point I want to make, Sir, is that he was proud to be a Minister of the Crown. I think that it was that pride... He did not see it as a job. He didn't see it as a political opportunity. There was a pride about him. He felt very deeply to be honoured in that **kind** of way. I think that when one looks at the struggles he had to get into Parliament and then to participate in that role one understood that. One could really understand that perhaps his entire lifestyle in politics was for an opportunity to participate at that level or whatever level. There was that pride of being a Minister that flowed from him and influenced his behaviour, his relationships and his conduct in here and out of here.

I liked L. B. I believe we liked each other. I am glad that I had the opportunity to have known him and particularly the opportunity to have known him in his golden political years.

So though with sadness, it is also with deep appreciation of the opportunity proffered to me as a member of this Chamber and as a leader of Barbados' newest and ultimately most successful political party that I offer my condolences to all his family and all his friends. We have lost a really decent person. Thank you very much, Mr. Speaker.

Rt. Hon. O. S. **ARTHUR**: Mr. Speaker, Sir, I wish to associate myself with the splendid tributes that have been raised in this Parliament on the occasion of the passing of Mr. Lloyd Beresford Brathwaite. I wish to speak from the vantage point of a person who was not a contemporary of Mr. Brathwaite but who had the opportunity to observe him from that particular perspective. I would want to record Mr. Brathwaite as a politician who, in my judgment, more belonged to the pre-independence era and all that it characterised than the politician whom we have become accustomed to in the 80s and the 90s.

This, Sir, was exemplified in his dress, in his patrician bearing, in his manner of speech, in his style of life and in his political outlook. He was a politician of that pre-independence era who dared to be ideological, dared also to express progressive political opinions in this country and in many respects his break with the Democratic Labour Party was a break that flowed from a position of principle that captured what he stood for at an ideological progressive politician.

He was a patrician in my judgment whose characteristics in the best sense of the word stemmed from the fact that he was a self-made man who despite no extensive formal education had made a living for himself and had mastered the art of living in this difficult society by dint of his own effort.

I sensed, Sir, that he felt that he owed no one anything for the accomplishments he had attained and in many respects it reflected his capacity to speak his mind as his judgment and training and experience showed him the way. He was a very complex man and in every respect certainly the most fearless politician that I have ever met. I have never known L.B. Brathwaite to have an opinion and to be fearful of expressing it. I believe that that character of raw courage explains why he would have persevered in the political wilderness for 25 years before becoming a Member of this House and that character of just raw courage explains why he would have reached the heights that he reached as a Member of Her Majesty's Cabinet.

Sir, I was not a member, I don't think, of the Great Combination, but I certainly was a Member of the Government between 1984 and 1986 and I had the opportunity to observe Mr. Brathwaite in action as a

Member of Cabinet and I should just want to record for history that the West Terrace development, perhaps the largest lower middle income settlement of its **kind** in the history of Barbados was as a result of his stewardship of Housing.

It is also **true**, Sir, that in that period was conceived the Housing Credit Fund which was the first institutional arrangement designed to provide financing for low-income earners in this country. In my constituency, Mr. Brathwaite was the conceptualiser of the Golden Mile project. I will never forget, Sir, that my first exposure to the notion of White Papers in this Parliament was on the occasion that Mr. Brathwaite brought a White Paper on Housing to this Parliament. All this was accomplished in a short period as Minister of Housing. As I said, Sir, I remember Mr. Brathwaite as a complex, fearless politician who was prepared to speak from a position of principle and who had an ideology that he was a self-made man in the finest sense of the word, and that all of those attributes put in conjunction with his socialization as a member of a small village in St. **Patricks** gave rise to a politician of a **kind** very difficult to find in this modern age.
12.55 p.m.

Above all, Mr. Speaker, L. B. Brathwaite was a very proud black man. I believe that whatever else we may say about him in politics, at the end of the day his blackness and pride in his blackness were his overwhelming characteristics. I have had the opportunity in 1986 to run beside him and work very closely with him as a member of the northern team. I came to understand him better through that acquaintance and equally to develop a relationship of affection with him. It is therefore with a very great sense of sadness that I **speak** in this House today because I also got to understand some of the struggles he had to endure even in that late stage in his life.

It is against that background, Sir, that I want to salute his life, work and times and to commend him not only to history, but equally so to the present as a man who was entirely worthy of this House. I wish to extend on my behalf and on behalf of the entire Government and the people of Barbados our deepest sympathies to his wife and his relatives.

SUSPENSION OF SITTING

Hon. Miss B. A. **MILLER**: Mr. Speaker, in view of the hour, I beg to move that this House be suspended until 2:00 o'clock in the afternoon.

Hon. D. A. C. **SIMMONS**: I beg to second that.

The question that the House do now suspend until 2.00 o'clock in the afternoon was put and resolved in

the affirmative without division and Mr. SPEAKER suspended the House accordingly.
1.00 p.m.

RESUMPTION
OBITUARY SPEECHES (Resumed)

Mr. SPEAKER: This sitting is resumed.

Hon. Sir HAROLD St. JOHN: Mr. Speaker, I have had a long association with the late Lloyd Beresford Brathwaite. This association was formed as early as the late 1950s and early 1960s. It was formed at a time when Mr. Brathwaite was a leading politician in the Christ Church area and a Member of the Labour Party and I had the audacity to contest the nomination for the Labour Party's candidate in Christ Church. At that time, of course, there were double member constituencies and Mr. Brathwaite and Clyde Jones were the candidates who were contesting the nomination. Needless to say, Sir, he was successful in the nomination. He was adopted by the National Executive for that 1961 campaign but, in the spirit of politics, we became very good friends and that association continued right through until he departed from the political scene at the end of 1986.

It is very fitting, Sir, that the remarks which have been made by Honourable Members in this House on both sides on his contribution to political life as an observer I can say were well deserved for, indeed, L. B. was a very remarkable person. His courage was well known and on many occasions in the political scene one could rely on that to save a situation. I particularly recall his efforts in the windfall issue, also his efforts in the debate on the form of independence for Barbados. So, too, were his efforts when he was a Minister of Agriculture.

L. B. was a real estate agent in addition to his other activities. He had a great love for the land and he was particularly interested in carrying into effect a policy that was formulated between 1976 and 1986 to bring land to the farmers. When he was Minister of Agriculture, he was responsible for pioneering an effort to subdivide for leasing some of the lands which were within the ownership of Government.

I could well recall his efforts in the Scotland area to ensure that young men in that area who were interested in genuine farming had lands made available, so too in Christ Church in the area where he lived for the latter part of his adult life in the Pilgrim Road/Fairy Valley area. I know for a fact that there are many farmers who still rent from the Agricultural Development Corporation who were the beneficiaries of this policy which was implemented by him.

Perhaps one of the greatest tributes that could be paid to his memory is for the new Rural Development

Commission to **relook** at that policy. It is, in my opinion, an area of activity that could well be resurrected and expanded today.
2.05 p.m.

In addition to his love of real estate and agriculture, L. B. as a politician was a great supporter of his party and a great supporter of the Caribbean movement. Many people may not have appreciated the fact that L. B. loved to go on the missions to Guyana as part of a Ministerial **team**. He built up many friendships in Guyana and in the rest of the Caribbean. Indeed, one could not go to Guyana for any period of time on a Ministerial delegation without someone enquiring about his health and his activity. So too in St. Lucia and in other islands of the Caribbean. He was, in truth and in fact, a Caribbean person and he loved all of the activities which related to the furtherance of Caribbean identification and the Caribbean activities towards the furtherance of the integration movement.

As has been said, Sir, he was a loyal, devoted and dedicated Cabinet Minister. He was always on time and he brought a purpose to his work. The more we reflect upon his political career and his other career, the more we can say that he has made a remarkable contribution to political life in Barbados and I join with others in extending to his family, Sir, deepest sympathy on his loss.

Mr. L. R. TULL: Mr. Speaker, Sir, I had the good fortune to serve as a Member of the Cabinet between 1976 to 1986 in which Lloyd Beresford Brathwaite was an important Member. Prior to that, Sir, before we were elected to Government in 1976, L. B. was very active in the constituency he was later to represent, St. Andrew. He would, very often, invite me down to St. Andrew to talk to persons in his constituency. It was not unusual for me to go down under the hills in St. Andrew or indeed in Orange Hill which, at that time, formed part of the constituency of St. Andrew to address the constituency branch and find myself talking to 4 people.

L. B. was not easily cowed. The fact that he did not attract large numbers at his meetings did not take away at all from his resolve to fight and fight and fight. He was elected in 1976.

Mr. Speaker, Sir, you have heard the long record of his personal and public life prior to that period. I want, very briefly, to say one or two things that stand out in my mind about him. L. B. was a good man. He was concerned not only about working as a politician for the interest of the people of St. Andrew but for the underprivileged and deprived across Barbados. He was concerned about the well-being of his colleagues. His political life was one thing. But one could always count on L. B. to show a certain concern and appreciation of one's own personal problems.

In Cabinet, as in any Cabinet, Sir, because they are unusual entities, it was **always** necessary to have certain allegiances and loyalties. I could always count on L. B. to listen to a point of view. He was a great listener. If I wanted to get something passed in Cabinet or through the Cabinet might be a better **expression**, and I felt that it might be somewhat **controversial**, I could always enlist the support of L. B. even before we got to the meeting and he would give his support, if he promised it. I remember on one occasion, Mr. Speaker, I was about to recommend to Prime Minister Adams, that a certain person be appointed as a Head of Mission overseas. I was of the view that, perhaps, it might meet some resistance in the Cabinet for reasons that I do not have to state now. I started to **try** to elicit some support before I got there and I called up L. B. He said, "I am with you on that one." When he told you that, you know that you could honour his word.

When I mentioned a name in the meeting not that the Cabinet had to approve these things, but the name was mentioned in the meeting and the Prime Minister raised an eyebrow as if to say, "You cannot be for real." Before I could say a word L. B. asked, "Have you got a problem with him?" The Prime Minister shrugged his shoulders because he could not seem to find a problem with it and things went through. It is that kind of support you could depend on L. B. for. If he was with you, he was with you. When he was against you, he would tell you that he was against you.

Many Honourable Members have spoken of his courage. I remember in **1970** when Sir Grantley Adams retired as the Member of Parliament for the constituency of St. Joseph. The Honourable Member for Christ Church South became the Chairman and political leader of the party.

Aside.

Mr. L. R. TULL: I am going to **talk** about that **too**. The late Tom Adams was the General Secretary of the Barbados Labour Party and he said that he was going to run for First Vice-chairman. A number of us advised Tom Adams not to run for First Vice-chairman because he was an outstanding Secretary. It is difficult to find anywhere a better organized General Secretary of a political group than Tom Adams was. We tried to persuade Tom that he should remain the General Secretary because the party needed him as General Secretary and he should not run for First Vice-Chairman. But Tom Adams had his own way and he ran.

A number of us - I should not like to say ganged up - organized to stand behind L. B. and make sure that L. B. was elected as the First Vice-chairman of Parliament. We waged a very resolute campaign and L. B. was his own

best adviser, as we did it and he won. He defeated Tom Adams for First Vice-Chairman. Since we are paying tributes to L. B. rather than to Tom Adams, I would not speak on this occasion about the reaction of Tom Adams to the result,

All I do know is that...

Asides.

Mr. L. R. TULL: At the time too, Mr. Speaker, when the late Sir Grantley Adams retired from politics, there was a bye-election coming up in St. Joseph naturally. One Sunday, the whole day, a group of senior Members in the Barbados Labour Party went into St. Joseph and went through all the districts in St. Joseph and talked to the people and traditional BLP supporters to see if they could get a feel for who should be the candidate that should run in St. Joseph.

I did not, myself, go on that historic tour. I do recall that late the Sunday evening, L. B. called me saying to me, "Get ready for the battle." I understood that to mean that he was supporting me to run in St. Joseph. I can state the reasons. There was a consensus building around Lindsay Bolden at the time. But I remember that L. B. said to me, "If you do not fight, on this occasion, I shall not respect you." That is pregnant with meaning, Sir. For a man who, from the age of **26** could fight General Elections for 25 years without winning and kept fighting and fighting could not understand how anyone who had an interest would not fight for what he wanted. That is the measure of the man and for that I have tremendous respect for him.

2.15 p.m.

Mr. Speaker, he went through a period of ups and downs, not only in his political life but in his own personal life. He faced a number of trials. Things were difficult for him throughout many stages of his life and I can speak with a certain authority on the later part of his life and one of the things that always **struck** me, Sir, is the way in which he met every adversity, with calm and composure and that even when things were really tough he never faltered.

I am reminded by his conduct by the words of Invictus the part about his head though bloodied was unbowed. He took a lot of head blows in life, Sir, but his head remained unbowed. It is for this reason that, I think, he will remain an inspiration to a whole new set of politicians who looked at the man in the way he conducted himself as a public figure, how he rebounded from adversity and never lost the direction in which he was going.

He was committed to the welfare of the people of Barbados and whatever side he was on, whether it was

one political party or the other, or whether he was running in the south of Barbados or the North of Barbados he never took his eyes off the goal and right to the end remained one of the most resolute fighters for the causes of the mass of people of Barbados. In his life and the way he behaved as a politician stands a great lesson for those who would seek to get on.

Very quickly, Sir, I also recall the support that he gave for causes that were not at all domestic. He understood the geo-political situation of the world. He understood the movement of the great powers and the role that small countries, like Barbados, held in the international arena. He could be counted on to espouse the causes there of the non aligned movement. He spoke very early, when it was not yet fashionable, of the need for more economic cooperation between the countries of the south. He read widely and understood what were the dynamics that moved this world and he brought that kind of experience and vision to bear on the domestic sphere here in Barbados.

He also, Mr. Speaker, was a man whose attitude towards, and that has already come out in the debate so far, opponents was one of benevolence. He fought very, very hard a political battle but when he had won it he bore no animus against those against whom he fought. I have seen Lloyd Brathwaite fight one of the bitterest campaigns I can think against Joy **Edwards** down in St. Andrew, a campaign in which there was gun fire and detonation of bombs and bottles being hurled throughout the night. I remember that vividly, Sir. It makes modern day politicking seem like Sunday school games, Sir.

I remember his first wife, Sir, she was like his main adviser, his defender and aid-de-camp, a tough, loyal woman who stood by her man and I remember L. B. would stand and push back all the forces of violence and hostility which came against him and take it all in his stride. Yet when the campaign was over remarkably, Sir, and I envy him, I am not too good in that area; I envy him for that particular spirit. He was able to show a generosity of spirit to those who fought against him and who not only fought against him as a political candidate but even those who threatened his life. He was able to show a sense of generosity that would make smaller people find it hard to take.

For all these reasons I would like on my own behalf and on behalf of my family to express deepest sympathy to his remaining relatives. Thank you, Sir.

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, very briefly I would wish to be associated with all of the tributes that have been paid today and particularly to tender condolences to the families of the late L. B. Brathwaite.

The speech of the Honourable Member for St. **George** South has prompted me to highlight the qualities about L. B. Brathwaite that struck me more than anything else – his unselfish attitude to his colleagues in Government especially the period 1976 to 1986.

Mr. Speaker, on the 26th February, 1976 I won a seat in a bye-election to come to the House of Assembly for the first time and then again the Barbados Labour Party won in September, 1976. L. B. Brathwaite was made a Minister, Minister responsible for Transport and Works but he had been involved in the campaigns of St. **Philip** North and for the City in 1976 that in my view helped to assure the victory of the party in September. L. B. Brathwaite was acutely aware, particularly in St. **Philip** North, of the long years of neglect that that constituency had suffered. I won the election by 7 votes, Mr. Speaker.

Aside.

Hon. D. A. C. SIMMONS: The Honourable Member says she will never forget it, neither would I. One of the first things that L.B. Brathwaite said that gave me an insight into his political consciousness and his ability **to strategise** was what he said to me: "You and Johnny", meaning the Honourable Member for St. Joseph, "have won by very narrow majorities and will be representing constituencies of neglect," and that as Minister of Transport he was determined to ensure that some of the resources of Government were put in those two constituencies to relieve some of the distress and, if you like, redress imbalances. So, Sir, I want to put on the record of this House that while he was Minister of Transport and Works, **Sealy Hill** in St. **Philip** North, which is a small road off Marley Vale that leads to what is called Baker Bay, was paved and constructed as a proper road by L. B. Brathwaite. He actually went up there with me, stood on the road and said what he would do and it was done. So that the next time the Honourable Prime Minister, Sir, goes to Marley Vale to visit the Skeetes where we get fish from, he has to go up that road that was built by L. B. Brathwaite. He would not know it, Sir. I tell him now that it is **Sealy Hill** and it leads to what is called Baker Bay. So it has a turntable. That was one, Sir. **Clifton Hill** and West Hill off Church Village were in a **terrible** state and L. B. Brathwaite paved that road nicely for the people of that district. **Duncans** in the back of **Maycocks** – two roads were constructed by L. B. Brathwaite. But I think perhaps that I will remember him for his contribution to St. **Philip** North for the road that now runs from Three Houses over the hill to Blades Hill. The people of St. **Philip** North would have told you before February 26, 1976 that for as long as Crawford had represented that parish a road had been promised to the people of Blades Hill to provide them with an access down the hill into **Bayfield** and Three Houses. It was not until L. B. Brathwaite became the Minister responsible

for Transport and Works in the 1976 to 1981 Government that those promises were realized.
2.25 p.m

Aside.

Hon. D. A. C. SIMMONS: Yes, Sir. I am being reminded from the other side that it was a promise made from 1940. However that may be, Sir, I have enumerated those particular matters to show that L. B. Brathwaite was determined not only to ensue that better conditions were provided to relieve conditions of depression under which many rural people lived and laboured, but even as Minister of Transport and Works where the temptation would have been great to hoard resources and then channel resources only into his own constituency he had that broad-mindedness. He was able to do positive things for the people of St. Philip North and I wish to have it recorded so that the people of St. Philip North when they reflect will be forever grateful to him for his contribution.

I do not think anyone has remembered but L. B. Brathwaite was the one who as Minister of Transport and Works had the task of nationalizing the private transport system. The buses were owned by Coward, Lucas and Mrs. Rock in 1977-78 and were taken over by the Government and L.B. Brathwaite was the one who promoted that with I would say great fervour. In my private capacity, I was advising the bus company at the time and I remember going to a few meetings with Mr. Brathwaite. He had a clear understanding of what he wanted to do and how he wanted it done.

Mr. Speaker, others have spoken of his stoic determination in contesting elections over a 25-year period or whatever. I cannot say any other word to describe it other than a stoic determination. He must have had a real commitment to public service to keep trying and trying until he succeeded at last.

I will remember him as a platform speaker of commanding presence, great fluency in the use of language, a man with a strong voice and who, as the Honourable Member for St. Joseph said, was an attacking speaker and one who was not afraid even to be vitriolic in his speeches. Again, I agree with the Honourable Member for St. Joseph. There was a team of speakers in that period that I was familiar with from 1971, let us say, until 1986 of Brathwaite, Craig, Hinds, Bolden and Adams that when they let loose on you with their tongue, God help you. You can imagine when they came one after the other on a platform as I saw several times during the by-election campaign in St. Philip North in 1976. It was devastating. There had never been anything else like it in the history of public speaking in this country. L. B. Brathwaite was not

out of place in that team even though he had not yet won a seat in the House of Assembly.

Mr. Speaker, I found L. B. Brathwaite to be a sincere and genuine person who was committed to the principles of democratic socialism which were in vogue at the time and prior to the 1970s and a man who was inspired by philosophy and ideology and who seemed to be guided in his practical application of politics by an ideological abstract. It is remarkable, Sir, that here was a man who did not have the benefit of secondary education but his intellectual competence and capacity were indeed a credit to the educational system under which he was brought up. It is a wonderful achievement.

Mr. Speaker, I will finish as I began by extending sincerest condolences to both sides of his family and may God rest his soul in peace.

Mr. W. C. C. CALLENDER: Mr. Speaker, I rise to support the Resolution before the House and to give condolence to the family of the late Lloyd Beresford Brathwaite. I speak in the capacity as a Member of Parliament for Christ Church East, an area in which the late Mr. Brathwaite grew up as the Honourable Member for St. Joseph told us about. He grew up in the area of St. Patricks which the Honourable Member for St. Joseph described, an area which still maintains traditional values. He later moved on to live at Pilgrim Road for quite sometime, also in the area of Christ Church East and, as the Honourable Member for St. Joseph was speaking, it came to me that Lloyd Beresford Brathwaite represents good value of people in that area. Here was a man who had dedicated his life to serve the public and who would not be deterred from serving to the extent that he tried election after election to win a seat in this country. He tried first in Christ Church and after he did not succeed he went to St. Andrew. He was determined to serve his country.

Sir, as a young boy I remember seeing Lloyd Brathwaite, better known as L. B., speaking on the political platform and I was impressed by his fluency, by his smoothness and by his charm. I was very disappointed at that time that he did not win the seat in Christ Church because to me on the platform he looked like the kind of man who would make a contribution and who fitted into the society.

Sir, the fact that L. B. was what I refer to as an "ordinary" man who could make it to the heights of the Barbados Labour Party rising to the position of first Vice Chairman and also serving as a Minister for two sessions in this Government speaks to the contribution that ordinary people can make once they remain committed to the ideals that they set themselves.

Sir, I also wish to recognize that L. B. was a self-made man. By hard work he was able to make a living

for himself and for his family and he was a well respected man in the Christ Church area although he served in Parliament in St. **Andrew**. We in Christ Church respect the fact that we have had someone like L. B. who could stand as a light for people who wish to devote themselves to any noble cause whether it be at the community level or whether it be at the national level.

Sir, I wish to join with my comrades in extending condolence to his relatives in the loss of a great contributor in Barbadian politics.
2.35 p.m.

Mr. H. deB. FORDE: Mr. Speaker, Sir, I had the privilege of serving in the Cabinet of 1976-81 with the Honourable Lloyd Beresford Brathwaite and therefore at very close quarters I was able to see and know of his incisive knowledge of governmental affairs and experience the creativity which he brought to the Ministries which he held, and also the creativity and seriousness which he brought to discussions on areas outside his own Ministry.

I was particularly privileged to travel with him to the People's Republic of China in 1980 under the leadership of the then Prime Minister, the Right Honourable John Michael Geoffrey Manningsham Adams, and during that tour L. B. once again was able to exhibit his deep knowledge of international affairs. He was a very serious socialist, he believed passionately in democratic socialism, he believed equally passionately in the movement for the enfranchisement of colonial people and, in fact, I may state that at Cabinet level he was one of my strongest backers as I sought, along with my colleagues, to reorientate the foreign policy of Barbados. I recall the strong support which he gave when we took the decision to break off relations with the Republic of China and establish Barbados' diplomatic relations on principle with those of the People's Republic of China. I remember as well the strong support which he gave me in Cabinet and in the party on our anxiety and our interest in joining the Non-Aligned Movement, the successor to the Bandung Movement and the Bandung Conference. L. B. had no doubt about his views concerning freedom in Southern Africa and he was equally adamant in the defence of Commonwealth and of democracy. That was the sort of man he was, with very broad vision.

As a friend, if he made a promise he kept that promise. Let me say that as a Minister he was unselfish and found that he exercised his ministerial power not only for the benefit of his own constituents, but for the country at large. It was during his tenure in particular that so much was done, particularly for the poorest sections of Christ Church West, like in Forde's Road and elsewhere, and he reacted not only to the requests from myself but from other

Members on both sides of the House. That was the sort of person he was.

He was also a man of principle, Sir. I recall in this House he and I having to disagree with an interpretation placed on the role of Government *vis-a-vis* the political parties on the other side, and like me he jumped very quickly to clarify a statement made by one of our colleagues and to make it quite clear that the Barbados Labour Party would not discriminate against any Barbadian, regardless of what their initials happened to be. **Hansard** will reflect that L. B. Brathwaite was very firm in that view. That did not mean that he was not partisan in fighting for the causes of the Barbados Labour Party, he fought very, very strongly for the Barbados Labour Party's causes when he became a member of the party, right up to the time that unfortunately his illness removed him from us. Such was the mettle of the man. He held very strong views, he expressed those views suongly, but he was always open to persuasion. Sometimes he would become the Devil's advocate. I always told him that he should have been a lawyer, because he was extremely logical in his way of developing a point and he was also a very determined person. Some of his opponents at times mistook his determination as a speaker. Other Members have spoken about him, but he had a facility with words as well as using those words to express ideas and sometimes to take the most recondite ideas and simplify them for his audience. That was the L. B. Brathwaite I knew, Sir. He was an immaculate dresser. He loved people. I do not know that he kept any enemy for any length of time, because he had a whole wealth of friends, and I certainly will never forget his goodness towards me and the many ways in which he helped me to serve the people of Barbados.

I believe we have lost a very good friend, a good parliamentarian, a good democrat and, equally important, a very good socialist and I join with my Member parliamentarians in expressing condolence at his passing.

Mr. SPEAKER: I should like to associate this Honourable Chair with the sentiments expressed on the passing of our late colleague. My family and I join with all Honourable Members in expressing our sincerest condolences to his family.

This House, with acclaim, accepts the Resolution of Sympathy and instructs that the usual condolences be sent to the family. As a mark of respect to the passing of our late Honourable Member, I now ask all Honourable Members to join with me in observing one minute's silence.

Honourable Members stood in their places in silence for one minute.

SUSPENSION OF STANDING ORDERS

Hon. D. A. C. SIMMONS: Mr. Speaker, I beg to move that Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the balance of today's sitting.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

GOVERNMENT BUSINESS

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

ORDER NO. 1 – COMMITTEE OF SUPPLY

On the motion of Hon. D. A. C. SIMMONS, seconded by Rt. Hon. O. S. ARTHUR, Mr. SPEAKER left the Chair and the House went into Committee of Supply, Mr. W. C. C. CALLENDER in the Chair.
2.45 p.m.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: This House is now in Committee of Supply.

Head 19 – MINISTRY OF FINANCE AND ECONOMIC AFFAIRS \$11 404 925

Rt. Hon. O. S. ARTHUR: Mr. Chairman, Sir, during the course of my presentation I shall invite the House to approve the voting of a sum in the amount of \$11 404 925 to be provided for the purpose of meeting the difference between interest set on bonds held by the Barbados National Bank and on the rate of the interest set on those bonds when the Bank was first required to hold them. I had in the course of my presentation of the Budgetary proposals on April 25, 1995 served notice to the House that it was Government's intention as part of the exercise to restructure the Bank to return to deal with this fiscal matter.

Mr. Chairman, this matter that the House is being asked to deal with this afternoon goes back to 1992 when it was recognised that there was a need for a major restructuring and re-organisation of the Barbados National Bank, in part because of its loan loss provision and in part because the Bank was carrying at that time a portfolio of a debt to the sugar industry which was a threat to the integrity of the Bank.

In 1993, the agricultural loan portfolio was transferred from the books of the Barbados National Bank to a new

institution, the Barbados Agricultural Credit Trust, and in return – the value of the loans transferred to the Agricultural Credit Trust was in the amount of \$249.7 billion comprising \$115.5 million of loans to plantations and \$138.2 million for the Barbados sugar industry assets in the form of sugar factories – the Government of Barbados issued bonds to purchase these loans to the tune of \$208 million, \$52 million of which bore an interest rate of 6% per annum and \$155.7 million which bore an interest rate of 4% per annum. There was a short fall of \$40.8 million representing loan loss provisions and write downs for losses in the agricultural portfolio which the Bank absorbed and for which there was no corresponding capital injection.

Mr. Speaker, the issue here is that as part of the effort to find a way of relieving the Bank of a very dangerously contaminated portfolio, the Bank was required to hold paper that set interest rates that were not only below the going market rates but were also below the rate at which the Bank borrows on the market.

These bonds were supposed to be transferable, but because the coupon rates were so low, in order to create a market for them obviously the Bank would have had to sell them at a tremendous discount in the process, potentially further impairing an already impaired portfolio. It stands to reason, Sir, that if we are going to seriously restructure the Bank, we have to take a very **serious** look at the rate of interest being set by the Bank on what in fact represents about fully one-third of the assets of the Bank.

I have already from the vantage point of hindsight spoken very sharply and critically, perhaps a bit much so, about the behaviour of the then Minister of Finance who did it, and I am speaking from hindsight now and I did speak from hindsight. We have to resolve this matter and do it in a businesslike fashion. When that transaction was done I suppose the argument was that the Bank, left to itself, would have received no interest whatsoever on the loans. It **would** not have **been able** to recover the loan. The Government was facing tremendous financial strictures. Therefore it might have been thought that a 4% interest at the time was a great service to the Bank.

I have, as I said, from hindsight lambasted the arrangement but the fact is that the arrangement is in place and it now falls to us responsibly to try to protect the capital of the Bank and also to put the Bank in a position where it does not incur a loss purely because of having to hold government paper at a rate that is lower than the rate that Government offers to other customers and, equally so, lower than the rate at which the Bank borrows from the public.

In my presentation of the Budget I did indicate that as part of the general restructuring of the Bank that we were going to look at the matter of re-financing the

Treasury notes and Debentures that the Bank was called upon to hold in lieu of its agricultural loans with a view to bringing those rates up to market rates.

I have already given permission, Mr. Chairman, in my capacity of Minister of Finance for the Bank to retire the existing securities and to issue new securities with a 8.5 per cent interest rate but with the same maturity date effective from January 1, 1996. So we have already started to refinance the old paper effective from January 1, 1996. What falls to be done is for us to refinance the existing paper to allow the Bank to be able to earn a profit from the interest for the period January 1 to December 31, 1995. The exercise on which we are embarked is designed to accomplish that purpose in part.

We have calculated that it would cost just over \$11 million to allow the Bank to hold the paper issued in lieu of the Division of Agricultural Loans at a rate of 8.5 per cent rather than the 4 per cent or 6 per cent that it was asked to hold in 1993. In addition to refinancing the agricultural loans of the Bank, the Barbados National Bank was also asked to hold bonds totalling some \$72.4 million in exchange for the debt of certain state corporations. One of those bonds applied to CARICARGO. Again the interest rate was lower than the rate that the bank or any other person holding a Government Treasury Note or Debenture would have been offered and we are using this exercise to cover the difference between the market rate for Government paper and the rate that the banks were asked to hold those instruments at. The full amount therefore, Mr. Speaker, is to cover the difference between the interest the Bank would have fetched in 1995 if it had been allowed interest rates equivalent to other bond holders of Government, and the rate it was asked to carry in 1993.

2.55 p.m.

I would want to use this opportunity, Mr. Chairman, to say that this is part of a general overall exercise not only to restructure the Barbados National Bank to make it viable, but makes it a fully functional commercial bank and having done so, to put its shares on the market in a condition that Barbadians would be proud to purchase. We have set ourselves an objective over a 3-year period within which that overall financial, institutional and organizational restructuring is to take place. This part of the financial restructuring, as I have said, is part of a continuum that goes back to 1992. We are in a way solving a problem that has arisen purely because the interest rate payable to the Bank on Government paper was a rate at which the Bank would always make a loss.

There are other aspects to the restructuring of the National Bank which the House needs to be aware of. I have given the Bank a simple remit that the Government wants it to be a commercial bank and for that reason it has

to be organised, managed, restructured and functioned like a commercial bank. As a result, one of our first initiatives was to engage the very person who the Leader of the Opposition felt was the best man for the job and pay him a banker's salary. If I had been aware that there had been difficulty on the other side when they constituted the Government of getting a banker to run the BNB and pay him a banker's salary, consultation on these two sides would have allowed that Bank to have had a serious managing director for more than three or four years, but a lot of time was lost by not putting a banker in charge of the Barbados National Bank.

Over the course of the last 18 months as well we have put a new management structure in place. We have engaged a manager for credit administration because there was not one before, a manager for banking operations, a manager for human resources, a manager for retail banking and we will shortly be putting in a senior bank inspector to be responsible for special services to oversee the revision of compliance procedures within the Bank.

We have also been looking, Mr. Speaker, at the Bank's commercial portfolio. We are satisfied that inadequate loan loss provision was made in 1993 and I announced in my budgetary presentation, if you would recall, that as part of the overall restructuring of the Bank's affairs we were going to write down certain loans that were on the book that properly ought to have been written down and make appropriate loan loss provision early to put the Bank in a position which it could thereafter show a profit.

This arrangement that the House is embarked upon today will put the BNB in a position where it can begin to show a profit again. We anticipate that it will realize a profit in 1996. The Annual Report of the Bank before members will show a fairly substantial loss, I think in the area of \$8 million for 1994, but that is precisely because we decided that there were certain loans we had to write down properly. We have made appropriate loan loss provisions for 1994 and that loan is largely for that purpose. It is part of the restructuring of the affairs of the Bank.

I am confident, Sir, that the Bank will stay on course toward restructuring both its financial and institutional arrangements. In that regard I should announce to the House in advance that the new Financial Institutions Bill will make provision for the Barbados National Bank within a period of three years to operate under the provisions of that Act and to meet its capital adequacy ratios. We have to be serious about this.

The Barbados National Bank has no future if it is run like a government department, if its affairs are

not managed by bankers but have to be managed by a Minister of Finance, if it does not comply with capital adequacy ratios, if it does not do the things that are necessary to protect its capital base, if it does not engage in sound banking, if it does not have a portfolio which is determined upon the basis of creditworthiness and other matters that bankers would determine rather than other broader considerations. The Bank has been given that remit to function as a commercial bank to do the things that other commercial banks should do to develop an institutional structure that bears a relationship to a bank rather than to a government department.

We also want it, Sir, thereafter, like all other financial institutions, to function under the auspices of the Financial Intermediaries Regulatory Act. It means that it will have to meet capital adequacy ratios and liquidity ratios prescribed by the Central Bank rather than look to the long and deep pockets of the taxpayers of this country to bail it out if it were to get itself in trouble. That is the implication. It will not be functioning 3 years after under its own Act. It will be registered under the Companies Act and will function as a *bona fide* financial institution.

I strongly believe that that is the future of the Bank. I believe that all persons who have had to look at the role of the institution and its future in Barbados also believe that in order for it to be successful and viable and pay its shareholders a return, that it has to be restructured along the lines I have just prescribed. Therefore, the new Financial Intermediaries Regulatory Act will be prescribing that the affairs of the Bank should be brought under the confines of the Act within three years.

The implication, Sir, is that we are giving the Bank three years to restructure its affairs and I believe it is well embarked on that particular course. I have the fullest confidence in the Board of the Bank. I have the fullest confidence in the new management of the Bank. My only regret is that the then Minister of Finance did not speak to us because if that was an issue we would have agreed.

Aside.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, I should also make the point that we are in a financial position to accomplish this. It is now left for us to decide whether this will be provided fully in cash or in a mixture of cash or marketing for securities of \$11 million. I should also make the point that the Bank still continues to be undercapitalized and if we are going to put it under the auspices of the Financial Institutional Act and require it to maintain capital adequacy ratios then the question of a capital injection would have to be considered.

One immediate option would be for us to convert the funds deposited by the Government in the Agricultural

Fund into equity and thereby increase the capital base of the Bank. That recommendation has been put to the Ministry of Finance and we will soon take a decision on it. But I do feel that once the Bank is restored to viability, and it is being restored to viability, we will write down the commercial debt in a way that will take it off the book and allow the amount that remains on some of the most contaminated loans to be properly serviced. Once the Bank is returned to viability, it will be an institution that not only the Government but institutions across Barbados and the public at large would be interested in injecting capital into.

I believe, Sir, I have covered most of the specific matters raised by this Resolution. I have been factual in my representation of the facts. I have provided the background whence this has come...

Aside.

Rt. Hon. O. S. ARTHUR: This is a serious matter. The Barbados National Bank's affairs have been bandied about in public for too long and we need to give the Bank a chance to succeed. I have brought this Resolution to Parliament in that frame of mind. The Bank is owned by the people of Barbados. It is a Bank that has had a chequered history but it now falls to us to put that history behind it. It is in that spirit that I would ask the House to fully support this Resolution.

Hon. D. A. C. SIMMONS: I beg to second that.

Aside.

Mr. D. J. H. THOMPSON: I would not have any objection seconding it, Mr. Speaker, and I believe that the Honourable Member for St. Peter in a more charitable mood than he has been in the recent past on matters of this sort, and demonstrating the kind of charity which at the other end of the Government benches had never been extended to me when I was Minister of Finance when it came to matters relating to the sugar industry or the BNB... Anyway, Mr. Speaker, I have lived to feel vindicated by the actions which were necessary, and perhaps they were not always easily understood.
3.05 p.m.

I appreciate that there may have been occasions when people did not fully understand the changes and therefore a lot of time was spent not being able to build consensus on the way forward for the Barbados National Bank.

Let me begin by saying that apart from the question of the loan loss provision for 1994 that there is no other matter which the Right Honourable Prime Minister raised with which I have any quarrel. It is a question of timing. At the time when the Democratic Labour Party left

office, the sugar reforms were only now taking root, the medium-term economic programme was obviously different, and I **am** saying obviously, Sir, not against a background of knowledge, but only instinct, because I have never seen a medium-term macro economic projection for this Government but I have an idea of what ours was. It would not have contemplated financing of this nature within the last fiscal year.

The first point I should like to make is that I know the Prime Minister was very sharp in his criticism of me for the decision that instruments which were given to BNB to replace the sugar industry debt were bearing a rate of interest that was not financially rewarding to the bank.

Let us step back a bit. You had a non-performing portfolio which is replaced by a portfolio that is performing at a level below what would be the market rate. You go from the liquid, non-performing portfolio to one which has improved the look of the bank but still does not provide them with an opportunity to be as aggressive. At that time, however, the Government had not yet decided what the role of the BNB would be.

The Prime Minister has indicated that the BNB is going to be coming under **FIRA**, the Financial Institutions – whatever it is – Regulatory Act. I have no problem with that, except that, based on the finances that I have seen for all of our domestically owned commercial banks, to apply the requirements which is what the Central Bank wants to do in relation to capital adequacy and the whole range of other things that they will have to conform to is going to produce great difficulty, not just for BNB because of the make-up of its portfolio but you are going to have a major problem with the other two local banks, Caribbean Commercial Bank and Mutual. They, safely, based on our present financial system, will not conform, not in three years and, in my view – I do not profess to be an expert – but it is an area in which, as the Honourable Member for St. Peter well knows, in the region I have been developing some expertise and I know that it is not an area in which there is going to be any great improvement. The kind of competition which exists is not going to be easy.

I wish the Board of the Barbados National Bank and its new manager success. In my view I would think that it is a bit premature – that is all I am going to say – to make the adjustment at this time. But it is a political and economic management decision. It is not just a decision for the BNB. It is what a Minister of Finance feels is feasible in terms of his financing elbow room and so on. If the Minister of Finance makes that decision now and can manage that decision, at this time, I accept that that is reasonable.

But what I am going to say is that the time when we made the adjustment, it was not **feasible**.

The second point I should like to make is that BNB must not get away **scot free** for the management of the agricultural portfolio, nor the negligent Ministers of Finance who are responsible in the initial stages for the steps...

We came and found a situation in which almost the entire financing in the sugar industry by 1986 was being done by the BNB. We were not negligent. It was not us that told anybody to go after the sugar portfolio. Those negligent Ministers of Finance...

Aside.

Mr. D. J. H. THOMPSON: Anyway, we have been through this already. I am not going to trouble the Honourable Member for Christ Church South today.

That was, essentially, a political decision. Nobody can deny that. If you have a 100% Government-owned bank in which the Minister of Finance is at the apex of the decision-making even though he may not be interfering on a daily basis, the decision to acquire the entire sugar portfolio, if you want to use the word "acquire" is, essentially, a political decision. If it were not a conscious political decision then it was negligence because anybody who just said it just happened would have to be saying that the Ministers of Finance who allowed that portfolio to develop without the kind of steps which the Honourable Member for St. Peter, as a person involved in this kind of thing should know would be necessary, should be accused of negligence. Those things just cannot happen. The size of that portfolio was so significant, its potential to undermine the BNB and the entire financial system of Barbados was so significant that if it just happened then it was negligence.

I **am** saying that I prefer to put in the minds of those Ministers that it was a conscious policy decision. The Honourable Member for Christ Church South, to his credit, has acknowledged that there was a valid reason for the BNB taking on that role. He has a different perspective on how the sugar sector should be financed using domestic funds. That is his approach. I do not agree with that approach 100% and I have said so, on several occasions. Therefore, we took different stances.

The point is, that by 1992, we had a major crisis and, in seeking to restructure the BNB portfolio, we had to deal with a whole range of consequential actions which had to be timed and sequenced and then we had to deal with building consensus in here. The Honourable Member for St. Peter was not the stumbling block.

In the end, we feel vindicated because I think that the structure which we have put in place, by and large, has achieved its goals. It has, to some extent, created the **platform** from which the Barbados National Bank can now jump off again into the **kind** of commercial banking activity which the Prime Minister says is his disposition.

It has seen the sugar industry restructured and the Government is now taking credit for putting sugar production back up after just over a year in office and I cannot quarrel with that. I took the licks for the reform and somebody else gained the sweets, that is part of the political process. But that had worked.

The sugar industry in Barbados can attract external financing and institutional finance on conditions which I do not think are particularly onerous. Even though the closure of Bulkeley Factory was raised as a major issue and a conditionality, the Government found itself able to reverse that decision and still access the finance which means that we are **ad idem** that, on the basis of its economic viability, the sugar industry has a future in Barbados. Its financial viability is something that those technicians who sit down and fool around with figures will have to determine. But I cannot see that showing as positive an outlook as the question of the economic viability, environmentally sound, has had an impact in terms of rural prosperity, and we have had this debate in here time and time again, earning of foreign exchange and the kind of foreign exchange which makes its way into the formal system and, therefore, a Minister of Finance can plan his foreign exchange requirements on an orderly basis, once he knows that he can meet certain targets. There are valid reasons for us to hold on to the sugar sector and to be **ad idem** on the way forward.

If you were only to look at it, as the Prime Minister once did, and unhinge the financial part of it, because he said, in here, that there were two separate actions which the Government took, then you may come to the decision that it appeared to be a silly action, by the previous Government, to do what it did. But when you look at the timing and **sequencing** of it, when the Democratic Labour Party left office – and the Prime Minister has all of the financial information at his disposal – it would have been foolhardy of any Minister of Finance to feel that he could commit, at that time, \$11.4 million to go down to the BNB. Fortunately the Honourable Member for St. Peter has been able to benefit from a lot of the information left – the study by the IDB and some improved management – and the BNB, over the past few years, has made an effort with the credit cards and a whole range of other things that it has done. That is true, but if you are saying the BNB is to compete in the commercial sector in 3 years time because I assume it has to coincide with it coming under FIRA

when **there are** certain major decisions which are going to have to be taken.

3.15 p.m.

That is not as difficult as it appears. It is not just a question of converting the Government deposits with the BNB, which may be one good idea, but there **are** other altruistic depositors, people who have savings accounts and other interests in BNB, who may very well want to participate in the ownership of a National Bank and that is why I always felt convinced that the Barbados National Bank should be privatised and that opportunity should be given to those persons like the credit unions which are already using the facilities of banks. I do not know why they feel that depositing money with the non Barbadian banks... that the people who make decisions in those banks make better decisions about how to invest money. But if the BNB is aggressive it might be able to take over that entire credit union portfolio and also have major equity holdings by a wide variety of Barbadians. And in the process of trading the present instruments you may want to tack on some equity participation in the early **days** so that if you **are** going to push that interest rate up to **8.5%** or **8 1/4%**, I do not know what the rates are now but most importantly equity participation.

I think the **BS&T** fiasco should demonstrate that there is no corporation in Barbados, even the largest, would be foolish enough to expect that Barbadians in 1995 would pick up their financing requirements, even with a bond issue that was paying an attractive rate of 8%, without equity participation. This is not the age for that foolishness any more and the sooner people understand that we are in an era in which younger Barbadians have had the opportunity, sometimes just in passing, to understand what economic empowerment and ownership are all about and that there is no longer that blind acceptance that we must finance other people's investment decision without having any say in how resources are allocated. Government has a critical role in this. I hope the Prime Minister will still reflect on his decision about ICB, and seek to deal with those things. So the BNB is not worse off.

Mr. Chairman, I just want to make a few points about the new Managing Director. I am glad that the new Managing Director has had a chance to settle into his job. At the time when consideration was being given to his appointment the Government had taken a very firm decision that it was going to abide by the principles of the protocol. It was still a statutory corporation and still is, and we trust that it would not have been possible to move outside of the protocol; but it is quite **true** if you expect BNB to compete at a commercial level you have to get it out there and get a banker in to do the job. Some people may have done it through the back door and employed the banker as a consultant and still pay him at a high level. That would not have offended the protocol but I felt

that whenever we wanted the person in place we had to appoint a Managing Director and bite the bullet in terms of making an appointment of somebody who is going to take the bank in the direction it wants to go.

I am not committing myself to any salary level except to say that I know that the salary level which was then required was not in keeping with the protocol. Had the bank been privatised I would have left that matter to the Board, as I did with the agricultural sector. It has nothing to do with the Minister. If you privatise the bank the shareholders expect a rate of return. The Directors must know what kinds of decisions are prudent and they would make them. So before I come back, Mr. Speaker, Sir, I want to say that we will give our support to this Resolution, based on the unspoken understanding that the Prime Minister can obviously meet these financing requirements. The first decision was not wrong. The first decision was no less worth criticism than this decision would be worth criticism.

Dr. R. C. HAYNES: It is amazing, Mr. Chairman how 18 years after the initial debates on the Barbados National Bank, its formation, its management and its role in the Barbados economy that today I have heard the Minister of Finance in a Barbados Labour Party Government articulating a role for a viable **BNB** which I articulated in this House 18 years ago as the official spokesman for another party.

I am hoping that as we look back over the years we will recognise the major tragedy involved in a defective public financial institution and the impact that that can have throughout an economy far beyond the walls of the particular institution.

Basically what we are talking about, the whole process, is in what way do the taxpayers of Barbados intervene to rescue a situation created by the relationship between Government, that institution and a private industry that has resulted in this massive level of indebtedness. Basically what you have had, in my view, is a vicious circle, the creation of a public **institution** with no clear vision, no clear management structure as to where it was going in a vital area of the economy, then the assumption of a whole sector of indebtedness in relation to an agricultural economy and then the feedback on that in relation to the bank.

3.25 p.m.

It is really a vicious circle and we are trying to break it and suck the bank out of that situation and it is going to be at a horrendous cost. I believe that the Honourable Member for Christ Church South late one evening fixed the ultimate cost of something like \$300 million to the taxpayers and that is what it is going to be. Whatever fancy

institutions we use and whatever devices we use and the errors created in the past are going to land us **today**. The need to outlay that kind of money over time will be needed to rescue the situation and that is what we have to face. We have to face the reality that this was partly due to public policy in relation to banking in Barbados. That is the reality.

I recall up to 1980 the indebtedness of the sugar industry to the banking system in Barbados was negligible; that was at the end of the crop in 1980. In a matter of 5 or 6 years there was massive indebtedness and at the same time an off-load of a large amount of that indebtedness from other financial institutions onto the National Bank which willingly accepted this indebtedness as a new **bank** whilst those banks that had made enormous profits out of the sugar over the years were willing to hand it over to the Barbados National Bank. That was largely because I think there was a **failure** to recognize that the taking over of the portfolio of the Agricultural Credit Bank and the Sugar Industry Agricultural Bank required something more than just taking over dollar bills. The Bank did not take over expertise in agriculture that resided in those two institutions. Therefore, you had another public institution now without the agricultural experience lending to agriculture and the net result of all of this, of course, was that the Bank was saddled with massive debts, the net sugar on the one hand and we all know what happened to other public sector debt in the case of **CARICARGO**, Caribbean Airways and the whole lot where the Bank was an extension of Government in a sense.

So this rescue operation really is a question now of pay-back **time** – pay-back for errors, pay-back for loans **made by** a wholly owned public institution and I do not see any way out of it. But I think that we need to learn a very fundamental lesson: that **anytime** a public banking institution is established in the way in which the Barbados National Bank was established and given the range of activities which was given to the Barbados National Bank, unless you have a tight management situation in there and clear policies in relation to that institution, then you are headed for an awful lot of trouble. As far as I am concerned, this is only a small part of what needs to be done. This is a fact and it is just a matter of postponing it year by year but ultimately it is going to be even more than \$300 million when you get the section of its portfolio that the Bank will have to shed if it is ever to become a viable financial institution in Barbados. The only entity that will have to take that over will be the Government of Barbados and the taxpayers and that is the price that we will pay today for mistaken public policies in the past and bad management at the level of the Barbados National Bank. That is the reality and we must not hide from it.

Sir, I cannot in good conscience oppose this Resolution because I understand clearly, and I hope that.

the Prime Minister **understands** clearly that this is only a **small tranche** of what is going to be necessary **down** the road. We **can** bury debt in one institution for a little while but eventually it is going to surface. So this **tranche** will help to improve, of course, the books of the Barbados National Bank for 1995, I presume. Because when you look at the balance sheet for **1994** we are looking here at a loss of \$8.9 million and a loan loss provision of \$12.9 million which will suggest that under its **operations there** was a profit of some \$4 million but the loan loss was still \$8.9 million after making provision for bad debt. I rather suspect that there will be the need to make a lot more of those provisions over time because we are only looking here at the agricultural sector and seeking to deal with one aspect of the agricultural sector. There are **also** other areas. I think the Prime Minister mentioned CARICARGO. I think there were bonds issued for Caribbean Airways as well.

Aside.

Dr. R. C. HAYNES: They have not been dealt with yet or they will be dealt with in due course, I presume. Anyhow, we will look into that at some time and **see**. But the point I am making is that it is not only in the agricultural sector but in other areas of the Bank where appropriate provisions will have to be made over time.

Aside.

Dr. R. C. HAYNES: I think it is important to let the people of Barbados clearly understand what is the ultimate cost of this process of rescuing the institution when you take the totality of the situation and that this is one tranche. This is a further step in addition to what was done in 1993 **by** separating the portfolio and assigning a particular rate of interest to the bonds. Now the rate of interest is being increased in relation to this bond to enhance the revenue position of the Bank.

So that we have created the monster in a sense and now we are watching it **"misperform"**, so to speak, over a number of years and now we have to pay the penalty. Let us hope that we get back to what should have been the original position of the Barbados National Bank and that is an institution functioning according to recognized banking principles. The Barbados National Bank can become that if it functions according to recognized banking principles as enunciated by me 18 years ago on the Floor of this House.

Aside.

Dr. R. C. HAYNES: I know that. You are not going to find anything because you are not going to look, but I will also look. Mr. Chairman, even when you take out agriculture, the Bank still has a significant asset base. I believe that with good management, there can be a

complete clean-up of the portfolio, at some cost to the bank, because I agree with the Honourable Member for St. John that the Bank has also contributed to the problems which it faces today and you cannot just simply blame the system of establishment of a bank and so on. There was an element of mismanagement from time to time at the Bank and it has to pay some of the cost. It cannot come out of this looking clean all the way, but the major cost will have to be borne by the taxpayers because the losses and the problems were a direct result of ineffective public policy in relation to a public institution.

3.35 p.m.

I sincerely hope that the new managing director of the Barbados National Bank will be able to bring the kind of expertise which is necessary to **restructure** the Bank and let it enjoy the kind of profits which the other banks are enjoying in Barbados. The other banks are enjoying a significant level of profits in Barbados, the other banks of comparable asset size.

I suspect that the Barbados National Bank might well be described, including its agricultural portfolio, as the biggest bank in Barbados. Surely with the agricultural **portfolio** it was the biggest. It had the largest asset base, if you add back the agricultural portfolio and the Barbados National Bank was headed there 3 years ago when I checked it. So I suspect that it might be asset based but it is reduced now the agriculture is taken off.

All banks in Barbados of comparable size are making a decent profit and I think the Barbados National Bank should be able to make a decent profit in the future and let us remove the debt and understand clearly what the responsibilities of the taxpayers are. This Government and successive governments every year, and from time to time, will have to put money towards the National Bank in one way or another or towards some other institution until that debt is liquidated over time.

Thank you very much, Mr. Chairman.

Hon. Sir HAROLD St. JOHN: Mr. Chairman, I am going to support this Resolution, naturally, because I am one of those who believe that the National Bank is an institution that has been created by Barbadians and that at the time when it was created it was a necessary institution to ensure that Barbados' economy developed along the lines that would be in the interests of Barbadians as a whole. I have not lost faith in the Barbados National Bank and I do not ascribe all of the problems that it has now and has had since its formation purely to the management of the institution. I well recall when the sugar industry used to be financed in part by other banks.

I well recall when one morning a banker, who was not a Barbadian, came to the Office of the Ministry

of Finance and attempted to blackmail the Ministry of Finance into giving a subsidy to the sugar industry or devaluing the Barbados dollar and threatening that if they did not do it that they would put a large part of the sugar industry in receivership. His grounds were that the sugar industry was losing money rapidly because of the difference between the European units of account and the US dollar because Barbados' dollar was tied to the US dollar we were losing millions of dollars.

Sir, that was nothing to do with the management of the Barbados National Bank. It was a point of view that could be taken. Indeed, any examination of the performance of the Barbados National Bank and the sugar industry must be looked at in relation to the matter of the exchange rate of Barbados. We have always felt that it is better for the Barbadian taxpayer to subsidise the sugar industry than for us to devalue the Barbados dollar.

If one wants to appreciate the significance of that fact, one only has to look at the study which is already a document of this House of the Barbados sugar industry, a strategic review by **Booker** Tate, January, 1992 at Paragraph 718, page 28. This is what you see:

"A major reason for the decline in the sugar industry performance is linked to the exchange rate parity of the Barbados dollar. Barbados is paying for a large part of its sugar in these series and as indicated in the Landell Mills report the depreciation of the ECU against the US dollar the currency to which the Barbados dollar is tied has significantly reduced sugar income in Barbados dollar terms."

Therefore, while we can sit in here and pontificate and attribute blame the reality of the matter is that a decision had to be taken. Do we subsidise the industry or do we devalue the dollar? I am not in any way repentant for having participated in the decision. I want it to be clearly understood that if we didn't have a Barbados National Bank that foreign banker could have held a pistol and could have forced the Barbados Government. Thank God we had an institution that we could tell him, "Please leave this room. The decisions on the future of Barbados will be taken by us, not by you." That is what we were able to do.

So it is a fact of life that the major reason for the condition of the sugar industry was the exchange rate. 3.45 p.m.

I am not saying that there were no other factors. Of course, there would be other factors because anybody who looked at the sugar industry as a whole and saw how it was managed would recognise there was scope for rationalisation. There was scope for greater sharing of

services. There was scope for better managerial practices, all of those things, but they pale into insignificance in relation to that major factor of the exchange rate.

Now, Sir, I want also to say that as far as the Barbados National Bank is concerned, it is a small bank in terms of banking in the world and in the Caribbean, whether we like it or not. We have to recognise that there is only a limited scope for the number of banks one can have in a country the size of Barbados and with the asset base it has. There is scope within the banking system in Barbados for mergers and consolidations. One of the things we have to recognize is that the foreign banks which we have operating in Barbados – and I am one of those who was opposed, I want to say it clearly – to the idea that you could have a foreign bank here without incorporating locally. I was the Minister of Finance that faced them and made them publish their accounts in such a manner that intelligent Barbadians could understand how much money they made in respect of their Barbados operations.

The Honourable Member for St. **Michael** South Central did reverse that, but do not mind that. I lived to see the Honourable Member, and I know that today he would regret that decision he made.

Aside.

Hon. Sir HAROLD St. JOHN: I know he would regret it because when you are comparing, that is one of the difficulties the Honourable Member has. You cannot exactly compare Barclays, or the Royal Bank, or CIBC with the National Bank because how the figures are produced it is not a separate entity incorporated in Barbados with the assets segregated from the assets abroad. I say that as a Minister of Finance in Barbados the laws should be such that Tom, Dick and Harry in Barbados would be able to do the comparison without going through all the exercise you had to go through and had great difficulty with, even with all of your well known intelligence.

The position is, Sir, it is a fact that banking as an enterprise is going through a tremendous amount of change all over the world and so, too, in Barbados. That is what will happen. I would like to **see**, and I am a strong believer in the fact that we will **see** in the future, mergers in Barbados in the banking system. It has to come.

You will also see alliances and association within the Caribbean area. As part of this programme of bringing private capital into the Barbados National Bank, I hope it is not pursued in any narrow nationalistic viewpoint because in this area we really are talking about an area in which large masses of capital have to come in to ensure that the banks get bigger and bigger to be able to take advantage of the opportunities and to be able also

to cushion the **impact** of the problems they have. That is one of the things we have.

Now, Sir, it is all right to say that with this banking it is going to cost us \$300 million...

Aside.

Hon. Sir HAROLD St. JOHN: Sir, I do not want to be misquoted because I did say that even if the debt was **\$300** million, since we were dealing in an area in Barbados with land, and since we have a finite amount of land, that land values in Barbados would continue to rise because of the demand, and one should not worry unduly about that \$300 million because you need an intelligent system of taxation to capture capital gains and you would recover that overnight.

I have lived to see on the west coast of Barbados land just sold at **U.S.\$35** a square foot.

Aside.

Hon. Sir HAROLD St. JOHN: Well, I **am** now being told it is \$100 a square foot so it is true that it sounds like a lot of money but the point is that there is available an underlying asset in relation to land that properly managed and properly developed, it is possible to recapture some of the loans without at the same time sacrificing the agricultural activity which is necessary in Barbados. If we do not have agricultural activity in Barbados, we are faced with serious environmental problems. That is known, Sir. I think last year proved it.

I welcome the initiative of the Government in trying to solve this problem in relation to the difficulties the National Bank had really in carrying an industry in circumstances which were beyond their control because if there was a devaluation in Barbados we would not have received more money in dollar terms. All you have to do is to check what happened in Jamaica where the currency was \$38 or **40:1**. Check what is happening in Guyana where it is \$142, and in Trinidad. Obviously the sugar industry which gets the same money for the export of a tonne of sugar as we get in ECU but when translated into national currency you will see how much better off they are than we are. So we took the decision. This is not something to be ashamed of and we feel that having taken that decision that it has redounded to the benefit of the general community as a whole. There are some people who said we were wrong to do it.

As a matter of fact, this study that was **commissioned** by the other side made it very clear that that was an additional component to the measures we were proposing. Look at this. I keep it in here all the time for when the

other Honourable Members from the other side get up. It says:

"It is suggested that serious consideration should be given by a government to adjust the exchange rate significantly to enhance the income of exporters such as the sugar industry."

Aside.

Hon. Sir HAROLD St. JOHN: This is the Barbados Sugar Industry Report by **Booker Tate**, 1992. Sir, listen to this. It says:

"We believe that such a move will not only help the sugar industry but also stimulate other export industries and make Barbados more price competitive and attractive as a tourist destination."

This is what they recommended. They are only repeating what a banker came in to us and said. If you do not devalue I am going to foreclose and put all of these estates...

Aside.

Hon. Sir HAROLD St. JOHN: At that time Barclays Bank had a large number of estates.

Aside.

Hon. Sir HAROLD St. JOHN: Number 1, it was **Barclays** Bank. You were not the Minister of Finance.

I am going to conclude, Sir, because that is history. The fact of the matter is that the then Government took the decision that it would subsidize the sugar industry under a price support programme and when we left the industry it was **110 000** tonnes. The Honourable Member for St. Michael South Central and his successors put it down to 45 000 tonnes. I **am** not blaming them for that. They had a different approach. Our position now is this.

I remember there was a mechanism in place, and this is the point I want to raise, to ensure that the domestic price of sugar was pegged at a price which would allow the bonds that were issued to be redeemed as part of the reorganization and restructuring of the sugar industry. I have never been able to understand and I am sorry the Honourable Member for St. John is not here because he always misquotes the position I took and I would like to know from him what has happened to the levy which was introduced by way of the increased price of domestic sugar which was supposed to redeem the bonds which were given to the National Bank to finance the price support and keep the **industry** going. I have never been able to understand what has happened to that. I am asking. I do not know

and that is it. **Are** those bonds part and parcel of the **debt** which has been assigned to the BACT?
3.55 p.m.

If they are, the price of sugar has not gone down, so therefore the difference in the price of sugar and the price which it has cost to produce has to go somewhere.

Aside.

Hon. Sir HAROLD St. JOHN: I do not bother with the Honourable Member about this because the Honourable Member does not face reality with this. The Honourable Member for St. Michael South Central has never faced reality when it comes to the financing of these matters. You cannot bring that conservative element that you always bring to these matters to interplay in this case because you are not dealing with ordinary market forces. You are dealing with fundamental matters. Either a Government has faith in an industry and is proposed to do the logical...

Dr. R. C. HAYNES: Mr. Chairman, Sir, on a point of order. The Honourable Member has just informed this House, in great detail, that the increased price of sugar was to service the bonds. He asked the Honourable Prime Minister **in** an aside if the bonds were included in the money that has been taken over. He got an answer, "Yes". There is only one conclusion to come **to**. The **conclusion** is that the price of sugar should come down if it was raised to finance bonds that are now being financed from a different source.

Hon. Sir HAROLD St. JOHN: I am only trying to explain, Sir, that there is an internal mechanism that has already been set up to help pay off these bonds and therefore it is not correct to say, as the Honourable Member Has said, that all of the cost is going to go on the taxpayers. That is all I am trying to say. All the cost is not going to go on the taxpayers because the consumers are going to be paying some. That is all I am trying to explain. It is not coming out of the Treasury. That is a question that I should like to ask. It is a point that we have been trying to get for some period of time.

I am supporting this Resolution, Sir, and I am not attributing all of the blame, by any means, to the sugar industry or its management. I acknowledge, everybody has to acknowledge, that, in the context of Barbados that the industry was not managed in the same way, that the industry was managed in other parts of the Commonwealth, in other sugar producing countries. But, let us not forget that one of the proud boasts of Barbados has always been that we pay better wages in the sugar industry, the highest wages, certainly, in the Commonwealth with the possible exception of Australia. On worldwide terms, there must be very, very few countries that pay the wage structure that we have in the sugar industry in Barbados. Every time you

put a dollar **there**, at least 40% is going right back **down** to the wages. That was another conscious decision of the Government.

Dr. R. L. CHELTENHAM Mr. Chairman, Sir, it is a long time since I have spoken on banking in Barbados or, indeed, of the Barbados National Bank but I was very much present at the creation of that institution and participated, in a very active way, in the debate leading to its creation and I took a position then from which I have never departed, even though it was a minority position.

In addition, and I will deal with that in a minute, I was the Minister of Agriculture during that very difficult period 1981 to 1986 when many of the decisions about which the last Honourable Member who spoke alluded had to be taken. That was the period when, for example, overnight we lost about **BD\$42** million in the sugar industry resulting from the price of the **ECUs** against the American dollar to which we were tied. The Honourable Member for St. Philip South, then Mr. Blackman, was to say that it was no big thing. But it really called for positive and definite reaction on that part of the Government, at the time.

Let me go back however to say something about the debate, at the time that the Barbados National Bank **was** created. The then Governor of the Central Bank, Dr. **Blackman** and I had the view that it was dangerous and unwise to have the agricultural portfolio within the Barbados National Bank's structure. Dr. **Blackman** and I argued that there should be a separate institution, Agricultural Credit Bank and Agricultural Bank, but that the contamination of which we hear so much now was bound to follow once you had a commercial bank taking care of the agricultural portfolio. In the end our position remained a minority position and the Prime Minister of the day listened, very carefully, and with great courtesy but he **overruled** us.

We **are** today paying the price for one of the **early** policy-decisions which, I always said and the records will indicate that I spoke then, from the backbench, was fundamentally wrong. I still believe that the hiving off of the long term lending operations of the bank in agriculture to a separate institution whilst keeping current operations at the Barbados National Bank does not sufficiently meet the problem and that, if we are to talk about getting the Barbados National Bank on a viable foundation, on a viable footing, that we have to return to that early debate and we have to take a decision which experience has suggested would have been a right decision at the time, to create a separate institution both for current operations and lending operations in agriculture.

My stay in the Ministry of Agriculture taught me something else too, Mr. Chairman. It was that

Barbados' non-sugar agriculture suffered because of the fact that the Barbados National Bank applied commercial criteria to the lending, for example, for orchard development. To some extent we understand that the sugar crop is about an 18 months' one. But you are telling me now that you want to borrow for an operation that may take 5 years before the crop matures depending on the nature of the fruit and **that**, in the meanwhile, I am not to get any money. We do not understand that. We are not a developmental institution. We are a commercial institution. That was the response from the bank. **And so**, non-sugar agriculture in Barbados suffered from under financing because of the fact that all agricultural activity was virtually to be financed by the Barbados National Bank.

I said, *sotto voce*, at the time that when the Honourable Member for St. Michael South **Central** spoke that there was no conscious decision as such for the Barbados National Bank to take over the lending of all agricultural activity. The reality was this, and I speak from a background of having been a Director of the Peasant Loan Bank which came to an end and was virtually merged with the Barbados National Bank when the National Bank came into existence.

Aside.

Dr. R. L. CHELTENHAM: Yes. That is correct. The position was that, by 1977, 1978 certainly by the time that the Barbados National Bank came into existence, the commercial banks in Barbados were still financing about 30% or thereabout of sugar activity. The plantations in the good rainfall area that had shown consistent profitability were still being financed, for the most part, by **Barclays** Bank and one or two of the other commercial banks.

Sugar went through a difficult period in the late 70s which coincided with the creation of the Barbados National Bank with its agricultural portfolio and more and more the commercial banks said to their old customers in sugar, "Why do you not go over to the Barbados National Bank?" 4.05 p.m.

The Barbados Government was in no position to prevent them from refusing custom to their old customers, as it were, and so gradually the Barbados National Bank took over responsibility of almost 100% for the short term and long term financing of the sugar industry.

I still maintain that all of that, both sugar and non sugar, should have been in a separate institution and the contamination of which we hear so much now would not have taken place. It would not have prevented the Government from responding in the way it did to what was seen as a threat then by the Honourable Member for Christ Church South when in the early eighties one banker was to

have said to the Government, as indeed he indicated, that there must either be a devaluation or they would foreclose on many of the sugar plantations that were experiencing financial difficulties.

The position is, Sir, that the bank has been the result of very proper considerations at the time. A good dream it was, though in some respects it has turned into a sort of nightmare. In fact the debate has been conducted with great restraint thus far and I do not want to say anything that would create any absence of faith on the part of Barbadians in the institution but it must be said, Mr. Speaker, that had it not been publicly backed there would have been a run on the Barbados National Bank. There is no question about that. That has resulted as much from the contamination resulting from the performance of the sugar sector and the **agricultural** sector generally as from a certain amount of mismanagement on the part of the bank itself.

In some respects we must have some sympathy for the bank. It is a small economy and there is a small pool of expertise from which to draw and when the Barbados National Bank was established it is a fact that they took for the most part, staff that the other banks were happy to get the rid of. In some respects that was true. It is also true that they had to start with customers that the other banks were happy to get the rid of and that resulted from the fact that there was a limit to how much new business there was in an economy as small as Barbados. But I am concerned about something else,

We were very careful at the time of the establishment of the bank to make the point that there should be nothing but commercial criteria employed in determining loans in the commercial sector of the bank. I am not so sure that non commercial considerations did not enter into play from time to time and we had some large customers of the bank in the last 10 years or so who, on strict commercial criteria, ought not to have been lent money. The result is that we see reflected in the report of the bank for last year and in recent years, mention made of the non performance or the unsatisfactory and disappointing performance of the commercial sector. And if we are serious about trying to restore the bank to viability and restore Barbadians' faith and confidence in it I think the bank must be rigid and unyielding in applying strict commercial criteria in the operation in its commercial sector. On that question there ought to be no compromise whatsoever. But something has been done, not enough in my view, as I have indicated, for the long term financial operations of the sugar industry though the short term continue with the bank. I think that is wrong. A decision has to be taken to move everything to a new institution both current operations and long term and in addition provision has got to be made for the non sugar sector of agriculture. So far not enough has been done for the non sugar sector of agriculture.

I do not believe that the future of the bank is without hope. I believe that a lot of what the Honourable Member for Christ Church South spoke about has got to be done and that we have got to have a sustained regime of very sophisticated management at the bank. I really feel, and this is for the ears of the Honourable Minister of Finance more than anybody else because he has got to take initiative in this regard that the whole of the agricultural sector, going back to the agriculture portfolio, not only sugar but non sugar – and that was the sharp divide in the debate that informed the creation of the Bank, with Courtney Blackman and myself on one side arguing that it ought not ever to have been started with the agricultural portfolio. I think we have got to go back to that and take a decision if we are serious about putting the bank on a viable footing we ought to return to that debate and determine that the long term future of the bank and of Barbadian agriculture, sugar and non sugar, call for a separate institution to be established.

Difficult decisions have had to be taken on both sides. I understand the consideration fully that informed the decisions that were taken by the Honourable Minister of Finance a few years ago. I followed the debate very keenly. I have had those strong feelings on the particular point that divided us then as to whether the sugar operations could be financed in part by Barbadians and in part also by foreign capital. It is a foreign exchange earner and if a certain portion of its operations had to be financed by foreign borrowing I have never felt strongly on the issue, certainly not to the point that I could have rejected one side as nonsense and the other side as making good sense for I have never felt that strongly about the issue and perhaps a mix of financing might very well be the answer now and into the future but I continue to retain much faith, Mr. Speaker, in the future of the institution.

Some decisions were forced on it through external factors over which we in Barbados, and certainly we in the Government at the time had no control, but a bold attempt is being made, starting from before we came back to office, to put it on a viable foundation. I do not think we have gone far enough but all of us who wish the institution well will hope that those efforts are successful.

Mr. D. St. E. KELLMAN: When one looks at pages 16 and 17 of the Statement of Accounts of the Barbados National Bank one sees a situation that some of the losses created in 1994 could be because of decisions made by management.
4.15 p.m.

But, Sir, when you have a situation where a board is appointed by a Government, sometimes you cannot ascertain whether these directors were going by Government's decision or whether they have made this

decision on their own. When one looks at page 16 under Cash and Short Term Funds, Sir, one sees the situation where the National Bank had over \$22 million at the end of the year as opposed to \$12 000 446 the previous year, one can only come to a conclusion that National Bank at this point in time as a banking institution was carrying too much cash. Mr. Speaker, they had money that they should have been lending to good borrowers and they could have increased their interest income. If they had increased their interest income their losses of \$8.9 million would have come down further.

Also, Mr. Speaker, when one looks at the provision for losses on loans, one will recognize that it has increased from \$7 616 416 to \$12 998 000. So one sees an increase in expenditure of let us say another \$5 million. So add \$1.5 million that they could have gained in revenue which makes an additional \$6 million or \$7 million and their losses would not necessarily have been so great. When one takes out the loss provision from out of the National Bank account and one looks at proper management at National Bank, one will see that National Bank is not as bad as some people would want you to believe and that the policy set in place by the former Minister of Finance was a proper policy. If you remove those bad loans from the books of National Bank, one can easily sell National Bank on the open market. So we must not cry down the National Bank. We must admit that it might have been a good decision in 1978 to create this Bank but the implementation of the policy was wrong. I agree with the Honourable Member for St. Joseph that when you tied the agricultural section to the commercial that was a grave error and I will tell you why, Mr. Chairman.

Everybody who had anything to do with sugar would tell you that we had phrases "black accounts" and "red accounts". When the accounts were black, you could find them at Barclays, Nova Scotia or CIBC. But you could tell whenever a plantation was in trouble because you would see a letter appearing that such and such plantation is borrowing now from the National Bank. As you saw that letter, Mr. Chairman, the only conclusion one could come to is that plantation was in trouble because they only borrowed from National Bank when they were in trouble. I am saying that had also to do with the policy set by the directors of the National Bank. I am saying that there are companies in this country that, when they brought their proposals to National Bank to borrow for the sugar sector, the directors should have been saying to them that they wanted all of the accounts. I will tell you, Mr. Chairman, that if the directors of National Bank and management had asked those companies for all of their accounts we would not see this loss provision in these accounts today. Because what was happening was that you had a situation where one side of the business was doing well, another sector was doing badly and the side that was doing badly was given to National Bank and the side that was doing well was

kept by the other commercial banks. I am saying that was wrong, Mr. Chairman, and I also want to make this point that the small man did not create the problem at the National Bank. Do you understand what I am saying, Mr. Chairman, that the small man did not create the problem at the National Bank? It was the large business people who created the problem at the National Bank. I am happy to hear the Prime Minister say that the decisions of loans will not be made as they have been made previously. We are aware that most of these loans were made at cocktail parties. It is a fact.

Aside.

Mr. D. St. E. KELLMAN: We in this House, Mr. Chairman, tend to blame politicians for a lot of things but we have to get away from that. Because if we keep blaming ourselves we will always find ourselves in trouble.

Mr. Chairman, we had a policy in this country where the wrong people were made chairmen of boards and I will tell the Prime Minister the only reason that I will support the present chairman of the National Bank is because they have a company called BAMC. But if it was the same old story I would not support that appointment. I would have gone against it because I would have put up a case in here for a conflict of interest and he understands what I am saying. Because people must understand that there are self serving people in Barbados who made sure...

Aside.

Mr. D. St. E. KELLMAN: ...If you want me to call names, I will not call names now. There were people in Barbados who made sure that the industry made large losses so that their fees could increase so that they had to call on them for more advice, and the more advice they called on them for the higher the fees, and the taxpayers of this country had to subsidise those fees.

Aside.

Mr. D. St. E. KELLMAN: You can call me anything. If you think I used to manage the sugar industry, no problem. But all I am saying, Mr. Chairman, is that there were people in this country who made sure the N.C.C. made losses. Not only that, Mr. Chairman, we had another problem in this country. We had a system in this country that the same people who sold the fertilizers, insecticides, and the other raw materials were the same people owning the plantations. In other words, if the sugar industry made a loss, it was not because of any additional external expenditures or external costs. They made losses because of internal costs where they figured that they were going to get price support and they made sure that they increased their prices. I am saying that with the formation of BAMC you will not see that. I will bet anybody in this House that

the cost of sugar production will decrease and I am prepared to bet anyone that. I know the Honourable Member for Christ Church South would agree with me that the cost of production...

Mr. CHAIRMAN: I suggest that you stick a little closer to the issue.

Mr. D. St. E. KELLMAN: It is all within the ambit, Sir. We are dealing with the National Bank and we are dealing with what caused the National Bank to be in the position it was in and it still is in...

Mr. CHAIRMAN: Give your supporting evidence pretty quickly.

Aside.

Mr. D. St. E. KELLMAN: That is a fact too. It is time that you are able to relate land use policy and rural development to a White Paper. You are now talking. Mr. Chairman, we have to be very careful when people come to us and say to us that we need subsidies. We must be able to see through what they are asking and we must be able to see how these figures are tampered with to suit their needs. You see, Mr. Chairman, there are people in this country who feel that you cannot touch certain people. I disagree with that. We, as taxpayers, must look after the interest of the small man. The others know how to look after their own interest.

Mr. Chairman, you are also going to get a situation where large companies will issue bonds in this country and people will not buy them. But you will find that Government will issue savings bonds and you cannot even get a chance to buy them. You ask yourself why and the reason for it is that those people have seen and they are still seeing through those people. In other words, we have to be careful that what was done at National Bank with the sugar industry does not happen with the hotel industry. I am going to say, Mr. Chairman, if we are not careful that the same thing that happened with the National Bank and the sugar industry is going to happen to us if they do not take my advice in the hotel industry. Thank you very much.

4.25 p.m.

Mr. H. deB. FORDE: Mr. Chairman, I am very pleased to support this Resolution and I support it for the obvious reason in that the Government is now going to pay the market rate for security which it has given to a financial institution in which Government is the major owner. If Government had gone into the market in order to get this money to pay the indebtedness of the sugar industry it would have had – and it was an asset which Government took over – it would have had to pay at

the then going market rate whether that money was being raised locally or on the market outside of Barbados. I think the members should use the opportunity to state quite clearly that if Government is involved in commercial and financial exercises then it must be prepared to comply with the requirements of the market.

I see the Honourable Member for St. Philip South **looking** at me either critically or whimsically about that matter. It is the only way that Government will get efficiency out of its organisations. Otherwise, the market becomes skewed and its institutions lose. Honourable Members have made quite a point about the cost of the sugar industry to the Barbados National Bank. I do not think it is wrong for the National Bank to lend to the sugar industry. I believe that what happened is exactly what the Honourable Member for Christ Church South has spoken about, that the Government had to make a political decision as to whether or not it would allow sugar to find its true price by allowing money to find its true price or whether it was going to take a broader decision which we all took here in Barbados as to make sure the Barbados dollar retained a set parity.

The Honourable Member for St. Michael South Central in his speech went only for the negatives without really telling the country honestly that if any other decision had been made at that time we would either have brought money direct from the Treasury to deal with the matter or we would have gone ahead with a devaluation of the Barbados dollar.

The Honourable Member knows that the sugar industry was being, to some extent, maintained in this way by trying to maintain the parity of the dollar.

Dr. R. C. HAYNES: I am not rewriting the **history** of Barbados.

Mr. CHAIRMAN: On what point do you rise?

Dr. R. C. HAYNES: The Honourable Member has said that I failed in my responsibility to inform this House and the public of Barbados that there was another side to the coin and that the measures **taken** were to avoid a devaluation. A point of order.

Mr. CHAIRMAN: It cannot be a point of order.

Dr. R. C. HAYNES: I am saying that the Honourable Member for Christ Church West is deliberately misleading this House because up to 1980 and long after the Barbados National Bank was formed, there was no indebtedness in the sugar industry and that was years after the Barbados National Bank was formed and after the Barbados National Bank had taken over almost all of the sugar portfolio in

Barbados. So it is utter nonsense and thoroughly misleading to this House and to the people of Barbados. The problems with the Barbados sugar industry arose after 1981, not 1980. Check the records! Barbados produced 120 000 tonnes of sugar in 1980 and had the best price for many a year that wiped out its indebtedness.

Mr. H. deB. FORDE: Mr. Chairman, the Honourable Member's recollection is actually faulty. I will show you where he is not factual. The Barbados National Bank was formed... The Honourable Member must remember that there was a savings bank. The Savings Bank was converted and its assets sold to the Barbados National Bank in 1978 and the legislation came down and it commenced on March 21, 1978. The Honourable Member is **talking** about several years and he also knows that the problem with the sugar industry arose subsequently. By 1981, the Honourable Member knows that the ECU had not declined against the U.S. dollar. Why doesn't he face reality? He may speak with a lot of vehemence and mislead people who don't know these matters but the **truth** is that the ECU against the dollar swayed after 1984 and a lot of the problems of the National Bank started then because Barbados had to make a policy decision.

Dr. R. C. HAYNES: On a **point** of order. It was the depreciation of the pound sterling in 1981-83 that affected local sugar prices, not the ECU.

Mr. H. deB. FORDE: If the Honourable Member would read the **Booker** Tate Report, he would understand what we are talking about because he obviously **doesn't** understand that the ECU and the US dollar...

Dr. R. C. HAYNES: The Honourable Member **cannot** accuse me of misleading the House because in 1981 the pound sterling dropped to **US\$1** for the first time *in* the history of Barbados.

Mr. H. deB. FORDE: The Honourable Member must know that it was not only the US dollar which dropped but there were problems with the ECU as against the US dollar and hence against the Barbados dollar.

Dr. R. C. HAYNES: On a point of **order**, **Sir**. The Honourable Member is typically sanctimoniously and hypocritically misleading the House and the **public** of Barbados.

Mr. H. deB. FORDE: **Sir**, the Honourable Member cannot accuse me of being sanctimonious. I **take** objection to that. The Honourable Member must not **accuse** another Honourable Member in those ways because there is no more sanctimonious person than the Honourable Member when he pontificates.

The point is Sir, the Honourable Member gets up in the debate and puts a **skewed** view of the economics of sugar and what was happening in the sugar industry in the early 80s. I was in here and heard him pontificating at times and blaming the sugar industry for borrowing money to spend on race horses and he was going to get rid of the sugar industry and all sorts of things. No note was being taken of the financial position that was confronting a major industry that was very critical to Barbados.

I thought we had got past that stage and that we had agreed in the last session of the House for a restructuring of the sugar industry and consequent on the restructuring of the sugar industry we would have to restructure the Barbados National Bank. That must be obvious to everybody.

This cannot therefore be a debate in which the Honourable Member wants to allot blame for a period that he knows that there were problems occurring.
4.35 p.m.

I believe in these circumstances we have to deal with any of the portfolios of the Barbados National Bank which are not giving a true market yield.

I take the point made by the Honourable Member for St. John. If at the time when he had to make the decision the Government's finances were such that it would have been difficult for Government to have paid out that money - now, I can understand that as an explanation and I accept that explanation - therefore, one has had to look at the position to ensure that the National Bank is treated no differently than anybody else who might be holding Government **paper** at the time.

Sir, I hope that the Bank will be restructured. I am one of those who believe very strongly that indigenous **banks** have a major role to play in capital formation and **also in** supporting development in our country. If I look at the example in Antigua I would say that today the Antigua Commercial Bank which started as a penny bank has a larger market **share** of business in Antigua than any other of the single banks, including the established banks like the Royal Bank, the Bank of Nova Scotia and **Barclays** Bank. It is possible to achieve the same here although, in my view, it is time for the three indigenous banks to cooperate **first** and finally, possibly, to restructure themselves together in order to get necessary market shares.

The Honourable Member should know that indigenous banks in Jamaica have folded up before and, in fact, recently although it is a merchant bank, the Government has had to move in. The Honourable Member for St. **Michael** South Central should know that the Workers' Bank of Trinidad had to be **taken** over and rescued by the Government.

Aside.

Mr. H. deB. FORDE: The Honourable Member talked about indigenous banks so he must listen to what is happening to indigenous banks. The Honourable Member should know that even within the OECS we have had the same problems outside Antigua. In some of the other countries of the OECS that he has mentioned we have had problems confronting indigenous banks.

Sir, when we set up the Barbados National Bank, because we recognised that it would have been at a disadvantage, it was given certain benefits that are not available to the other commercial banks that are operating. The first thing is that every account in the Barbados National **Bank** has a guarantee from Government. It is written into the legislation. That is a tremendous advantage to encourage people to come to the Bank. Now, that is not a provision that we are going to be able to keep in the laws interminably if the bank is to become truly commercial.

The second advantage which the Bank was given is the advantage that the statutory boards by administrative decision move their accounts, almost all of them, over to the National Bank so that like the Insurance Corporation of Barbados it had a captive market. Now, if it is going to be exposed to competition, it is not necessarily going to keep that **captive** market. But one of the prices it paid for the **captive** market as well, and the Honourable Member for St. **Michael** South Central has not given this side and I am going to give it, was the overdraft facilities it had to finance for institutions such as CARICARGO, as Honourable Members have spoken of, CARSICOT and so on. The Honourable Member knows that.

There were no Government guarantees as the Government would have had to give if it had gone to one of the foreign banks. Therefore, when we come to the House now we are rectifying these sorts of things and there is no point shouting \$300 million because the Honourable **Member** will remember that when International **Seafoods** Ltd. a private company, got a Letter of Comfort under the Democratic Labour Party Government, eventually it was the taxpayers of Barbados who had to pay it. Those were the days the Honourable Member was the second most powerful man in the land, according to Dr. Caddie.

Dr. R. C. HAYNES: I never issued any Letter of Comfort to anything called International **Seafoods** or anything of the like.

Mr. H. deB. FORDE: The Honourable Member was then a leading Member of the Democratic Labour Party. I do not believe the Leader of the Opposition had joined in those days so he can dissociate himself from it, but the Honourable Member was a principal adviser to the

Minister of Finance in those days. People have short memories but 25 years in public life will not let me forget that decision-making was sometimes skewed in this country.

Dr. R. C. HAYNES: On a point of order, Sir. We must not allow the Honourable Member to get away with what he is doing. International **Seafoods** Ltd. folded up long before the National Bank was formed. International **Seafoods** Ltd. folded up before **1976** and was one of the matters of enquiry by the **Duffus** Commission in **1976**. The National Bank was not formed then.

Mr. H. deB. FORDE: I agree with the Honourable Member. He is just emphasizing the point I am making that in those days we had to pay the money over to the Bank of Nova Scotia out of the taxpayers. That is the point I was making. He was then the second most powerful man in Barbados. He knows that, so the Honourable Member knows that those mistakes were made during **the** time when he was a member of the Democratic Labour Party, with CARSICOT and our having to pay **\$6** million back to deal with it. Those are some of the mistakes that have been made in administrations that have reflected themselves in the fact that the National Bank has had to pay some prices for being Government's main bank and not in the sense that the Central **Bank** is the Government's main banker.

If you would look at the very document which the Rt. Honourable Prime Minister has laid in the House today, you will see what I call a happy trend in that the **sectoral** distribution of loans at page 7 shows that Government is less and less looking to the National Bank to finance its quasi public boards and there is a decrease, therefore, in the amounts being lent in this way. There is also a decrease in the loans to agriculture. Those are the two areas. There is a decrease in the extent to which the National **Bank** is now financing the agriculture portfolio so I believe that management is conscious of these things and that it is looking at loans.

Now, I believe that the bank is right...

Mr. CHAIRMAN: The Honourable Member is now asked to wind up.

Mr. H. deB. FORDE: The Bank has made a very adequate loan provision in the year **1994** but in that respect it is acting like a **prudent** banker. We know of the Bank of America. I think it is the second largest, if not **the** largest bank in the United States, having to make tremendous loan provisions at various times and then coming back and showing a good profit situation. We have seen it with the National Westminster Bank in London doing the same. So it is prudent for them to make these loan provisions and the

sooner they **make** them and get rid of the contaminated loans which are in **the** portfolio, **the** better it **will** be for the National Bank. I hope that in the long run when **the** Bank is being privatized the Government will remain **true** to its promises in this regard to give an opportunity to the cooperative and the credit union sectors, and **to** the smaller people, to become part of the ownership of the banking institution. The cooperative movement has shown that the normal average Barbadian like you and myself and most members in this country have the ability **to** manage financial institutions. In fact, the fastest growing sector in the financial markets today is in the very **cooperative** movement and the credit union movement. So I support this strongly.

I would like to make only one other remark, Sir, if you would allow me to speak about **the** growth of capital markets. The Honourable Member makes the point about the **mistake** of the **BS&T** to attempt to float **bonds** on the market. I believe they made some mistakes in how they went about the measure. But let me say Barbados needs investment instruments that are more diversified than those we have if we **are** to create a true capital market. If I have \$1 500 on a bank earning 5.5% it is worth my while to move that \$1 500 into a **treasury** bill **or** a debenture on a longer **term** and get a better yield, particularly with **the** markets being as they **are**.

Aside.

Mr. H. deB. FORDE: Well, **the** Honourable Member says he will pay me **10%**. But it is in the interest of the average Barbadian to understand the capital markets and for us to go ahead to create the capital instruments **to** diversify what is happening in our financial institutions here.

4.45 p.m.

In this regard, we are very much behind Trinidad and Jamaica. If we are, in the Eastern Caribbean, **to** improve the capital markets, I hope that we will see instruments coming out of the private and public sectors that are more diversified and that people understand that they can **use** these instruments for savings, for capital growth and for investment, as the **Honourable Member** for St. Michael South Central does so well in his private financial dealings.

I am much indebted to you, Sir.

Mr. D. J. H. THOMPSON: Mr. Chairman, there are points I want to deal with but before I get there, I want **to** deal with that point which the Honourable Member for Christ Church West made in response or in addition

to what I said about the Barbados Shipping and Trading bond issue.

This is a very small and **limited** financial market and, certainly, I agree that there should be a programme – and **this** is what the whole IDB financial sector reform is about – to make more investment instruments available to the public both to support Government's financing requirements and the private sector's financing requirements. I think that that is desirable.

We have been fighting the Central Bank when I was in office for the longest time to beg them to market Government securities because sometimes the interest rates were considerably higher than what was being offered in the banking system. They say that is not their job. We then asked them to link up with GIS and get a programme to the public, people who get gratuities and so on for investment but they are not interested in that. Therefore it is a very difficult **task** which the Ministry of Finance is going to have. In fact, it should not even be in the hands of the Ministry of Finance. Government should take on some of those persons, for example, who have been displaced, let us say, from BDB.

The Loan Appraisal section of BDB was very good. The Investment Analysis Section is very good. There are young professionals who have worked in banks in New York and on wading floors in New York who certainly have the skills and the ability to help the Government in this regard.

To give you an example of how the system lumbers along, the **BS&T** bond issue was crying out for some kind of innovative advice from young, successful persons in the investment world. They obviously never checked to see when Government was putting securities on the market. You had a **BS&T** bond coming out at about the same time that I think Government puts out savings bonds and then I think Government went to the market at about that time for a substantial issue.

Secondly, that is a corporation that had just purchased **Heywoods** Hotel. There was nobody who did not know about the problems of the involvement of Mutual Bank in that exercise in contravention of the Financial Intermediaries Regulatory Act, certainly nobody who knew what was happening in the financial markets in Barbados.

It is a very diverse company, as the Honourable Member for Christ Church West knows and, obviously, that investment was not being focussed on any particular new initiative. It was not directed at any special projects which they would have been undertaking over the medium term.

There was every conceivable reason why that bond issue should have failed. Whatever advice they had on it

and the way in which it was done, it was very badly done. But in addition to that, the other point I want to make is not that it failed for all of those reasons which anybody with a handle of what is happening in the financial market would have detected and many others.

But the other point which I was trying to make is that, in the context of all of those other things, there are not many Barbadians in this day and age, certainly not of my outlook who **are** going to feel comfortable. After a company has made those major investment decisions, not before, after it has bought Heywoods, after it has **reconfigured**, gone into the duty **free** sector and so on to come now and buy into a bond issue of \$20 million. The first assumption you make is that it is facing some financial problem and that exercise is to clean up or restructure its debt.

What it needs to do, as the largest corporation in Barbados if it is still that is to have a more creative approach and, certainly, a bond issue with an option at the end to convert. There are a whole range of possibilities and the Honourable Member for Christ Church West has raised them.

There are efforts throughout the region, by other Central Banks and I hope our Central Bank will catch on. The **Eastern** Caribbean Central Bank has done the secondary mortgage market. They have the legislation now coming out. And, **furthermore**, a lot of investment by **Exem** Bank and so on, major projects which you know of.

The only thing that is noticeable is that many of these financiers will not invest in Government banks which are under Government management. They do not mind the Government owning them.

Aside.

Mr. D. J. H. THOMPSON: Oh you see it on the Internet. I hope they do not come for the invoice on the **Internet** too.

But there is a very major concern, it is heard in St. Lucia, Nevis and Antigua that **they** do not mind a bank being owned by Government but they insist that it must be under a private sector management contract. I think that it is very, very important to what the Prime Minister is saying about the BNB in Barbados to ensure that the arrangements which are going to facilitate the movement of BNB under FIRA regulation will ensure that the management of the bank provides enough flexibility that, while it should have a social conscience and so on, that it does not have the kind of political – I do not want to call it interference – but policy decision that

can impact **so** heavily as the Honourable Member for St. Michael South Central made the point that it can have devastating effects on the entire financial system.

That brings me to the real point I want to make. This is a question that the Prime Minister probably may not want to answer because if the BNB is now going into the commercial sector ... But we have dealt with the agricultural portfolio in the past. The problems with Government's statutory corporations ... I know if the Honourable Member for Christ Church West looked at page 7. Page 7 starts at **1992**. It shows an improvement from **1992** to **1993-94**. But there was a drastic improvement in **1991** as the Honourable Member for St. Peter can tell you. In fact the change between **1991** and **1992** is in the order of 52.7%. You can see that the portfolio had started—particularly Government's operations in relation to the **BNB**—to be cleaned up.

We had, I think, about **\$65** million in Government debt and then the sugar debt, the **\$253** million and that is where with Caribbean Airways, **CARICARGO**, **BADC** and some other enterprises. We did a set off with the Government of Trinidad against a loan. We cleaned it up which should have put the BNB on a sound footing. I know the Prime Minister has said that he wants statutory corporations to function within their budgeted subventions. But, as you know, **that** is not what is happening now. I wish you luck in getting that situation in hand. I am not a cynic at age **34**. If I were, I would come out of politics and do the other things which you say would be more lucrative.

I believe that those Government enterprises can be cleaned up. But for the time being, the **BNB** is still going to have a problem. The Government is still, at the end of this fiscal year, and for the foreseeable future going to have to be dealing with the problems of enterprises like the Transport Board, the BADMC—I know the Prime Minister would not volunteer that information. I am going to make it easy. I will grease the **track** for him. I am certain that you are going to find substantial arrears of National Insurance and all kinds of other things to be financed by the facilities at the BNB. So that is something that has to be brought to a halt and therefore when the BNB is restructured, Government will have to give an early undertaking that it is going to be able to get those state enterprises and the expenditure under full control.

4.55 p.m.

That is going to be a difficult thing. So it is not just a matter of saying, look, and I think the public needs to understand this, look we are just bringing BNB under FIRA and privatising it. It has implications for Government financing and it has a whole range of other implications throughout the financial system which would need to be

addressed and it will call for a lot of political will **because** you are going to have to let Ministers who are responsible for **those** statutory corporations know that the limit is the limit, or that there is no limit.

The concern I want to raise is what is the state of the commercial portfolio because as we were about to clean up the agricultural portfolio it was very interesting that the IDB consultants who were **looking** at the restructuring of the BNB then came into my office one day, shortly before we **demitted** office and said, look, you **all** have done a good job in trying to clean up the agricultural portfolio but let me tell you something, there is a commercial portfolio that is going to need attention. In fact you are creating a totally new institution, new in terms of relation to Government, new in terms of cleaning up **all** of the past **problems** it had and at the end of the day, and the Honourable Member for St. Michael South Central is worried about this, the **cost** has to be borne by the taxpayers as **will** the cost of the **Barbados** Development Bank.

Now, has Government also considered the possibility of the purchase of the contaminated portfolios because some of them do have good assets attached to them, and there must be private **sector** financing institutions in Barbados that would be willing to buy out a section of the **BDB's** portfolio and likewise the BNB. There must be creative indigenous Barbadian investors who **can** take those **assets**, purchase them at some kind of discounted rate, and take those assets and work them out and get a good return for themselves, get project proposals, attract investments... This, I assume, is what we have been training young Barbadians for, particularly who go out and do **MBAs** and work outside of Barbados. Perhaps Government needs to say, look this opportunity exists, if you think you can purchase \$6 million, **\$3** million, \$4 million of this portfolio, these are the assets that will come with it, you can finance it and then take it and develop it, work with those assets and do something with it. I think this is something that needs to be considered.

I hope there can be a programme which Government can enter into to identify the people who have these skills. I said, some **from** BDB, but we are in the process of downsizing in Barbados and there obviously will be others who will be coming on to the market who have those skills and who can take those portfolios or portions of it and do something creative with it rather than just have a situation where a man sits behind a desk as is happening now and says, well we give you until next week to re-finance this or we will sell it out.

Do you know what is also happening? I have great sympathy for the Honourable Member for St. Peter but once you start that process it does not stop. **A** lot of

people **are** knocking on your door and you are having to intervene, **particularly** with those bad loan portfolios. I am saying yes, Ministers of Finance sometimes have to do these things.

Aside.

Mr. D. J. H. THOMPSON: Oh, yes, that one was worth helping. There you had a young man who was willing to do something but there are others **too**. Detach yourself from that because it creates problems. There will be occasions when it **can** be done but there are going to be other occasions where each of those loans has to be identified from the analysis carried out, including, you cannot **call** it a social analysis, but **all** of the aspects of the operation, it is a family business and there is somebody else in that business who can take it and **run** with it. Yes, a human face must be applied but that human face must be applied as against a background of having the qualified technicians and the loan analysis people coming and looking at each peculiar matter.

I appreciate very much your intervention in some cases but in my view there are many others which are going to deserve their own merit and that kind of attention and therefore you need to put a process in place by which you can clearly justify because it is justifiable but to have process where you can say, well these are the conditions under which we are not going to allow BDB to sell out people's assets. Some family businesses have been built up and in the last few days of a man's life he may have spent it paying medicals, and there are a whole host of problems that have arisen but businesses have potential and the family has built up expertise which if given an opportunity they can take the business forward. So those are some of the considerations which I have and I hope Government can address them.

Mr. D. St. E. KELLMAN: Mr. Chairman, I only want to make one point and that is during the speech of the Honourable Member for Christ Church South he asked what has happened to the sinking fund money from the local sugar. The answer is quite easy and that is, there is nothing called local sugar any more so there is no sinking fund money to be used by the BNB, to pay interest or to be used by the BADMC.

I also want to go on with this concept where BADMC was importing sugar and they were taking risks in importing that sugar. I honestly believe that when you are in a business and you put risk into a business, when there are gains you should accept the gains. I think it is quite unfair for the BADMC to be asked to import sugar in this country and then for some other group of people to believe that **that** profit should go to them. I think that point should be taken into consideration and the belief that is given out

there that BADMC is taking something that it is not entitled to should be looked at again.

Dr. R. C. HAYNES: Mr. Chairman, when I spoke last I started off by making the point that the most significant thing we can **learn** from our experiences with the Barbados National Bank and the sugar industry **over** the years is the result of inappropriate public policy when it intervenes in the market place without a clear understanding of what all the implications are. I think it is a mistake to put forward the view in this Honourable House today that the sugar portfolio of the Barbados National Bank was taken over to avoid a devaluation of the Barbados dollar, or in the alternate that if the Barbados National Bank did not take over the sugar portfolio there would have been a devaluation of the Barbados dollar. That is simply not true and we have to be clear. I have no doubt, Sir, that when the Barbados National Bank was formed when there was an increased intervention by the Bank in the sugar portfolio that this was done with the best intentions on the part of those who took those steps. The reality is that it backfired at a horrendous cost to the taxpayers of this country. I also question the view that if the Barbados National Bank did not take over the sugar debt that the sugar industry would have folded up. I doubt that very much. The sugar industry has gone through its ups and downs for many years and what would normally happen in that **kind** of situation is that several of the estates went through the chancery route. 5.05 p.m.

Aside.

Dr. R. C. HAYNES: Let me continue and all that would have happened in 1981 is that those who were in debt and could not service their debt that somebody else would have bought them and would have had less indebtedness. If they could not cope with the resilient indebtedness, **somebody** else would have bought them and it would have gone through that process. That is what would have happened and the cost would have been spread throughout the community in that **kind** of way rather than the cost being localized on Government and the taxpayers. Because I am absolutely sure that there was no question of any 75 per cent or 80 per cent of plantations in Barbados being near bankruptcy in 1981. That is not correct.

Aside.

Dr. R. C. HAYNES: Sorry. But that is when it started. That is when it started. That is when the tremendous shift from other banking institutions to the Barbados National Bank took place. What I am saying is that if there was not a public policy to interfere with the market which my conservative friend on the other side, the Honourable Member for Christ Church West, praises at one moment and then at the same time he endorses this kind of intervention. I understand and I share your belief in

the marketplace in certain matters. But I sincerely believe that if the National Bank had not intervened in that discriminatory way that a lot of those properties would have changed hands and succeeding owners would have been able to make a go because the debt equity ratio would have change with each change of ownership. That is what happens out there in the marketplace. But what happened is that the National Bank moved in...

Mr. H. deB. FORDE: If the Honourable Member will give way concerning my speech on that point. The Honourable Member and I are *ad idem* on this point. Various forces were at work on what was happening in sugar. What I was making was on the price of sugar and the parity of the pound vis-a-vis our dollar. But the Honourable Member must bear in mind that some of the exact things he said took place. Where I would agree with him is that Government probably took over too much of the indebtedness at that time. But what did take place was that some of the estates did go into chancery. Unfortunately, and this is the one that I would be strongly against, I did not like the fact that good agricultural land in the process was being cut up and taking it out of sugar. So that was another concomitant in Government's decision making to save them from going out of agriculture and going into housing.

Dr. R. C. HAYNES: I take your point. I think it is a good point that the Honourable Member has just made. The second point is that there could have been a reason for the thing. By the way in terms of the market, I would like to suggest through you, Sir, to the Honourable Member for Christ Church West that some of those estates now being run by **Booker** Tate may be worthwhile making a significant investment in them. I am just bringing this to your attention at a personal level if you do not mind, Sir.

That is the point I want to make and it is a point that may be of some relevance now in dealing with the hotel sector. I am not stating any position on the matter but it is important to look back and you may see that the best intentions and what you may think is the best position **today** that you may end up in trouble down the road.

I am a bit hazy on this point. What is happening to the debt of Caribbean Airways and Caricargo? I believe that some of that was converted to bonds at some point in my time.

Aside.

Dr. R. C. HAYNES: That is the most important point I want to make. I do not wish to go through the whole debate about sugar, what happened to the money that was borrowed and the extent and so on. I think we have learnt from our experience now and I think that we have to be very careful.

There is one other point I want to make is that I am a firm believer that whilst it is important for Barbados to have the presence of foreign commercial banks in this country and there is nothing wrong with that, but I strongly believe that there should be a local indigenous bank presence and perhaps the dominant presence in the commercial banking system in Barbados should be a local presence. Now the question is how is this going to be achieved. I think the long **term** policy position should be not only of cleaning of the non-commercial portfolio of the Barbados National Bank but looking at the other efforts that are being made at the level of indigenous banks in Barbados and see how the Government can facilitate the growth and expansion of the indigenous banking system.

I am not one of those people who believe that we should try to move as a matter of public policy to **100** per cent indigenous banking, because I think that particularly in difficult times the presence of those commercial banks in Barbados have signaled a significant level of confidence in Barbados and have also been the conduit to significant borrowings whether it be by the Central Bank or by the Government. It helps the Government in the marketplace to have these strong commercial banks in Barbados of good repute which has helped the Central Bank in its short **term** borrowings. It certainly helped successive Ministers of Finance in terms of their interventions in the marketplace very often by subscribing to issues and so on that has strengthened the confidence of Government in the marketplace. So I do not want to get into a conflict situation with those non-Barbadian banks but at the same time we must aim for a much stronger presence in the market here by local banks.

There is a lot more I can deal with. Regarding the political figures by the Honourable Member for Christ Church West I just will not deal with. I recognize that he was not his usual self. He was not as prepared. He was not as incisive and he was not as devastating as he could be on this subject. Because, Sir, like the Honourable Member for St. Thomas, he is an expert at looking through previous debates and picking out sentences completely out of context. That, Sir, is the kind of thing that I know the Honourable Member for Christ Church West is very good at and the only **person I knew who** is better than he is the Honourable Member for St. Thomas.

Hon. D. A. C. SIMMONS: I am going to be less than 10 minutes, Sir. In the Hansard of **1978**, Part I, January to June, beginning at page **472** there is a debate on the Bill to provide for the establishment of a National Bank. In that debate which **runs** from **472** to **492**, those who spoke were Mr. **Adams**, Mr. Caddle, Mr. Taitt, Mr. F. G. Smith, Mr. Bolden, Mr. Weekes, Mr. Sandiford, Mr. Smith again, Mr. D. A. C. Simmons. Hon. H. B. **St. John** and Mr. **Adams** wound up the debate. I just wish to say that it is interesting to hear the position of the Democratic Labour

Party because one of their key spokesmen in that debate at page 475 was a gentleman called Mr. Taitt. He said, Sir, at page 475:

"I would like to start off by suggesting that the seeds for the success of this institution are sown if for no other reason than that the officer who has been delegated to be President of this institution is an officer who so far as his public acquittal of himself – and he has a public office – has demonstrated an impartiality, competency and efficiency which leads someone to have some confidence in the future dispensing. I believe and I hope, Mr. Speaker, although I did not give his name in advance, you will not mine my saying that the Permanent Secretary responsible for financial institutions is the person in who I, and I believe the Members on this side and on that side..."

I am speaking about Mr. Harcourt Lewis. I withdraw that, Mr. Speaker.

Then he went on to say:

"I hear talk today about I always said it was a mistake to put the agricultural sector onto the bank."

Here is the present Member for St. Michael West saying:

"I am also very pleased to see that the institutions which have been included in the Second Schedule will include the Barbados Development Bank, the Savings Bank and the Sugar Industry Agricultural Bank."

He came in here later on in the year after Mr. F. G. Smith was going and the establishment of this bank by the Barbados Labour Party Administration at the time had the maximum support and all of the blessings of the then Opposition.

5.20 p.m.

I must say that at the time Mr. F. G. Smith would have echoed much of what I was brought up to believe in and would have been saying at the time. Page 485:

"I do not wish to repeat any of the observations I made last week on the establishment of a National Insurance Corporation, but I wish to compliment Government again for attempting to ascend the commanding heights of the economy in banking and in insurance."

It was a relatively short debate, but the point I am constrained to make is that when that bank was established there was no speech of any of those who took part in the debate criticising the then government for tacking on to the

portfolio of the bank the agricultural sector loans some of which ultimately turned out to be bad.

That debate came many years after. There was an argument at the time about the role of the Central Bank in relation to the Barbados National **Bank**. That is borne out in the debates and the Honourable Member for St. Michael West raised concerns about that. Mr. F. G. Smith at the time raised concerns about it, but there was no argument that it was bad policy to have the agricultural sector as one of the areas of activity for the National Bank.

Sir, I just wish to say that I would have hoped over the years that the National Bank would have played a role in helping to set trends for commercial banking and commercial lending and it would have been an institution which could have helped the small man. My experience however is that we were able to use the facilities of the National Bank to great and telling effect in supporting people in rural Barbados who sought to improve their homes under the **Tenancies** Freehold Purchase Act and the Bank played an important role in that.

With the thought of commercialisation in another 3 years, I hope that the Bank will still find it possible to assist in providing a line of finance for people who are less well off and who have difficulty in gaining access to credit from other commercial banks, especially those which are foreign banks.

I still find, Sir, that the Bank has tended to operate too much along Civil Service lines and with too much red tape and I **would** have hoped that since its existence in 1979 it would have been able to develop flexible policies and be a greater taker of risks as far as small people were concerned; but you see the same practices which the more established banks adopt the National Bank adopts too. This is a problem. If it is going to go commercial, it probably is going to carry these same attitudes when it becomes commercial because it will be competing with others. It depends on the philosophy, the focus and orientation of the Bank ultimately as to whether it will say that it has to operate on a commercial basis but there can be a social conscience, if you like, in its dealing with the disbursement of funds, and I will tell you why, Sir. The average person in Barbados who wants to borrow – I had a case this week. Somebody called me, a young fellow who works for \$283 a week wants to borrow \$1200 and he is told by every bank he has gone to that he must get 2 guarantors for \$1200. They want the man's head and belly. Now that is foolishness. I have told him to put down my name. I will sign for one. I don't think \$1200 will break me.

Some of the banks in Barbados have to understand that they will continue to hold back black people particularly, if in a situation where the man has a security and you know that he is getting x dollars a week, ask

him to send the money to the bank, take out \$50 a week or something and give him the money. But they want 2 guarantors. I think that is unfair to people.

Aside.

Hon. D. A. C. SIMMONS: I am not saying that a bank or the National Bank, an indigenous bank, must not take the necessary precautions to secure themselves but when they are dealing with small people in this country they have to be more understanding and there has to be a more human face to their banking activity. We see what happened with CARSICOT. They had a big debenture for millions of dollars and that debenture was never recorded so the security was no good. \$10 million unsecured to CARSICOT. The small man has to find 2 guarantors. The Bank used to perform a useful service in giving loans to people who were interested in developing small agricultural projects.

I know when the late Horatio Cooke was in charge of the agricultural section. A man who had a little piece of land and wanted to raise 12 or 14 pigs or chickens could go and get the money and set up his business. I don't know if it still goes on. I get the impression that even if it still goes on it is still shrouded and clothed in a lot of red tape. The difficulty is that under the law the Minister of Finance like any other Minister can give policy direction but they have to be very generalised otherwise they would fall foul of the law which prohibits you from giving specific directions.

I feel that the management of the Bank and the policy makers at the Bank should be sensitive to these things and be innovative. I don't think as much use is made of the instrument of Bill of Sale as can be used. Sometimes you will find that a lot of banks will, and this is not limited to the National Bank... You have a motor car which you paid for and you don't owe anything on it and you want to borrow \$5 000. They want guarantors, but why can't they take a Bill of Sale over the car and leave out the guarantors? Then the car become theirs and you cannot sell it unless they give consent otherwise it would be a criminal offence. They would then be dealing with the man with his own asset rather than...

Aside.

Hon. D. A. C. SIMMONS: That is if you have a house, then you do a mortgage. I am saying that the average person who may not have a substantial asset like a house but would have a car which is clear and wants a little loan perhaps to do the house or to do renovations. If you sell the car it is a criminal offence.
5.25 p.m.

I understand why you were looking at me when I was making that point, Sir. I do not suppose a lot of people know that. That is a way of doing it that does not work the same hardship because if you come to me and I tell you I have a car and it is worth \$15 000 and I want to borrow \$5 000, take a Bill of Sale over the car. Do not tell me to go and find two guarantors and end up coming to the politicians invariably. I think all we can do to rehabilitate the National Bank we ought to do.

Now, the National Bank has played a substantial and essential role in the sugar industry ever since the Bank was established. I heard a comment in here from the Leader of the Opposition about how they have restructured the sugar industry and now the Labour Party is the beneficiary of their restructuring. What he has not said is that throughout the years when we were in Government last, and as recently as last year, we started support for the sugar industry which met with stiff opposition from the Democratic Labour Party. He has gone out of his seat now because he knows I was going to talk about this.

The Honourable Member for St. Michael South Central in one of those debates for the support of the sugar industry lambasted the sugar industry and the persons who were managing the sugar industry at the time. That is when he made his race horse speech in one of those price support resolutions. I was in here, Sir. But what the Honourable Member for St. John has not said is that it is very strange indeed that in 1986 when we went out of Government Barbados was then producing 110 000 tonnes of sugar but as a result of deliberate DLP policy to run down the sugar industry, it then went from 110 000 to 38 000 tonnes last year. It was a deliberate policy. When they realized they were ruining and crippling the economy through the policy on sugar, they had no alternative but to try to resuscitate it. But it is they who started the process that led to the demise of the sugar industry.

You told me, Sir, that my time is up. I am obliged to you, Sir.

Rt. Hon. O. S. ARTHUR: Mr. Chairman, Sir, I rise to wind up the debate. I truly wish to thank all members of Parliament who have contributed to what I think has been a distinguished and outstanding discussion on the function of the Barbados National Bank, and indeed the financing of agriculture in this country. This Parliament has from time to time been lambasted, as recently as last Sunday for downsizing democracy and for not being concerned with the people's business. But anyone who had heard this debate would be assured that the people's business is still the focus of this Parliament and that out of this debate has come a range of ideas and suggestions that will have a very profound influence on policy. Those cynics who feel that Parliament just exists to rubber stamp policies need to come to these kinds of debates when this Parliament is

at its best. I hope, Sir, that next week, and the weeks to come when the **agenda** of Parliament is going to be dominated by things like the Income Tax amendments and the Insurance Act, the new Financial Institutions Act, where we are going to have a whole range of economic debates that go to the heart of the future of the country, that the tone and temper of the discussions will be of a quality that compares with the quality that has been set this afternoon. I truly thank all members who have spoken.

I just want to make two very simple points. First, that the Barbados National Bank is not yet out of the woods. A very delicate process of restructuring is taking place. We are dealing with, and we have more or less resolved, the problem of the sugar industry. The Honourable Member for St. Michael South Central is correct that to some extent it has been taken off the direct portfolio of the BNB and has been put on the public sector portfolio.

The Barbados Agricultural Credit Trust holds the portfolio that was previously that of the BNB, but there are a number of non-arable lands on the estates that were in debt to the BNB which would fetch a market price if sold and the sale of the non-arable assets of the highly indebted estates is really the collateral that underpins the funds **deposited** in the Barbados Agricultural Credit Trust. I just want to say that, Sir, because it is not necessarily going to be the case that a \$300 million problem is going to come and be put on the taxpayers. There is the possibility of those non-arable lands being sold off and being used to work down the debts. That was always the intention. I would want that to be understood.

Secondly, the member for St. John did raise a question concerning the commercial portfolio, a relevant question. He said we have dealt with the agriculture portfolio which was contaminated and what has happened to the commercial portfolio. Ordinarily one does not want to go too deeply into the commercial portfolio of a bank nor point at any individual loan or any series of loans. I just want to say that the Board of Directors has completed a review of the non-performing commercial portfolios. The gross value of the **Bank's** non-performing loans amounted to some \$67 million, about 30 per cent of the Bank's total loan portfolio, and they consisted of about 1 200 accounts. A special loans department has been established in the bank to try to deal with them **as** sensitively **as** possible and to date there has been some element of recovery.

I just want to stress, Sir, that in preparing the budget for last year I was very specific to say that we were going to take early and tough decisions about the loan loss provision at the Bank. The Bank by making very adequate loan loss provision this year has now augmented its loan loss provision to some \$35 million which represents about 53 per cent of its impaired portfolio, a ratio that is considered adequate for the purpose. There is a programme

in place therefore to work down the non-performing commercial portfolios to make adequate loan loss provision and in so doing protect the integrity of the Bank.

We have also within that 1 200 accounts looked at those that have had to be written down and made a judicious decision to write down some loans where the assets of the company that had borrowed obviously did not reflect the value of the loans and there was no way the full amount of the loans could have been recovered. We have taken deliberate decision to do loan write-down **as** part of the restructuring of the Bank. All of this is very delicately and sensitively handled because while we want to protect the integrity of the Bank, we do not want to create the impression, of course, of financial laxity.

I said also, Sir, that the sugar industry itself is not yet out of the woods. It is involved in its last restructuring **as** far as we are concerned. I just want to underscore that when this present restructuring of the industry involving **Booker** Tate, the raising of a commercial loan from the BNB and the raising of the loan from the **CitiBank** was being gone into, it was on the understanding that part of the debt service of that loan thus incurred on behalf of BAMC would fall to the public account because it was always understood that the revenue flow of the BAMC would not be sufficiently robust in the initial years to be able to meet operating expenses as well as service the debt. That was always understood and, therefore, if in the last few years members would have seen provision in the Estimates for an amount to help BAMC service the debt, if we still see that, that is nothing new, but it is in keeping with the concept that governs the establishment of the institution.

I just want to say, Sir, that the sugar industry itself is not yet out of the woods. A lot of work has to be done with the Barbados Agricultural Credit Trust to, as I said, get sales effected for a lot of the non-arable assets of the indebted estates to work down their debts to the Agricultural Credit Trust.
5.40 p.m.

I still feel, however, that once we bring the industry up to a level above 60 000 tonnes but, more importantly, once we start supporting initiatives now being taken by estates that are not under the auspices of the BADMC to amalgamate, as has happened in my constituency, for example two estates in my constituency, Portland and Nicholas, are doing, on a micro scale, what **Booker** Tate is doing on a macro scale. They have amalgamated the work force machines, the management and, in fact, they are even contracting out labour services to do harvesting and other agricultural processes during the course of the year and independent estates that are contiguous will have to look to amalgamation of functions, machinery, men, capital **as**

a way of trying to reach a critical mass to reduce cost. Once those kinds of initiatives can be pursued, there still could be a future for the industry.

Mr. Chairman, Sir, the question of the future of the **BNB** exercised a lot of discussion in the House. I just want to stress again that I am clear that the **BNB** has to be a commercial bank. In this debate we do get, as we observe, a tendency on ~~the~~ part of people to dilute the functions of the commercial bank to do a lot of developmental and welfare things.

The problem with commercial banking in our **country** is that because our financial sector is dominated largely by commercial banks, they are expected to carry a disproportionate amount of the risk of investing in the society relative to their counterpart institutions in the rest of the world.

The solution is not to impose undue risk on the commercial banks but to broaden and deepen the financial institutions that exist and to create regimes that would allow highly specialized institutions to flourish. Certainly a commercial bank is really a retainer bank. To ask it often to assume the responsibility for development financing is to put it under pressure.

Very often, our commercial banks, because they are one of the few institutions are pressed into the **service** of doing what investment banks do in other countries, what merchant banks do in other countries. We need venture capital facilities, Sir. We need specialized merchant banks. We need to develop secondary mortgage and other secondary market institutions. Mr. Speaker, Sir, we need to look at the fullest development of our co-operative type financial institutions to provide the role on behalf of the small man that most members in this House believe should be the responsibility of the commercial banks. I just want to make that point that we have, in looking at the future of the commercial banks in the country, not to expect them to be all things to all people. The relevant and correct answer is to say that we have to put in place instruments to broaden and deepen the money, financial and capital markets of this country and to support the evolution and attainment of viability of specialized institutions filling specialized features in our money, financial and capital markets.

But it would be a mistake to ask the **BNB** to be a commercial bank and then do things that put it at a commercial risk. That is the point I want to make, in that particular regard. That is why, for example, we refuse to agree to amalgamate the **BNB** and the **BDB** because then you could never be sure as to whether it is to the benefit of the commercial bank or a development bank. The two operate by reference to two different sets of criteria.

I should also, in that regard, also say that I will not support the formation of a specialized bank to finance agriculture. Members call for these things with great facility but they have not thought them through. The same members would say that institutions should extend loans on a commercial basis and then tell you to set up an institution that should finance agriculture, *per se*. Agriculture has to put itself, like any other sector, where it can use capital, where its entrepreneurs are driven by the desire to so manage their affairs as to be able to meet their operating expenses and, out of the revenue, to service the debt. There is no institution that you are ever going to successfully **be** able to manage unless that particular management ethos pervades sugar and non-sugar agriculture. If you establish an institution and the sector does not feel that it must do what all other sectors are going to do, **Sir**, that institution is quickly going to be put at risk.

I feel that agriculture must see itself, like any other sector, as being in the mainstream of the economy and being in a position to do the things that mainstream economic activities sectors do, manage effectively, contain the cost, apply technology, apply new management systems but do not look for special financial welfare systems to carry indefinitely.

There is a new commercially driven agriculture with young entrepreneurs in it who have a different approach to the financial system and the whole **agriculture**. **We** should allow those to take root rather than to **try** to **totalize** the existence of welfare cases to agriculture by the creation of these new so-called specialized institutions.

There is no more reason for an agricultural **bank** in Barbados than a tourism bank or for an offshore financial bank servicing the offshore sector. The sector must **see** itself as being viably able to hold its own in the centre of the economy.

Sir, I strongly support the position that has been advanced by so many members that we have to allow indigenous commercial banks in Barbados, as elsewhere in the Caribbean, to take root and to flourish. In Jamaica, for example, most of the banks now are indigenous banks. In Trinidad which I believe is a financial success story, there are now banks in Trinidad that are in fact trading in foreign exchange to the point where I was in a position to come to this House, as Minister of Finance and tell this House that a Trinidad bank was able to provide a loan denominated in foreign exchange to the Government of Barbados on terms that were competitive, *vis-a-vis*, Citibank of New York and one or two other international institutions.

We also have to tell our banks in Barbados that, to the extent that there has been a liberalization of exchange controls and they are managing pools of foreign

exchange that they have to look to broaden and deepen their banking relationships in the way in which the Trinidadians have gone forward.

I should like to see the banks in Barbados sometimes when the Government of Barbados goes to the market to raise a foreign exchange denominated loan look to get piece of the action because many of them are managing foreign exchange accounts. The same thing applies to the institutional investment of Barbados, insurance companies and so on who have foreign exchange accounts. Why should we be putting bonds in the market to be held by insurance companies in New York, at 3½% interest rate above the US Treasury's when our institution can also be holding those bonds by denominating it in foreign exchange.

I have strongly pressed for us to look, in the Caribbean, to develop a foreign exchange market in the Caribbean serving the people of the Caribbean out of the foreign exchange generated by the people of the Caribbean. I will press, assiduously, to help that process along. I feel it could be assisted by a process of mergers between global banks and other banks in the Caribbean.

I believe that the BNB and other indigenous banks have to look to their development not only drawing upon capital injections and deposits in Barbados but by merging their arrangements with other banks and other financial institutions in the region.

I would look to the day, Sir, when a restructured and reintegrated BNB is part of a regional financial network of institutions of which banking is just one facet with critical links to critical specialized institutions in Barbados and elsewhere in the Caribbean, Sir.

The work that is going on towards the harmonization of our financial institutions legislation is in fact designed to facilitate that process. I am making that point, Sir, because I am very conscious of the fact that the indigenous commercial banks face a special disability because of their small size in operating under existing and projected legislation. The legislation puts limits on the relationship between the size of loans that a bank can hold and the capital of the bank. That disability obviously was exacerbated by the fact that while an indigenous bank had to have capital paid up or assigned, a large international bank had the capital of its parent company and everybody else as the ascribed capital against which you could write loans.

It meant that, small banks like the Caribbean Commercial Bank and the BNB if they had a good big customer that was growing, had to give up some of the business because the loan was too large in relation to the capital of the bank and that is, and has been, one of the

special difficulties that have held the development of indigenous commercial banks. It means that they have to get involved in mergers, Sir. We have to be sensitive in how we apply the capital adequacy ratio in relation to those institutions.

5.55 p.m.

Sir, I see the BNB being restructured, commercialised, privatised, regionalised and moving just beyond providing for domestic loans and being a financial services institution because the way of the future is not for single function institutions like banks and so on but the evolution of financial institutions, institutions providing a range of financial services and the institution that we are speaking of today, Sir, is providing commercial bank, banking and mortgage facilities but I would think that in my time in politics, Sir, that the Barbados National Bank of today would become a financial services institution of some kind in the future.

So, Sir, I cannot resist a little bit of subtlety. I am not going to be facetious in this debate. I am not in a laughing mood. I feel that this House needs to settle down and do a lot of serious work but I have to make some corrections, Sir. The Member for St. Lucy he has the **special** knowledge of the affairs of the sugar industry of Barbados. He was the financial controller of the sugar industry.

Mr. D. St. E. KELLMAN: The Honourable **Prime** Minister keeps misleading this House, Sir. I was not the financial controller of the Barbados Sugar Industry. I should have been.

Rt. Hon. O. S. ARTHUR: He as the accountant, Mr. Speaker, and if we might begin to understand why the industry collapsed we can ask the accountant. That is not the point, Sir. He was very critical in referring to the accounts of the BNB without understanding the regulations governing banking in Barbados. Sir, you should not pick up the Annual Reports of a bank and just say that the bank has \$12 million in cash and therefore it has foregone interest by not investing those funds and therefore the management is bad and that is what he did.

Mr. D. St. E. KELLMAN: Mr. Speaker, Sir, again the Honourable Member for St. Peter is misleading the House. I never said the management was bad, but if he is saying that the.... I will not say it because what he wants me to do is say something about BNB which I cannot do because I do not want to damage the image of BNB.

Rt. Hon. O. S. ARTHUR: Anyhow, Sir, he referred us to pages 16 and 17 of the Report of the Bank and he drew reference to the fact that the Bank's cash had risen from \$12 million to \$22 million and he said that part of the problem with the BNB is that it should

have lent out that money. That fact is, Sir, that the banks in Barbados have under law to maintain part of their deposits as cash reserves and the cash reserves enforced as of now are 6% of deposits **so** that the fact is that the BNB was maintaining below what was required and he should not therefore have drawn attention in the way in which he has drawn attention because he is really accusing the bank of not having lent out **all** the cash when in fact they cannot lend out all the cash, they must keep \$6 out of every \$100 in cash.

I just want, Sir, also to refer to a matter that continues to be raised by the Member for St. John. It has to do with the question of the Government's medium term economic framework or strategy paper, Sir. I just want to say, Sir, that Barbados now has a development plan that has been published and it is the country's development plan. This Government has prepared to begin with a medium term economic strategy framework that it regards as a **kind** of rolling macro economic plan that is going to be revised and updated from year to year. We are, Sir, in the process of even now doing that so that to publish the medium term economic framework without saying that it is one that now obtains, at this point in time, is simply going to confuse the public because as we come to the end of March and look at a different medium term economic framework in the light of out **turn**, in the light of what faces us.... Do not let us get distracted, Sir. It is in the nature of a **working** document within the Ministry of Finance and to publish it in such a context, Sir, would be merely to have within the public domain, in a short period of time, a series of documents that have been revised and to entertain public confusion, particularly if people are going to misrepresent what they are about. But we have the standard and medium term development programme, Sir, and we will keep revising it and updating it in the light of out turn, in the light of projection and that is all that there is to it.

I do not believe that you can just run a country by publishing a development plan but you have, ever so often, to revise a macro economic plan, that is what it is. You have to have strategic plans for critical sectors and for critical functions and the House will begin to see them come here in the form of White Papers. You have to change your public investment programmes in the light of changing capital activity in the country and in the public sector and our medium term economic framework development, Sir, fits within that context. It is not something that the Government can publish. It is an internal working document that is being revised, updated and reviewed and even as I speak to you, Sir, the development planner in the Ministry of Finance and a team of people are taking our initial medium term economic strategy paper and revising it in the light of outturn last year, the new priorities of the Public Investment Programme in terms of the performance of the private

sector and the overall framework for economic growth of the country and adapting it in that context.

I believe, Sir, that I have covered most of the points that have been raised. I sense that there is a wish on the part of Members for the BNB to succeed. I give the House the assurance, Sir, that the Government is very resolute in wanting the **BNB** to succeed. I would just close by saying, Sir, that the same logic that explains the restructuring of the BNB, explains the restructuring of the BDB, except that in the **BDB's** case it is not to say that they are closing the institution for **3** institutions will arise out of the ashes of the BDB – one, Sir, to provide long **term finance** loans as well as venture capital facilities; one, Sir, to be a loan **workout** facility to do precisely what the Member for St. John feels that you have to do, take those loans that are difficult non performing loans and try to get what you can for them. The next, Sir, would be a company to manage the portfolio that is made up of the small hotels on the South coast which we feel ought to be salvaged as part of the effort to broaden the tourism facilities in this country.

I want, Sir, to thank all Members who have participated in this debate in this constructive way and I look forward to perhaps more heat but no less constructive contributions in the debates that will come in the future. I would therefore like to move that this Resolution do stand **part**.

The question that Head 19 do now stand part was put and resolved in the affirmative without division.

**HEAD 28 – MINISTRY OF HOME AFFAIRS,
PROGRAM 03, SUBPROGRAM 01 – IMMI-
GRATION DEPARTMENT, ITEM
625 – PLANT, **EQUIPMENT**
AND FURNITURE**

Hon. D. A. C. SIMMONS: Sir, I was just moving that the Resolution stand part in relation to Head 28, Item No. 625.
6.00 p.m.

The question that Head 28 stand part was put and resolved in the affirmative without division.

On the motion of Hon. D. A. C. SIMMONS, seconded by Hon. R. C. EASTMOND, Mr. CHAIRMAN reported the passing of two Resolutions in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. D. A. C. SIMMONS, seconded by Hon. R. C. EASTMOND, the Resolutions were read a first and second time and agreed to.

ORDER NO. 3 – RESUME DEBATE ON SECOND
READING OF THE BILL TO **AMEND**
THE PRISONS ACT, CAP. 168

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, on the last occasion, when this matter was before Honourable Members, I took the opportunity then having regard to the fact that all of the Members of the Opposition had not been circulated with the Bill, to just do the second reading opening and to postpone further consideration. I said all that I wanted to say in the opening then, Sir, and I would be prepared to close my speech at this stage and let the question be put so that other Members can speak.

Mr. SPEAKER: The Honourable Member for St. Philip South.

Mr. F. J. STUART: Mr. Speaker, the Opposition is supporting the Bill and therefore there is no need for me to detain the House on this matter. We on this side understand the motives of the Government so far as this amendment is concerned. It is obviously a serious problem of congestion at the Prison and the problem of congestion has put some pressure on the administrative machinery which exists at the Prison. That machinery has never kept pace with the expansion of the prison population and, necessarily, it has led to administrative problems at the Prison. I am aware that very serious tensions exist at the Prison at the present time. I therefore can understand the sense of urgency with which this matter is being handled by the Honourable Member for St. Thomas.
6.05 p.m.

It is hoped that the advisory board he is putting in place to replace the visiting committee will achieve the objective of containment of the problems at the Prison. I took note of the fact that he did make clear to the House that this is just a first step in a series of steps he intends to take to deal with the problems at the Prison and it is hoped that this will achieve the results which he contemplates.

We on this side have no problems with the Bill. The Honourable Member's analysis of the problems at the Prison which he identified under 4 Heads: recruitment, lack of an organised programme for ongoing training, absence of clear penal policy and failure to recognise that expanding population requires expanding staff. With all of these I can rightly identify problems that have existed over the years in both Governments and I am glad to see that some steps are being taken to deal with these problems. I believe that a fuller debate on the Prisons and of course on penal policy, can take place once the Honourable Member has received the reports upon which he is waiting from the 2 committees set up for this purpose.

I need not detain the House on this matter. As I said, the Bill will have our support. I am obliged to you.

Mr. L. R. TULL: Mr. Speaker, there are two aspects of the problems of the Prison that trouble me. One relates to the question of recidivism. I have been looking at the figures, Sir, and it strikes me that almost half of the prisoners in Glendairy are repeat prisoners. I am sorry I wasn't here to hear the Honourable Attorney General speak earlier on the Prisons. Whatever programme for training is set in place must have an element to deal with the aspect of recidivism. For half of the people in the prison population to be repeat offenders is a very high percentage and it tells us two things:

One is that when they go a first or second time they have not had it stamped on them the importance of going back into the society and living a law-abiding life. The second thing that strikes me is that they find prison as not a place where they are punished, prison is not a bad place. In relation to the second one, I have heard persons who appear before the Court telling the court that they are not interested in bail, that they don't mind going up to prison. It says something about the system that people do not consider going to prison as something to shy away from.

The other thing I want to mention is the question of the high incidence of psychiatric cases in the prison. At one time as many as 20% of all the prisoners in Glendairy were undergoing some form of psychiatric treatment. I have never been able to discover whether they went into prison that way or whether the environment of prison creates the mental problems. Many of the cases I gather are as a result of substance abuse but there are some others as I understand who do not fall into that category and who undergo very serious psychiatric problems.

I think the time is ripe and I believe the Prison Officers' Association will make representation in this area that there be a psychiatric wing or section of the prison and that these persons be given treatment on a regular basis. We are all the losers when this is not done because these people serve terms of imprisonment and then they come back out in society and wreak havoc on law-abiding citizens in our community.

Any investment in these people when they go to prison to make sure that enough is done to effect a certain measure of rehabilitation, especially the young offenders and secondly to make sure that those who are suffering from a range of mental illnesses are given the proper treatment to send them back out in good health, will be worthwhile.

I am suggesting, Sir, that we consider those as top priorities. When I say that we must look a bit more at rehabilitation, I am mindful of the fact that every time we talk about prison we talk about penal reform. Penal is a word meaning punitive and punishment. While I am not

at all suggesting that those who go to prison should not undergo some form of punishment I believe that for the good of the wider community and for themselves that there should be a high element of rehabilitation, because when they leave prison and they walk out the gates at **Glendairy** they come right back into communities that all of us occupy.

I have a fairly regular exposure to a number of young people who are charged with serious offences and I am amazed at the fact that among so many of them there is no value system. They have no sense of what is right or wrong. They do not adhere to the traditional values that we as a society have always held dear. It is a big problem.

Only last week we were debating education and we in many ways sought to throw the burden of solving all the social ills in this community to the schools and education but I believe, Sir, that we are going to need a wider involvement of people in our society to deal with these things. I am genuinely wowed when on a daily basis I **see** young people in police stations, in law courts and the prisons who don't seem to understand values that we have set, who show no feeling of remorse for even the most heinous things that they have done wrong, who quite often have done serious things and do not agree with the society that what they have done is wrong, that they have no right to do it. It is a very deep problem and it is going to require, in my submission, some fairly radical steps taken if we are not to make the law-abiding citizens of this country the victims of the increasing lawlessness in this society.

I remember a former Attorney General of this country from the Democratic Labour Party side, who, when there was talk about doing something about the physical conditions at Glendairy, made the comment that they could not spend money on prisoners when they needed to provide hospital beds and repair old **people's** homes. In any well ordered society, priority must be set and the **priority** must not be such that certain areas get everything and others get nothing. We cannot develop a society in that way.

Glendairy Prison was built over 150 years ago to accommodate less than 350 prisoners. It has at the moment about 800. Whenever you go into the prison it has the number of prisoners for the day written on the board.

Asides.

Mr. L. R. TULL: I go there from time to time. I see 750 males and 22 females and it varies in that area. A prison built 150 years ago for 350 people was built to meet the prevailing social conditions of those days. People lived in a lot of squalor in those days. People were not accustomed and did not have in those days the social

amenities that we take for granted now, Sir. So you **can** imagine that a prison built for **350** persons **150** years ago in the prevailing conditions of those times is taking almost 3 times as many persons in an age where Barbadians have got accustomed to a certain standard and quality of living, things like indoor plumbing.

I believe from what I see there and what I know from talking both to persons who **are** inmates or ex-inmates or the prison authorities that the environment inside the **prison** is tailor-made for festering and causing additional social problems. The environment is all wrong and persons are made to live in conditions that are fairly barbaric. We live in a society that shows an unreasonable hostility to people who do wrong. **As** I said only last week, we **are** living in a lick and lock up society. When people do something wrong, jail them for ever and beat them with the cat and selected ones hang them on the Garrison pasture on Sunday morning. We **are** developing that kind of mentality. We are a Christian community but we show absolutely no compassion for persons who **are** the victims of a hostile social environment.

I don't mind, Mr. Speaker, if I get thrown into the categories of one of the sentimental do-gooders. I don't mind that. I know that Barbadians by and large don't favour my views in respect of dealing with these people who, after all, are our sons, our brothers and our sisters. I grew up in a village where most of the young people who I grew up with ended up in prison or the Government Industrial School and at this stage in my life I occasionally **see** some of them and get very introspective because I say to myself that there but for the grace of God go I. I could easily have found myself in the kind of predicament in which they find themselves. Some of them have been to school with me in primary school and sat in the same classroom, and I feel a strong compassion for them. I know them and I know of their children because you get a second generation of wrong-doers.

I believe that even though this society must be firm in making sure that this island of ours does not become a wasteland and a place where people **are** afraid to go about their business, even though it is necessary that we **try** and make sure that crime and lawlessness do not become even more rampant than they are, I am also suggesting that we deal with these problems with a strong sense of humanity, **because** in the end we are dealing with human beings. Many of the people who run into these problems I see all across the island. I see them in my own constituency. I know their mothers and fathers. I sit in their houses and share their pain, agony and tears. I know the parents who have made super human efforts in the cause of their children and still their children go astray. I feel that for all the reasons I have stated that we should treat those who are wayward and **errant** in this society with a greater deal

of compassion than is being manifested by the call-in programmes, and by those who want to lynch, hang, chop up and beat up everybody **anytime** they do something wrong.

I am grateful to you, Sir.

6.20 p.m.

Dr. R. L. CHELTENHAM: Mr. Speaker, the prison community in Barbados is really part of forgotten Barbados. It is wise and proper that those of us who come in contact with that community should take this opportunity to speak of the ills of our prison system. My information is that there are on average three persons to each cell and the prison was in truth and in fact, as indicated earlier, built to accommodate one per cell, so that there is gross overcrowding at the prison.

The first thing that strikes one going to the Prison is the fact that about **80** per cent of those in prison right now are between the ages of **18** and **26**. The Prison is almost overcrowded with young people. There are a large number there who are serving very long sentences indeed. It is a commentary on the extent to which we have failed our young people or our people have failed us, perhaps an element of both, that such a large number of young people presently populate our prison.

To the extent they are there at that early age, and many of them for long periods, it is going to be important that they be equipped with a set of values that for the most part cause them to avoid returning to prison. Secondly, they should be equipped with skills to allow them to take a useful place in civilian life when they come out of prison. That is not what I am satisfied goes on there. From about midday, in fact before **midday** and certainly up to about 3.30 p.m. or 4.00 p.m. they are seen in large numbers playing cricket, basketball, sitting around and generally loitering about. I am not satisfied we are taking advantage of that resource, trying to equip them to be better citizens when they leave the prison. I join the Honourable Member for St. George South in making the point, as I understood it, that enough is not being done to rehabilitate them, to equip them to take their place as useful citizens in society when they come out.

The second point I wish to make, Mr. Speaker, has to do with the fact that there is a large resource of manpower we have there, **800** people, mostly men, but including women too, and why is it that as used to happen in the past, we are not allowing them to clean public grounds, clean our gullies and help repair our streets? Why are we not putting that resource of manpower to work for the public good as used to be done many years ago when they used to clean the grounds of Government House, clean gullies and do other public services?

Now, there is one consequence of the overcrowding which I regard as very serious and which I have already drawn privately to the attention of the learned Attorney and it is this. **All** the remand prisoners, to my knowledge, are people who **are** charged for murder but whose trial has not yet come up even at the preliminary stage and they **are** kept in cells for upwards to **23** hours a day. They are allowed minutes to come out to eat in the comdors, not in the public dining room, and **all** told, they spend upwards of **23** hours in the cells.

That is in breach of every canon of civilized prison systems. It is a breach of all the conventions of the United Nations, the European Community and other institutions with respect to the treatment of prisoners, and should cases be brought against the Government of Barbados or against the Attorney General, I fear they will either have to pay them compensation for that breach of their rights, or alternatively, they will have to move with despatch to make some provision to make sure that their rights as remand prisoners are respected. I regard that as a very serious breach of fundamental rights, and certainly prisoners' rights, to remand prisoners.

I hope that the learned Attorney General will discuss it with the prison authorities and see what measures could be put into effect without delay to make sure that that abuse comes to an end. It is nothing short of abuse that a man on the basis of an allegation, no evidence led, we do not even know if there is even credible evidence connecting him to the crime but he is waiting six and nine months a year for a trial during which time he is treated worse than if he was given a sentence of what used to be called penal servitude years ago. It is a horrible abuse that is going on. Nobody in the Press regards it as worthy of their attention. Perhaps they do not even know, but it certainly is something we ought to speak about and which the learned Attorney General needs to concern himself with and intervene to put right. It is a very serious situation indeed.

It seems to me, Mr. Speaker, that we have to do something which cannot wait the construction of new facilities, that is, introduce legislation providing our judges with new sentencing options. Many modern civilized progressive countries make sure that there is more than fining a man, putting him on a bond, or probation, or sending him to prison. The option of community service is regarded today as very important and is a very effective alternative to imprisonment for a lot of our people quite often, particularly for crimes, as I have just been reminded, of a non violent nature. It seems to me that our judges need to be provided with these additional sentencing options so that a lot of people who are in prison need not necessarily be there. The community could exact their revenge if, indeed, it is that they are exacting, without insisting, as it were, that they spend their time in prison.

Now, there is another point I wish to make. It is really a matter that womes me very deeply indeed. A lot of these young people who **are** in prison are in prison on sentences ranging from 15 to 25 years. There are many who are in prison for very long periods and many of them were on trial in circumstances in which the court did not insist that they **be** represented by counsel. Many years ago in this country my voice was heard repeatedly in support of legal aid on an expanded scale, community legal service and the insistence was part of the regulations of **the** first Legal Aid Act on the statute book that crimes that were likely to attract punishment of a certain severity that anything over two or **three** years fell into that category of punishment of severity.

6.30 p.m.

If the offence were serious or the case likely to be complex, the judge had the discretion to say, "Young man or young woman, as the case may be, you are without counsel and I want you to know that, in my view, this is a matter in which you should go and have State support to get a lawyer."

It is not in the new Community Legal Services Act set out with as much clarity as it used to be set out in the Legal Aid Act which was the first Act on the Statute Book replaced in later years by the Community Legal Services Commission Act.

I regard that as a backward step that we have taken, Mr. Speaker, because when I first came to the Bar, the judges used to tell accused persons before the court particularly before the Assizes, "This is a rape case." It is true that that was one of the schedule offences, rather "this is a serious case, a case involving robbery. I do not think that you ought to allow us to proceed unless you get representation. I am going to adjourn this matter so that you can go and get a lawyer paid for by the State." Unless the accused person says explicitly and definitely "I do not want representation", the case is never proceeded with unless there is representation.

We have the disturbing situation where, up to a few months ago, a judge was meting out 15 years to youngsters charged with robbery in a case called the Out of Town robbery case and the young men had no opportunity to be represented by counsel. They were represented by counsel at the preliminary **trial**. They could not afford counsel above and the judge should not have proceeded unless he first told them of the seriousness and gave them a certificate to go to the Community Legal Services Commission. I think that that is a very disturbing thing indeed and I was hoping that one of the cases at least would be appealed on the ground that a grave injustice was done because the case proceeded without giving them having the opportunity to get legal aid. That is a very

disturbing thing and I thought that I needed to speak about it because I hope that, in the modern Barbados that no judge sitting allows a case like that to go forward unless he stops it or, at the outset, reminds the accused person that they are entitled to legal aid.

I know that the learned Attorney-General has some very clear thoughts, indeed the Government has with respect to prison reform and other matters that will have a direct impact on our prison community for the future and that this Bill that we **are** discussing is in part designed to realize some short-term objectives.

We need new physical facilities. We need a borstal. Some people may argue, we need a female prison in a different environment from the male prison. We need, arguably, new facilities at the prison or a new prison. But while we are awaiting the benefit of a report and while we may have to wait until our finances can afford that outlay, that expenditure, I think that there are things that can be done to alleviate the situation in the short-term.

I am refemng firstly to the need to put the resource to work to ensure that there is the opportunity for the prisoners to be equipped with a skill while they are there. I am talking, in particular, about the need to ensure that remand prisoners are treated differently and in accordance with the many human rights conventions dealing with these matters.

I am talking, finally, about the need to ensure, as the Honourable Member for St. George South has said, that a more enlightened and humane policy be applied to our prisoners.

Mr. SPEAKER: The Honourable Member for St. Michael North.

Hon. R. St. C. TOPPIN: Mr. Speaker, I rise to give my support to this Bill and to commend the Honourable Attorney-General for moving so swiftly in the **area** of prison reform.

Like the Honourable Member for St. Philip South, I can attest to the fact that there is quite a bit of tension between prison officers and, generally, the management needed attention. The Attorney-General has moved, rather swiftly, to deal with this problem.

I want to share a few other thoughts I have generally about the prison with other Members of this Chamber. I believe that criminals and wrongdoers should be punished. But at the same time, I believe that one of the major goals of any good society and, certainly, Barbados is a good society, must be to make good citizens of its people. While it is **true** that there are genuinely bad apples in every bunch, the fact is I believe that for every effect, there is

a cause. I believe therefore that there has to be a reason why crime is committed.

In Barbados it is undeniable that, almost every single inmate in **Glendairy** Prison – and this concerns me – is from the economically deprived class. As an attorney, I have had to go there to see a number of inmates, to take statements from them and so on and you do not see any middle class people in prison, you do not see any upper class people in prison. I would never be convinced that there is anything intrinsically wrong or bad about poor people. But there are the only ones, by and large, that we see in prison.

Now, Mr. Speaker, I should like just to share the fact that in Sweden, there is a policy in relation to prison life which is referred to as a humanitarian use of imprisonment. They have a policy which is guided by their belief, in fact, they say by their recognition that crime is quite often socially produced, that criminals suffer, by and large, from problems in living and that only truly dangerous criminals should be incarcerated. In Sweden therefore they have quite a low rate of incarceration because they seek out every possible alternative to imprisonment, be it fine, probation or what have you. I believe that, in Barbados, we need to adopt some of that approach.

I am grateful and indeed happy to hear from the Attorney-General that a Task Force has been set up that is presently investigating criminals at the prison to see what could have motivated them to commit crime. I look forward to the day when manpower and other resources will permit that that investigation should go beyond the prison where, in fact, the crime has already been committed to outside of the prison especially in areas which are generally reputed to be disturbed areas to see if we can nip it in the bud before the crime is committed having **gotten** to the root of the problem in many cases.

Because we have a problem in Barbados, which point has been made by a number of other Members, that prison is now overcrowded, which, in itself, presents problems to the safety and security of the very prison wardens in the prison. The point I want to make, Mr. Speaker, is that imprisonment must be a last resort. Prison – and I say this with no disrespect to the prison wardens who do a very fine job in all the circumstances – is a very hard and cruel place. It is a place where a man is denied his freedom and his liberty. It is a place where, once you go, you are forever scarred. Your reputation is gone. It is a place where, when you come out and you **try** even to apply for a job, you are tainted. In some cases which I refer to, Mr. Speaker, as absurd, you have to produce even a Police Certificate of Character. I think this is a longstanding policy even in relation to the National Conservation Commission where, for a **job** as menial as debushing,

apparently you have to produce a Police Certificate of Character to even do that. Once you go to prison, even getting a job of that nature is affected. Prison is no hotel.

There is a misconception among people in the public that prison is a hotel. It is not a hotel. It is a very hard, cruel place. It is desolate and it is a place that sickens you. Even in the area of the general population where certain prisoners enjoy certain privileges depending on the offence, their behaviour and so on, it is a sickening place to go. Especially as the Honourable Member for **St. Joseph** mentioned, in the maximum security area where people are confined for some 23 hours in a day, it is a place where I have had to visit and I can assure you having gone through the maximum security area, when I exited and got back to the car park, I was on the verge of vomiting. Prison is no hotel.

I want also to mention – I am not going to be long because a number of the points I wanted to make have already been made – but I want to make another point that, while prison is primarily a place for incarceration, the fact is you have also got to realize that you have to assist a prisoner to develop himself and, at the same time, contribute to the development of the society.

I therefore believe that in Barbados there is certain work that prisoners can do. I do not share the view that you bring prisoners into doing community work, per se.
6.40 p.m.

You have to be very careful about that because you have to be careful about cutting into genuine employment opportunities of people. I do not believe that prisoners should be called upon to clean parks because there are a number of people **from** Eden Lodge and White Hall and Bush Hall and other places who would be more than happy to be **able** to go and clean up places. They should not be denied the opportunity by prisoners doing it and cutting into their employment opportunities. I have always been annoyed to see prisoners working at Government House for the very same reason because there is someone out there who is willing and able to do that and earn a living for himself and his family.

Mr. D. St. E. KELLMAN: Sir, the Honourable Member is misleading the House.

Mr. SPEAKER: On what are you rising?

Mr. D. St. E. KELLMAN: On a point of order, Sir. The Honourable Member is misleading the House by giving the impression that if you put prisoners to do work outside that they would deprive other people of work. I am saying that what the other Members said you can still have those prisoners doing that but you will still be able to employ people from Bush Hall, Crab Hill and Eden Lodge.

Hon. R. St. C. **TOPPIN**: Mr. Speaker, I am making the point that in the case of shortages of labour, many years ago and as recently as this current sugar crop for example apparently there is a shortage of labour. There should never be a shortage of labour in Barbados in relation to cutting canes when you have prisoners. I am talking about cases of shortages. There should never be a case of shortage of labourers in relation to construction when you have prisoners.

The point made by the Honourable Attorney General last week, when he **first** introduced this Bill, was that it was a question of manpower to supervise these prisoners but specifically in relation to the area of cane cutting, it is a very feasible option where instead of paying the prisoner the money, you take on temporary staff and you pay them to supervise the prisoners. I am saying, yes, I believe in humanitarian approach. I do not believe in pampering, however, and I believe that you have to look out for the development of the prisoner because ultimately that prisoner has to come back into the society and there is no point fooling yourself about that. If he is doing life imprisonment, which in any case often does not mean literally life, or unless he is executed, he is going to come back into the society so you may as well assist the prisoner in developing himself and the society at the same time.

I understand also that in prison the prisoners have access to some form of education. I think you can go as high as O'levels. I believe that prisoners, as human beings, and I am not condoning crime, I believe they should be punished but at the same time, while they are there, they should be allowed to develop themselves.

I know there was one prisoner, one hardened criminal too, I believe he could be properly called, who was as talented, I believe, in the law court as most lawyers. Mark Young was extremely bright and expressed a desire to be a lawyer in fact but that facility is not now available in prison in Barbados. It is available in prisons in the United States. It is not yet available in Barbados and I am looking forward to the day when resources would permit that sort of development to take place.

I said I was not going to detain the House very long because a number of other points I wanted to make have already been made. I wanted to catch the Speaker's eye first. I did not manage to do that. I would just **like**, 'Mr. Speaker, with those few remarks to endorse fully the sentiments and the views of the Attorney General. His work in penal reform is known throughout the entire region and I would just end by saying through you to him, Mr. Speaker, that he mentioned that some article was written in the newspaper by a **former** leader of the Young Socialists which really put some lashes in him. It was a very scathing attack but I would just like to assure him that the scathing attack that he would have received by the former leader of

the Young Socialists was no where near **as** scathing **as** the attack by that same member on the Honourable Member for St. John in the St. John bye-election. Thank you, Mr. Speaker.

Hon. Miss H. E. THOMPSON: Mr. **Speaker**, like all other Honourable Members who spoke before me I am very concerned about the size and the composition of the prison population. As other Members have observed, invariably the prisoners are young, black and poor and I think that we really need to do serious social examination as to why that is. Often when there is crime, members in the society call out for people to be imprisoned but I think we need to go beyond that and find out what are some of the seminal causes that result in people committing crime and result in the particular composition of the prison population that we currently see.

The Honourable Member for St. Michael North would observe that crime is not peculiar to poor people, so that it speaks to policing techniques, perhaps, or to social prejudices, that stop those persons who commit white collar crime and domestic violence and who are non black from being imprisoned.

In the United States for instance empirical examination has proven that the level of drug usage among black people and white is very, very similar. The number of black persons in prison for the use of drugs outnumbers white by five to one. Why is that? Similarly we are seeing...

Aside.

Hon. Miss H. E. THOMPSON: Yes it has to do with sentencing techniques. It has to do with the fact of sentencing policy. It has to do with the fact that police tend to target blacks more than whites and that white criminals are treated very differently from black criminals. In this society what prejudices are there in our social make-up that stop us from targeting the whole society and all people who commit crimes and what makes us focus on the people who are young, poor and black?

Imprisoning these people is not necessarily the solution to our social problems. I **feel** we need to **ask** ourselves as a society, what is it that the society fails to do for these groups that make them more predisposed or more involved in crime, if they are in fact so, than other social groupings? **Are** there social support services within their communities? Are they treated, within the educational system, in the same way? Are they doing as well in the educational system as others? Because the **fact** is, if they do well in the educational system then their opportunities to getting a job must increase. If they are not doing well, what is it? Why is it that they are not doing well? Has

it got to do with conditions within their household? Does it have to do with conditions within the wider community? Does it have to do with the fact that we are engendering with certain social groups of Barbados a perception of themselves that is not a positive one?

6.50 p.m.

These are things that must be examined when we look at crime and when we look at imprisoning people generally. Because if these examinations are done and certain trends emerge, then it will require the implementation of other support systems and social structures to help those people who are now deprived and as a result may end up in prison. This also, Mr. Speaker, causes us to focus on other issues. For instance, the Honourable Member for St. Joseph alluded to several of the problems in relation to prison but he focused on sentencing and the remand process. Mr. Speaker, I think too *that* one of the problems we have now, and in fact why the prison population may be bulging, is as a result of what is an apparent absence of sentencing policy and uniformity in sentencing. We have seen in our criminal justice system people imprisoned for up to 20 or 25 years, 12 or 15 years, 7 years or 3 years for the same crime and we have seen people put on probation recently for manslaughter. There has even been one case where this has happened.

Aside.

Hon. Miss H. E. THOMPSON: There must be some broad guideline that governs our sentencing policy as a nation. A man must have a reasonable expectation that if he murders somebody he will be hanged. I really believe that in our community we must have a strong policy, Sir. We must have a reasonable expectation that if the person murders somebody he will be hanged. If he snatches a wallet, he may get 3 years in prison whereas if he commits another offence of another sort then he may be sentenced to some sort of community service. But a policy must be developed to deal with this wide range of offences and issues and I know that the A.G. is thinking along those lines.

It is also going to be important in developing any policy to look at the social support services for the family of people in prison. Because very often while people are in prison, particularly women, they leave children who must be supported and who must continue to be socialized and who are going to be stigmatized by the fact that one of their parents is in prison. We must develop within our local system some structure of support for families. I know that in the United States there are elaborate support systems for prisoners some of which we may not be able to afford and some of which may not even make sense within our own socio-economic reality. But we must have some support for the families. I do not think that we can just abandon them because in doing so we can leave those children without

the support of their parents and the love of their parents in such a way that it could adversely impact on them and cause them, meaning the children, *Sir*, to pursue a negative path in their own lives.

The question of alternate sentencing has been raised by the Honourable Member for St. Joseph and in fact this is one of the things we need to start to do to develop alternate sentencing according to the nature of the crime committed. It is time for us to think even of developing *half-way* houses where persons who are awaiting sentence or in fact who may have long ago committed a serious crime can be sent either on remand or held until such time as they have served their sentence. Many of these things were in our manifesto. But if we are going to deal with the issue of prison, it is going to be important for us to correct what is now a serious flaw within our prison system and within the penal system. The fact is that people are on remand far too long. If you commit a crime, it can rake from 2 to 4 or more years before you are brought to trial and that is a serious delay. It is said that justice delayed is justice denied and we must ask ourselves, in a society where no compensation is offered to you for the period that you are incarcerated, what happens if you are acquitted. So you can be charged for something and you may be held on remand, if it is a murder charge, and then acquitted after awaiting trial for 4 years or more – in a situation where your life literally has been put on hold and where you are socially stigmatized, and where your ability to get a job thereafter is adversely affected and there will be no compensation for you at the end of the day. That is another problem that needs to be addressed.

One of the final things which I would want to see reformed in relation to the judicial system has to do with what has been developed in other jurisdictions and that is for convictions to be expunged from the record where the offender has served his sentence and has thereafter been of good repute. Very often there are people who at a young age or at a point in their life when they are suffering problems may resort to crime, may be convicted and may be imprisoned but thereafter they lead such exemplary lives that they never commit any offences again. That individual continues to have a police record and to be stigmatized by that record. It prevents them from getting certain jobs and we now have to look at a system where you are one of these people who have committed a crime, several years may have elapsed, maybe 5 or 10 years, and you have committed no further crime where your record should be wiped clean and you should be treated as if you have never in fact committed an offence. Clearly, a policy like that should in my view only apply to certain non-violent crime. It should not apply to murder, it should not apply to manslaughter, it should not apply to rape and offences like aggravated robbery and so on. But there is a certain genus of crime to which a policy of that sort could and

should apply. These are a number of things that I know that the A.G. has been considering and I think that our society needs to start discussing in a broader context of criminal justice and criminal policy and sentencing policy. I **am** much obliged, Sir.

Hon. D. A. C. SIMMONS: Mr. Speaker, Sir, in winding up I **am** grateful to all Honourable Members who took part in the debate. It was perhaps a little unfortunate that my colleagues from St. George South and St. Joseph were not in the House when I moved the second reading of this Bill. I spoke for over an hour and then I tried to give as much as I could about the penal policy and what we are doing and where we intend as a Government to take penal policy as an aspect of social development. But for their benefit, I will briefly answer some of the points made which others may **find** repetitive, but never mind. Because I think they made points which are worthy of consideration and points which the general public is talking about.
7.00 p.m.

In respect of the overcrowding at the Prison, I did point out last time and I don't suppose it has been publicised, so that the public does not know, but I repeat, in 1985 the prison population was 330 for the 350 rooms that it has. In 1987 that population went to 385 – a small increase. Between 1987 and 1994 it moved from 385 to 716. In 1988 it was 420. In 1989 it was **440**. In 1990 it was 450. In 1991 it was 465. In 1992 it was 540. In 1993, **660**. In 1994, 716. In 1995 the trend continued and it was 750.

So there has been a steady increase in the prison population in the period 1987-94, a seven-year period. In fact, it has not been steady. It has been spectacular because it has virtually doubled from what it was in 1985. Between 1978 and 1985 it moved from 278 to 330 so that some set of circumstances converged in those years to cause an increase in the prison population.

The Task Force on Crime is investigating, through scientific analysis, why a number of persons in prison have been committing crime and they interviewed over 140 and that is deemed to be the best samples that should have been used at the time when interviews were conducted. A report is being prepared and I shall have an interim report shortly and I understand from the director of the Task Force that they are picking up some very interesting trends. As soon as I am in a position to give the House the benefit of some of those trends I will. I won't lay the interim report but I think I have a duty to keep members abreast of what we are coming across. That is going to help us to **strategise**.

Everybody knows that there must be an attack made on unemployment to try to get young people involved in wholesome productive activity and turn them away from

criminal influences. That has to be addressed. Both the Government and the private sector have roles to play in the creation of employment opportunities to help reduce the incidence of criminality.

At another level, however, I take the point that was made by the Honourable Member for St. George South that one of the great problems that one comes across in dealing with young people is this all-pervasive lack of intrinsic value systems. It seems to me that the educational system has to focus in that area of the restoration of value systems to assist young people in developing proper value systems. Don't forget we have witnessed over the years the gradual diminishing of the influence of the family, the church and the schools and all of these influences, because the society has become more dynamic and it has catered to women going out and **working** which is different from when we were growing up when our mothers tended to be at home. When we came home if our father wasn't there our mother was there and you were therefore in some **kind** of organised family situation. Today when husband and wife are working or man and wife are out, children come home at three o'clock to a house with a video that can have anything on it. All kinds of things. It is important that the educational system is **focussed** and developed in a way to maintain value systems and to get children interested in understanding the basic values.

Why I say it is important is because I have had to deal with a number of situations, some in particular in 1990 when we had real problems between Proute Village and Airy Hill. There were virtual wars between them and they were on CBC television boasting what the youngsters of Proute and Airy Hill would do with each other. We had problems between Melrose and Shop Hill boys. When one set got off the minibus another set would be there armed with sticks licking and laying back.

The Honourable Member for St. Joseph I think will recall that . Independence Day 1990 a football match was on between Proute and Airy Hill at **Lear's** Pasture. To get that put on, I had to try and convince the resident beat officers because the two groups were mad. In fact, we got it put on. We had a fantastic time. The Honourable Member for St. Michael **North** East came. CBC television came and filmed both football matches. It never showed one on television, never let the public see that here were two warring factions that they had highlighted a few weeks before and now they were playing. Something new for them. There has never been any more trouble between Route and Airy Hill because before we organised it I went into Proute and sat down with the fellows by the side of Miss Foster's shop and told them what they were doing wrong, what we were going to do for them and how they had to behave. The same thing with **Melrose** and Shop Hill.

One of the problems with young people in this country is that they feel that some of us who are older than they have no time for them and a lot of them only want to sit and rap with you and reason with you and share the benefits of your interests with them. They want to feel wanted. I could only say that I find that it is very good therapy for **MPs** to work with the young people in our respective communities and give them the benefit of our experience and advice. I find that it works when you get at the ground level with them.

There is however an attitude prompted since 1989 that I **kill** you and I won't hang for you because I am 17 or I am 16. That, again bothers me, Sir. There are some young people in this country who have no respect for the sanctity of human life and who couldn't care less about what they will do and they believe that because they are under 18 that they cannot be hanged. That is the law of 1989 in a Bill that was brought in here to amend the Juvenile Offenders Act.

However, I wish to say that law cannot change a lot of this but law can send a message.
7.10 p.m.

I am examining now the Juvenile Offenders (Amendment) Act of 1989 with a view to repealing section **14** of that Act which exempts under 18s from hanging. They have to understand that foolish talk sometimes costs lives and we are not going to tolerate idle talk. That Act was brought into being because it was the International Year of the Child and Barbados had signed two Conventions. Those Conventions are not part of Barbados' municipal law. I **am** going to have advice on it and then **advise** Cabinet as to what they think. It is my personal view that we need to repeal that. It is section **14** of The Juvenile Offenders' Act of 1989. I have considered it and I **want** the young people to hear. We will be considering seriously the repealing of that legislation. It will be a short piece of legislation. I am getting it here in a hurry. I would be glad to get some public reaction on this matter. I want to hear the public's view on it.

Now, Sir, the Honourable Member for St. Joseph **made** a number of important points. Many of them I had dealt with last time but I am obliged to tell him that in respect of exercises, under the present prison rules they are only entitled to one hour a day, and it can be less. I agree that it should be more liberal.

Aside.

Hon. D. A. C. SIMMONS: Rule 90 says for one hour. The difficulty is the security that it poses if you have too many of them outside with too few prison wardens adequately to cover the situation. Now, we are trying to address that, Sir, because there has not been any increase

in the prison wardens for some time until last year. Last year August we filled 17 vacancies that had been on the establishment there for some long time and we trained those new intakes with the seven-week course.

The Minister of Finance has recently agreed to our having 20 temporary prison officers. As far as I **am** aware, the interviews started on Monday. Ideally we would like to keep those temporaries on a full-time basis and thereby increase the establishment by that 20. That has financial implications, of course. The matter is being worked out and submissions will be made to the Ministry of Finance but we are taking steps therefore to increase the manpower at the prison. It is the security manpower by the provision of another 20 officers because I have shown that the prison population exploded between 1987 and 1994 but there was not the same explosion in wardens. You cannot necessarily have an explosion in warden population but we need to increase the numbers.

New sentencing options, Sir. We have made it clear several times that there will be a break with the present penal system that has existed for over 100 years, but we want to do that as one composite set of policies. It requires a lot of investigation and evaluation. Let me give an example. There is the community legal service that is provided for in the law under the Community Legal Service legislation. A magistrate can, in fact, in addition to a fine or whatever he is going to do, put on some order that amounts to one rendering service to the community.

Let me give an example. There was a calypsonian in Barbados who had a problem at Foundation School. He is a musician. The Magistrate in addition to the fine ordered him to provide X number of hours of musical instruction to the school. There was nothing wrong with that so that there is provision to do it. We do not have to amend the law to give the court the power.

The problem again is manpower problems. The departments have not been so organized to provide for an expanding role of community service orders. It is an area which can create employment. It is an area that will give an opportunity for useful work to persons trained in sociology, social work and so on, because you would need to have for a community service order scheme a number of persons who will manage these offenders, who will have to keep records of how often they attend, if they do not attend, where they are working et cetera, supervise and then have to report back to the court if they break the order.

We need the manpower to do that and the country will have to agree that this whole business of penal reform is a matter, as I said earlier, that is rooted really in a broader policy for social development and we have

to spend money on it. No longer can we just talk about penal reform in terms of Dodds and Glendairy. Whatever we do is going to have a cost.

We agreed in here on the Friday that among the sentencing options you need an attendance centre type regime because I can tell you that there is evidence from the Task Force that a high degree of illiteracy pervades the prison population. We need to hold those fellows because some of them, as the Honourable Member for St. George South said, are recidivists, before they go for the second or third time, and put them at a refurbished, let me just say for want of an example, Trinity school, or a refurbished Airy Cot School, three or four evenings a week where we will put them there for instruction in reading and writing. That would be part of the court orders. The court will say that they have to attend and get instructions in reading and writing. If they do not attend then we would have to do something else. You might say, a little bamboo rod tea, or tamarind rod tea, but all these are options. It is clear that we have to move to a system of suspended sentences.

Aside.

Hon. D. A. C. SIMMONS: Honourable Members would know that the other day the "Nation" published a section on the Rehabilitation of Offenders Bill. They have a copy of it and they summarized it. The Rehabilitation of Offenders Bill, the new Magistrates Court Bill and the Bail Bill are all with the Judicial Council. The amendments have gone back to them for their final comments and the three of those Bills will be coming, I would say realistically, shortly after April.

Now, Sir, the Honourable Member for St. Joseph made an important point that there is a problem with that age group 18 to 26. He is right.
7.20 p.m.

Somewhere in that area, age 18 to 26, that is where we are getting the majority of criminal activity. Nobody wants to imprison an adolescent person for what can really be minor offences, perhaps not involving violence. But the system has not got any scope. He did not go to Dodds because if he is 18 to 26, he cannot go to Dodds. He has to go to Glendairy.

We need, in Barbados, a borstal type institution. You have suspended sentences, expanded community service orders, attendance centres – last time I spoke of remand homes and so on – and we need that intermediate institution between Dodds and Glendairy to deal with these kinds of adolescents. It must be custodial.

I can tell the House that tomorrow afternoon at 2.30 p.m. I am going to one site and at 3.30 p.m. I am going to another site with the Commissioner of Police, the

Superintendent of Prisons, the officials and so on to look at 2 structures with a view to recommending to Government the acquisition of those structures for a juvenile offenders institution to deal with that age group, 18 to 26.

Because if you had an intermediate institution, certain of those types who are in Glendairy, among the 770, could have been sent to your borstal type institution and relieve the pressure on Glendairy. It is critical that we find an intermediary institution. We are going to look at two tomorrow.

In a situation where you have 700 prisoners and 187 wardens, all of whom are not on at the same time, obviously, it is really difficult to pursue policies of rehabilitation in that kind of social milieu. They try. They have carpentry, joinery, tailoring, autos and farming. We try, but I think that there is scope for doing a lot more and indeed, as I indicated last time, making the prison a lot more productive of things that it needs for itself.

In the new financial year, provision has been made and it will come up in the Estimates, to have a farm manager to help us manage the prison farms. They are in a terrible state. Nothing is happening. The problem is alleged to be a shortage of manpower to supervise. If you carry 16 prisoners out to Lower Estate, you need 2 or 3 prison wardens. We try to rectify that with the 20 temporaries that we are taking on.

But from April, the prison farms must start producing the yams, eddoes, potatoes, whatever, because there is a lot of land at Lower Estate and at Waterford. There are 23 acres at Waterford in the bottom there. That is one of the reasons why we are trying to create the advisory board that this Bill provides for.

On the board, I would wish to have somebody, for example, who is skilled, knowledgeable, expert in agriculture to help guide the farm manager. Advisory Boards get a little pittance but they would be giving the benefit of their expertise to the farm manager, the superintendent and the senior staff. We are going to try with that, Sir.

It is difficult to take prisoners and use them in jobs which could be done by the average person. There are ILO problems. There are ILO Conventions which hamstring us. In the old days, it was different. Yes, when we were growing up as boys, you used to see them with some little hammers breaking rocks and repairing Government buildings. All of that has been overtaken by the ILO Conventions and Barbados is a signatory to them. We have to be careful how we use them.

We have provided them with...

Aside.

Hon. D. A. C. SIMMONS: No, no, no. There are rules at the Prison. I have, in previous times, been the beneficiary of prison labour to clean the cemetery at Sharon – they did a wonderful job – and at Holy Innocents. They can help clean up. So long as we can get the supervision to enable us to send out a team, of let us say, 10 fellows, with some hoes and cutlasses and 2 wardens to supervise them, they can do some of those things. But to take them and put them to cut sugar cane would be in breach of the ILO Conventions.

What I am saying is that a number of the problems can be addressed by the provision of additional manpower and a better organization and management in the prison. That is the real purpose of this Bill, that the senior management at the prison needs assistance, otherwise the whole thing would just grind to a halt. We have real serious problems, Sir.

You have, on any day of the week 284 men reporting sick and wanting to see the doctor. That itself raises a security problem. How do we manage them? How can the doctor manage them? We will have now to create another position for whereas over the years, you had one doctor, you now have to have two to provide medical services. That is being taken care of. There was no nurse. We are trying to get a nurse appointed to be on the staff full-time. But, for all the years, there has been no person.

Aside.

Hon. D. A. C. SIMMONS: I think, Sir, that I have dealt with the main points raised by Honourable Members. I agree with all those who have emphasized that prison can be a last resort. That is the Government's position. It must be reserved for the worst type of offenders. But there are others who commit crimes that, as a society, we have a responsibility to provide an alternative to imprisonment. The Government is looking at that, Sir. The Husbands Committee Report is looking at penal reform and in the penal reform report, I should expect a recommendation about sentencing guidelines.

I have already seen, from Canada, in their legislation guidelines for sentencing. I do not want to bring it in isolation from anything the steering committee is going to recommend. I prefer to come with a package or even if they have had a look at it and they say, "We can go with this now. We can go with that in such and such a time. We can go with the other thing in a year." But I really cannot

bring sentencing guidelines if I do not have the support systems in place.

I cannot bring a sentencing option that provides for attendance centres or for a community legal service unless we really have the **underpinnings**. But we are working on all of those things.

Mr. Speaker, Sir, that is where we are with the penal system. As I said, I am very grateful to Honourable Members who have made this debate as interesting as I have found it, Sir.

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

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

On the motion of Hon. D. A. C. SIMMONS, seconded by Rt. Hon. O. S. ARTHUR, Mr. SPEAKER left the Chair and the House went into Committee on the Bill, Mr. W. C. C. CALLENDER in the Chair.

Clause 1 was called and passed.
7.30 p.m.

Clauses 1 to 14 inclusive were called and passed.

On the motion of Hon. D. A. C. SIMMONS, seconded by Rt. Hon. O. S. ARTHUR, Mr. CHAIRMAN reported to His Honour the Speaker the passing of one Bill in committee without amendments and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. D. A. C. SIMMONS, seconded by Rt. Hon. O. S. ARTHUR the Bill was read a third time and passed and cited as the Prisons (Amendment) Act 1996.

ADJOURNMENT

Hon. D. A. C. SIMMONS: Mr. Speaker, I beg to move that this Honourable House do now adjourn until Tuesday, February 20, 1996 at 11.00 a.m.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

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Mr. D. J. H. Thompson, 2373; Dr. R. L. Cheltenham, 2374; Rt. Hon. L. E. Sandiford, 2377; Hon. Miss H. E. Thompson, 2378; Dr. R. C. Haynes, 2378; Rt. Hon. **O. S. Arthur**, 2380; Hon. Sir Harold St. John 2381; Mr. L. R. Tull, 2381; Hon. D. A. C. Simmons, 2383; Mr. W. C. C. Callender, 2384; Mr. H. **deB.** Forde, 2385; Mr. Speaker, 2385.

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SPEAKERS IN THIS ISSUE

ARTHUR, Rt. **Hon. O. S.** (St. Peter)
CALLENDER, Mr. W. C. C. (Christ Church East)
CHELTHENHAM, Dr. R. L. (St. Joseph)
FORDE, Mr. H. **deB.** (Christ Church West)
HAYNES, Dr. R. C. (St. Michael South Central)
KELLMAN, Mr. D. St. E. (St. Lucy)
MILLER, Hon. Miss B. A. (City of Bridgetown)
St. JOHN, Hon. Sir Harold (Christ Church South)
SANDIFORD, Rt. Hon. L. E. (St. Michael South)
SIMMONS, Hon. D. A. C. (St. Thomas)
STUART, Mr. F. J. (St. **Philip** South)
THOMPSON, Mr. D. J. H. (St. John)
THOMPSON, Hon. Miss H. E. (St. James South)
TOPPIN, Hon. R. St. C. (St. Michael North)
TULL, Mr. L. R. (St. George South)