
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, June 1, 2004

Pursuant to the adjournment, the House of Assembly met at 10.15 a.m. on Tuesday, June 1, 2004.

PRESENT

His Honour I. A. ROETT, B.A., Dip. Ed. (Speaker)

His Honour J. M. EDGHILL, J.P. (Deputy Speaker)

Mr. L.R. TULL, Q.C., M.A. (Oxon.)

Hon. Dame Billie MILLER, D.A. (Minister of Foreign Affairs and Foreign Trade)

Hon. R. C. EASTMOND, J.P., B.A. (Hons.), Dip. Ed., LL.B. (Hons.), L.E.C. (Minister of Labour and Social Security)

Hon. R. R. FARLEY, B.Sc., J.P. (Minister of Education, Youth Affairs and Sports)

Hon. G. A. CLARKE, B.Sc., Dip. Ed. (Minister of Public Works and Transport)

Hon. R. D. MARSHALL (Chairman of Committees)

Hon. H. F. LASHLEY (Minister of Social Transformation)

Mr. R. St. C. TOPPIN, LL.B. (Hons.)

Mr. D. St. E. KELLMAN

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

Hon. Miss M. A. MOTTLEY, Q.C., LL.B. (Deputy Prime Minister) (Attorney General and Minister of Home Affairs) (Leader of the House)

Mr. T. A. PRESCOD, B.A.

Rev. J. J. S. ATHERLEY, B.A., B.Sc., J.P. (Parliamentary Secretary to the Attorney General and Minister of Home Affairs)

Hon. N. A. LYNCH, B.Sc., M.B.A. (Minister of Tourism and International Transport)

Hon. A. P. WOOD, B.Sc, M.Sc., M.Phil., J.P. (Minister of Energy and Public Utilities)

Hon. Miss C. Y. FORDE, J.P. (Minister of State, Ministry of Education, Youth Affairs and Sports)

Hon. J. X. WALCOTT, M.B., B.S. (Edin.), F.R.C.S., J.P. (Minister of Health)

Mr. R. D. JONES, B.A. (Hons.) M.A. (Ed.), J.P.

Dr. D. C. ESTWICK, B.Sc., M.B., B.S.

Mr. C. A. MASCOLL, B.Sc. (Econ.) (Hons.), M.A. (Public Finance) (Leader of the Opposition)

Hon. D. D. MARSHALL, LL.B. (Hons.), L.E.C. (Minister of Industry and International Business)

Hon. K. D. SYMMONDS, B.A., LL.B. (Minister of State, Ministry of Foreign Affairs and Foreign Trade)

Dr. W. F. DUGUID, B.D.S. (Comm.), F.D.S., FDRCS, J.P.

Mr. R. L. SEALY, B.Sc., M.B.A.

Prayers were led by Rev. Canon Ivan Harewood.

Mr. SPEAKER: This House is now in session.

MINUTES

Mr. SPEAKER: Minutes of Tuesday, May 25, 2004.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I beg to move that the Minutes for the Honourable The House of Assembly for its meeting of Tuesday, May 25, 2004, which have been circulated be taken as read.

Hon. R. C. EASTMOND: I beg to second that, Sir.

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

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: I am to report to this Honourable House that I am in receipt from the Accountant General the Accounts and Statements for the month of February 2004.

PAPERS

Hon. N. A. LYNCH: Mr. Speaker, I am commanded to lay the following:

The Shipping (Incentives) (Future Trading Incorporated) Order, 2004.

FIRST READING OF BILLS

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I beg to move that the following Bill be read a first time.

The Barbados Water Authority (Amendment) Bill 2004.

SUSPENSION OF STANDING ORDERS

Hon. Miss M. A. MOTTLEY: I beg to move the suspension of Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44 be suspended for the remainder of the day's Sitting.

Hon. R. R. FARLEY: I beg to second that, Sir.

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

ORDER NO. 3 – SECURITIES (VALIDATION AND FUNCTIONS) BILL, 2004

Hon. N. A. LYNCH: Mr. Speaker, this simple piece of legislation has occasioned spirited and wide ranging debate in this House of last week. Sir, I would say that the debate was more spirited and focussed on this side and more wide ranging on the other side of the aisle.

Mr. Speaker, I believe that this particular amendment, even though rather simple in nature, as it spoke to the Securities Exchange Commission, and validations for actions taken under the old Stock Exchange, really focussed the debate on a number of other relevant and very important developments for Barbados and for all Barbadians.

As I listened, Mr. Speaker, I heard issues ranging from the future economic development of Barbados. I heard speeches on the further economic enfranchisement, I heard issues of political democracy and other social considerations, even within the debate that ranged from housing to land and everything else.

Mr. Speaker, I believe that a number of important issues came to the fore during the debate. These are issues that need certain consideration by this House and certainly, issues that were raised when the Securities Commission legislation came to this House and what has been happening hitherto that legislation being passed.

I believe, Mr. Speaker, that this debate really does raise some concerns as well over the future direction of the Securities Exchange Commission. It raises issues of the direction of capital markets in our country and the region. It raises some very interesting issues over what has happened to the Securities Exchange Commission and how it has functioned after the passing of the legislation and where we are going.

Mr. Speaker, I believe that this particular amendment, even though it is small is really in the same vein of continuing to refine that suit of legislation which is so important in building the new economy for Barbados. We spoke on issues of the Fair Trading Commission, and continued reform of other pieces of economic legislation. I think this falls within that category because the continued reform of these new economic instruments that are at the centre of building this new economy, is really, Sir, where we need to be going. There are a number of other areas that we need to speak to as we focus on the Securities Commission. These are the issues of tax incentives, continued reform of many of the tax laws, tax incentives available to companies, preparation of small enterprises for more growth and for larger countries to become more global players.
10.30 a.m.

Mr. Speaker, when the legislation was first passed, a number of things were said relative to the redistribution of wealth and new wealth creation for Barbados and for Barbadians that need to be reiterated in many instances. Sir, being able to look for new areas and new avenues of capital for Barbados and being able to speak to issues of the redistribution of wealth and the creation of new wealth is fundamental to the development of Barbados. Many Barbadians continue to be worried about this.

Mr. Speaker, the expansion of the ownership base of Barbados and the rest of the Caribbean and the introduction and the bringing of non-traditional investors into the mix of how we deal with business development in Barbados is fundamental as well as at the centre of this debate. The creation of new avenues for more economic freedom for Barbados is central to this. Access to wealth creation, opportunities, structures and controls of those avenues, is why we passed the initial legislation.

Sir, there needs to be a continued look at more protection for investments in Barbados that would continue to build the confidence that we would need to push the economy ahead. Sir, as we look at the freer movement of

capital, we not only need to think of them and speak to them in very esoteric and general terms but we also need to focus on these issues of wealth creation, new avenues and new capital creation to specific industries and how those industries would develop in the future. Sir, the issue of the freer movement of capital particularly in the Caribbean Single Market and Economy and the protection and control of that capital is important. The idea of freer markets and access to freer markets is also fundamentally important.

Sir, a lot of the legislation we passed and a lot of the issues that we debated relative to the new economic direction for Barbados focussed on the new economic realities that we are faced with and the new business models. Sir, no two areas of our development are more interested in new capital creation and new bases for the creation of wealth than the tourism industry and the manufacturing industry.

Sir, the reason these things came to this Parliament in the first place and why this administration focuses so much on new avenues of wealth creation and new opportunities for Barbados has to do with the new economic realities that we were facing as a country. The fact that there are new global trading rules, Barbados' development status, particularly as it relates to developing countries and to many of the international organisations has been altered.

Therefore, the concept of graduating Barbados from many of the funds and from other opportunities available to other developing countries really puts Barbados at the centre of being considered by the world's economy and the global players as not very much as a developing country and move us more to the status that we are better placed to most of the other developing countries around us. I think that in itself creates a basis for us to continue to look for avenues for better capital, for new investments for Barbados and for continued economic investment in Barbados in new ways to look at that development. I believe that by looking for new ways to develop business in Barbados and to continue to develop the economy puts a lot...on the expanded role of corporate Barbados and on the expanded role for individual investors in Barbados. Sir, that is particularly important.

Sir, investors have previously focussed a lot on debt as a means of financing most of their business propositions. Raising debt has never been an issue for most of the companies of Barbados or for most individual entrepreneurs in Barbados who wanted to get themselves involved in the development of people. There has always been a challenge for smaller emerging companies to get access not only to equity but even to get their hands on debt financing. Small businesses in Barbados have been virtually placed at the whims and fancies of a banking sector which found it very difficult to even finance their operation regarding debt. They had virtually no access to equity financing. The cost of capital continues to be high and there is not even a

consideration by many of them for equity financing. That is the reason most of these new debt instruments and the Commission were created.

Sir, in a much more controlled environment what would be necessary for Barbadians when it comes to new ways of financing their businesses and looking at wealth creation, is the concept of education and awareness of all Barbadians relative to business development. Sir, if there is one area that is fundamentally lacking which this administration has been focussing on, it has been the issue of national awareness and confidence in the creation of a new economy particularly through new instruments of financing and raising capital.

Sir, it has always been the case in Barbados that issues of debt were not really a problem but many businesses have not focussed on equity financing. That has been so because the mobilisation of domestic savings through debt has always been easy. The mobilisation of domestic savings into productive investment is more of a key here. The creation of new wealth to build more productive capacity for Barbados would secure the future expansion of businesses in Barbados allowing non-traditional investors to earn by securing the future of those who have already contributed and also permitting small businesses to raise affordable equity locally. This allowed many of our citizens to earn investment capital and to continue to invest in the ownership of Barbados. It also allowed citizens to earn investment income and to raise substantial capital appreciation.

Sir, the issue of raising investor confidence is still high on the list of priorities of this administration. Few companies are still listed on the Securities Commission, however, many of them are still opting for debt and reinvested funds. Sir, there is little capital market equity involvement and other debt instruments for Barbadian businesses seeking to raise capital in these markets. Sir, I believe that has been occasioned by the simplicity for bringing borrowers and lenders together and the liquidity that there is in our banking system that allows them to do that. Sir, we need to go much beyond that if we intend to ensure the future of small enterprises in Barbados.

Sir, much of what we are faced with today in business has a lot to do with the new business models that are emerging. Sir, I heard a lot of criticism about a number of businesses in Barbados particularly those in the accommodation sector which have fallen into areas of non-profitability or being not as profitable as they should. Sir, there is one particular accommodation facility on the south coast of Barbados which is being converted out of a hotel into what is being called a condominium hotel. Sir, that has been criticised by a number of players in Barbados relative to how this accommodation sector provider has been operating.

10.40 a.m.

Mr. Speaker, I believe that much blame has been put on Government relative to how that entity has been operating and its not so profitable nature. I say that many of the accommodation sector providers in Barbados and many of the businesses are being put up against new models of doing business and most of them that are not able to respond and to alter their business practices to meet the new models, are going to end up in a similar position. I speak of the Sandy Beach Hotel, which is being changed from a regular full-service hotel into what is called a condominium hotel.

Mr. Speaker, people will try to blame Government's marketing and the Barbados Tourism Authority for the difficult times that entity and others have fallen on but, Sir, no longer in tourism and in the accommodation sectors, are investors looking to put money into debt for real estate and operational issues because when the cost of real estate rises, it has proven to be particularly difficult for all enterprises in the accommodation sector. This is not a Barbadian thing but it is a worldwide phenomenon.

Mr. Speaker, what happens is that there are a lot of debts that have been put into real estate in the Caribbean and when the issues of operation are added to that, a lot of these entities have found themselves unprofitable, for example, in Miami, whenever the cost of real estate rises and people want to invest in tourism, one would find that when debt servicing is added on to operational issues, it causes a level of not so profitable enterprises.

Sir, this is not something new for Barbados and what must happen in the future is that new investors are not looking to put their money into real estate, particularly brand name hotels and hotel chains that have been operating well globally. What we are seeing is a new phenomenon emerging where real estate is separated out from the operational issues of a hotel.

Mr. Speaker, the centre of this debate is that we need to see a new capital basic need emerging. Sir, Sandy Beach is a classic example of a property that is not part of a chain. What is going to happen to that particular property is that its owners are going to cash out and in terms of their real estate, new capital and new investments are going to be brought to the table, which can take a smaller return on their initial investment. What would then happen is that particular entity would be given over to a management company which would then manage the hotel operation and their profit will be determined by their own efficiencies and marketing.

I believe that the real estate owners will derive benefit in terms of the appreciation of the estate, a basic return on their investment and any other arrangement that they make with the hotel operators. This will be done in the condominium declaration that will be up front and clear in this development. Sir, I think it is important that we understand these new business models that are emerging.

Sir, one of the reasons that we in Barbados have been unable to attract new chain investments and external investments into our sector, particularly in accommodation, is because this model, separating out the real estate and gains on real estate from operational gains of a hotel, has not been followed in Barbados as closely as it has been in other jurisdictions.

I believe that a lot of our accommodation providers have got to start facing these new models of how they would deal with their own real estate in the future.

Sir, the condominium idea is not one that is new to the world of accommodation. As a matter of fact, this is what has revived a lot of the accommodation sector in Miami. Miami Beach, like Barbados, was once a thriving hotel area, and as real estate values appreciated in that market, people sold them off, thus creating a new capital basis for Miami. These real estate properties were then put back into the hands of the hotel operators.

Mr. Speaker, what happens then is that in relation to pension funds and the like, persons who could have taken a smaller return on their investment over a longer period of time, were able to realise some level of profitability from their investment but that it was nowhere near to what the cost of operating a hotel would be.

Mr. Speaker, that may be the model that we in Barbados need to look at more closely to continue expanding our tourism sector. It will also be a win/win situation for everyone because a lot of the initial investors will cash out, some would put their money back into real estate, new real estate investors would come to the market, and as long as the hotel is put back into the hands of a hotel operator, jobs would be secured and that chain would continue having a marketing base which perhaps would be more expandable than some of the local hotels.

Sir, there are a lot of Barbadians and regional investors who are buying condominiums in areas in Miami, and are putting them back into a rental pool. They pay some level of security and maintenance charge to the operators. What then happens is that one gets a basic return when it is rented but the chain hotel then comes in and runs the hotel. This, therefore, allows us to be able to create more wealth overtime.

Sir, these are the new models that I believe Barbadians need to continue looking at if we are to continue growing a sector in areas where the accommodation sector is not producing the type of results and profit margins that it needs to produce that will attract serious investment to the table.

Sir, I believe a lot of what we are going through at this time in our development speaks to being able to deal with, and to be able to adapt to these new models of development.

Mr. Speaker, one of the areas with regards to development that comes to mind is our inability to attract a number of businesses to the Securities Commission and why we are not listed as we should. I think much of it has to do with the non-traditional practices such as confidentiality, *et cetera*. It also has to do with the very aggressive approaches to tax planning on which many of our businesses today focus, which minimises the legal tax payable to Government. In fact, it impacts on the reduced earnings of those listed companies. It creates a negative impact on valuation when the companies are taken public.

Mr. Speaker, these are issues that we need to look into very seriously because even as I speak of the issue of cashing out for persons investing in real estate, let us think of the continued move to reform our tax base and our tax laws. Therefore, when an entity like Sandy Beach cashes out, it has to pay 7.5 per cent in transfer tax, 1 per cent in stamp duty, 3 per cent to the real estate agent and 1 per cent in legal fees. Sir, these companies that would be thinking of selling off would have to think of the incurred costs.

Sir, we are going to have to go back and think of very innovative ways, legally so, to create a basis for many of our real estate developers and our companies under our tax laws, to make them more attractive propositions to new investors and to some of our traditional investors.
10.50 a.m.

Sir, in my opinion, that is at the centre of how you create a new economy for Barbados in the future. There are a number of other issues that companies must subscribe to when they go public. There must be strategic planning, clear strategies for growth and development and sound corporate governance that clearly defines the role of the shareholders, directors and management in order for these companies to create more wealth to become profitable.

Sir, we need to be able to create a regional Stock Exchange particularly in the face of the Caribbean Single Market and Economy. Many countries like Jamaica, Bahamas and Cayman Islands already have Stock Exchanges and there is cross-listing available on them but we need to create more awareness for cross-border trading and investment in other Stock Exchanges in order to create that platform for a regional Stock Exchange.

Mr. Speaker, when we speak of the free movement of people and capital, people get concerned about other areas of the Caribbean that are not as prosperous as Barbados at present. Sir, there is no God-given right for anyone to be

prosperous because if we make bad policy decisions which the Democratic Labour Party knows about well, Barbados would be back in the poor house again. Sir, 30 years ago Guyana was more prosperous than Singapore but in Barbados we feel we have a God-given right to be prosperous.

Sir, it is important, in the face of the Caribbean Single Market and Economy that we would look seriously at how we allow the free movement of capital from those countries around us who seemingly are not as prosperous as we are at this time.

Sir, in recent times I heard talk about devaluation because the Opposition believes that the way to run a country is by politics of fear. We have been able to create new business models, offer new instruments and opportunities for Barbadians and non-traditional investors to get involved in the ownership of Barbados in a way that never happened before.

There must be continued information dissemination for the building of confidence in the Securities Commission in order to build a future for Barbados. Sir, up to now we have done a good job but we need to go deeper into how we disseminate information that builds the confidence of those who want to invest in Barbados. Sir, this administration is on the right path and is going in the right direction relative to educating our people and making them more aware of the new economy and the instruments available to them as we seek to build a new Barbados.

Sir, I commend the Honourable Minister of Finance for his continued stewardship and for the confidence that Barbadians have placed in this administration to provide a living for them now and in the future.

Sir, I am obliged to you.

Mr. R. D. JONES: Mr. Speaker, this Securities (Validation and Functions) Bill, 2004, has caused this Parliament to focus on some fundamental issues relative to the development of this country and the transformation of the true needs of the people. It is interesting to note the extent to which this debate has waxed far and wide and this gives me the focus necessary to deal with this issue.

Mr. Speaker, we must confront certain harsh realities which are part and parcel of the social and historical context of Barbados which, to some extent, have created a sector of the society which participates in all the systems of ownership and another part which will never, under current constraints, be able to participate in whatever wealth is created or generated in Barbados. Mr. Speaker, over the last twenty years both political parties have been dealing with the notion of economic democracy and economic enfranchisement and there is a genuine concern being

expressed by Honourable Members who have spoken to redress significant imbalances within the society relative to the ownership and participation in the wealth creation of Barbados.

Sir, legislation has been put in place in order to move people forward but because of certain rigidities within the economy of Barbados, we have not been able to maximise that legislation to impact on the wider society to ensure that the benefits are generated as part of the work, labour and capital to the greatest number of persons.

Sir, to some extent we on Both Sides of this House have not truly realised what has been our intention but if we understand our mission and what we have to do, then there is no need for any member, particularly from the Other Side, to go into political calling of names or to accuse the Democratic Labour Party of anything.

Mr. Speaker, many of us in here distort historical reality and try to distort what are the facts. Sir, if we are to work with the poor, disadvantaged, powerless, unemployed, underemployed and persons who find themselves as mere survivors in a difficult and hostile environment, we need to change how we think, behave and participate in what we believe. Sir, we have to be genuine leaders in the economic enfranchisement of Barbadians.

Sir, we have to be able to transform people from those who owe to people who truly own. When you check the statistics you will recognise that, even in what we consider to be the middle class of Barbados, essentially the major segment of that class is really a class that owes its mere survival – and the lack of one pay cheque could cause them to be literally in economic hell, where persons are knocking at their doors either to repossess or to renegotiate their documentation. It is not a situation where we have a large segment of Barbados owning anything. Mr. Speaker, may be outside. I used a phrase which might not be strictly within the English Language but part of the dialect of Barbados – simply owning their head and belly.
11.00 a.m.

Sir, we need to move from there because it is a significant struggle and mentally defeating for the majority of Barbadians who cannot truly sit back and say, 'This is what I own. This is how I participate as a citizen of Barbados in owning some of the wealth of Barbados.' Therefore, we have to work hard to ensure that as we move from my generation – Mr. Speaker, since I am a little younger than you are – all our children are secure. We have to fulfil the destiny for those who come after us.

Sir, we had over five centuries of the emergence of this society with certain skewing. Sir, in this skewing I will not be discussing the question of race, class and ownership

within the patterns which were formed in the initial occupation of Barbados. Any person who understands the plantation sociology of Barbadians would recognise that 99.9 per cent of Barbados has gone through the experience of plantation society, where they became mixed up because of what took place then and what, to some extent, is taking place now. I am not interested in that particular reality. I am interested in the reality of now and how we can change that reality.

Sir, some time ago, the Mutual, a significant company in Barbados, a company that with its transformation we are proud of. In its demutualisation process thousands of Barbadians signed up for the change from a mutual company to what now exists, were given shares and this was the first major move outside of the credit union movement. Sagicor, when you listen to the radio and you read the newspaper, is one of the leaders in persons buying and trading shares in Barbados.

Mr. Speaker, when you check, a lot of the shares which are now being sold come from those persons who were granted shares as a means of their participation and ownership within the mutual company of that time. Sir, that pains me because it says to me that a few things existed. There was no true knowledge of the significant benefits of those shares to their initial ownership of Sagicor and then the generation and creation of wealth for themselves and their offspring and persons rushed to dispose of these shares.

I do not know who is purchasing these shares but if you follow the normal practices, I would put my neck on the block that those shares must be ending up in the same hands of the few conglomerates that control most of Barbados.

Mr. Speaker, part of the reason was that persons were waiting for what they considered to be a windfall to deal with their heavy burden which is generated in this society if you want to live a reasonably good life. They disposed of the shares and paid their bills which they owned through hire purchase arrangements. Sir, I am advised that a few held onto their shares.

Mr. Speaker, today those shares moved from \$1.70 a share to approximately \$4.30 and growing. Persons who had \$22,000 in shares would have had \$52,000 and more in terms of building wealth for themselves and their families. This wealth is now gone and it is frightening and more of this will continue.

Sir, in fact, the third element beyond the debt is still the extent of poverty in this country. This will be another debate at another time and possibly in another place. It is important that we enter a serious avenue of education. It is all well and good to say that we have the Securities Commission that is made up of most able men and women who are nice and

good professionals in the Stock Exchange in Barbados and good persons who are involved in the trades but at the end of the day persons are still locked out of that process because they do not understand the process.

Mr. Speaker, when I speak about schools I am not speaking only about institutions like Barbados O'level Institute, Queen's College, Harrison College, Garrison Secondary School, Ellersie, St. George Secondary, Christ Church Boys, Christ Church Girls or St. Swithun. I am talking about finding an avenue to demonstrate to Barbadians what are the substantial benefits of participating in the economy, not as mere workers but as persons who can also be owners of part of this economy.

The challenge is for the Securities Commission, the Stock Exchange and the Ministry of Education, Ministry of Finance and Economic Affairs and maybe for the Ministry of Social Transformation and a progressive mind that is caught up with the struggles of the people to lead that agenda to educate the people under the street lights, on the 'blocks' and wherever they are, as to how they can truly participate in this economy.

Sir, there is a substantial level of fear and the fear of the unknown. Sir, they are not like myself who challenged the unknown because knowledge comes not necessarily from the known but by challenging the unknown. That is why we have brilliant scientists and other persons who do research. Sir, you challenge the unknown to make it known.

Therefore, let us challenge those unknowns by educational systems both in the nonformal and formal sectors to liberate the minds of the people from the fear that ties them down from becoming participants in this economy. If we do that we would be creating the empowerment of the largest number of Barbadians to participate in the economy through the owning of shares and other important income-generating activities, mutual funds, bonds, debentures, and whatever instruments exist in Barbados.
11.10 a.m.

It still pains me, Mr. Speaker, that when we were debating in this House, the Port Authority Corporatisation instruments, and the Hall of Justice Project, we denominated those instruments at such a high level that the individual who had a \$500 and, maybe wanted to obtain five shares would not be able to participate.

It is part of the embedding, Mr. Speaker, among policymakers of a particular mental construct, and we need to examine that which says it is like some people are totally unconscious now, because it is so deeply embedded, so I blame no man or woman. This kind of embedding cannot be part of conscious reality.

Therefore, when you do something like this, no fault should be ascribed to you because you are totally unconscious of what you are doing, but you are in fact keeping the people out. Again, embedded out of the serious social constructs in the minds of thousands of Barbadians who need to have their minds go through therapy and change. Again, it must happen.

Mr. Speaker, we are heading towards disaster in this country and we do not even know, again, because of the embedding of the kind of historical and sociological structures in the minds of the people. It must change, or we are going to have...

Asides.

Mr. R. D. JONES: In 1937, Mr. Speaker, was a little storm. We have not yet experienced the hurricane and it is growing in this country by persons who keep their ears to the ground and understand what is happening out there. There is an anger and we need to change that, Sir, and I cannot speak passionately enough about more and more Barbadians being involved in these matters.

It is all well and good to receive gestures from persons who recognise our good deeds. I do not know in what form those gestures come, but at the end of the day, those gestures will come to nothing, if the people get vexed and say that we are not happy with you, and as John Stuart Mill will say, 'get rid of by any means necessary'. That is Malcolm X I am inserting, "those who have their feet upon your head and upon your chest." This is what we must do. Get rid of those.

Mr. Speaker, from time to time, and I mentioned earlier that I will speak to the Credit Union Movement in Barbados and how it has created avenues for persons to feel a certain level of comfort. The credit union is at an extremely critical point today. It is a movement with just about 109 000 to 110 000 owners of their businesses with assets of approximately \$615 million. Those are the assets of people who, from the beginning of the emergence of the Credit union movement paid in their small amounts. They bought a few shares and built up their resources. They did not take off their dividends, but allowed them to grow. They used the Credit union movement to help them find a stake in Barbados.

Sir, what you are seeing now, and I hope the amendment to the Credit Union Act comes in a new form. It is not before this House but I hope it comes, because what is now emerging is also part of the embedded mental structures that are influencing legislation such as that, to say to the people that you now have been managers of your few half pennies and we assisted, but now that it has moved from a few half pennies into a few dollar bills, you can no longer

manage your resources. Also, that persons in a democratic environment have a right to choose whomever they want to manage their resources that the State should now insert its hands into the affairs of the people, the 110 000 credit union members in this country, in a most diabolical fashion. Mr. Speaker, this must be fought against in the most vicious way. Let us penalise the directors of the Credit union movement.

We have not had any scandals in the Credit union movement in this country, \$615 million, but the embedded mental structures, Mr. Speaker, are being brought to bear again on the assets of the people who have sweat and have invested them rightfully. A struggle is on. They had better be careful. It shocked me. The restrictions are immense and even with the restrictions there has been growth in the Credit union movement both in numbers and in the asset base of the Credit union movement.

Mr. Speaker, the Honourable Member for St. Michael South spoke about creating the new economy, in the new Barbados, the phrases that he is so well known for, everything is new. I would want to challenge that Honourable Member among his colleagues, who might be functioning with the embedded structures to get rid of them from their minds.

The City of Bridgetown Credit Union, I am not a member but it is quite large. When I turned the newspaper yesterday, I saw that 22 acres of land are to be sold and it is beautifully located opposite the plush establishments in the north. They shall remain nameless. I am not here to advertise anybody's business. They should not be forced to sell because somebody believes that they should not be participating in real estate in this country. Right now real estate is like the frontier of California in Barbados, Mr. Speaker, so why should the credit union movement be shut out of part of the frontier activities in this country?

Yes, you give it to the insurance companies. We all have insurances in some way, do not shut the Credit union movement out of that frontier of real estate development. Sir, this 22 acres in the City of Bridgetown should not be sold to a fellow. It should be developed. I do not know who is buying it. Most likely the Honourable Member for Christ Church West or a consortium of their friends and allies.

Asides.

Mr. R. D. JONES: This 22 acres should have been developed by the entire credit union movement of Barbados an amalgamation of the strongest credit unions in this country. The resources are there. You are not getting any money from it for lodging it in any bank, 2.5 per cent and something is telling you do not put anymore. So the credit union movement should have formed an amalgamation to develop housing solutions and – I do not want to talk about lower class, upper class, middle income housing because that

means nothing to me – real estate making money. Let the credit union movement make some of this money on behalf of the people of Barbados, the 110 000 of them.

Most likely, when you check and see who buys it, because COB most definitely was forced to sell it, the same faces will have it, the same players will have it, and the majority of the people of Barbados will be on Philly Bennett bench. I am sorry, Mr. Speaker, if the Honourable Members do not understand that, they should ask their grandparents. That is what is going to happen.

I want to see, Mr. Speaker, more enabling legislation for the credit union movement in Barbados, where there is in fact, economic democracy and economic participation. Outside of maybe some club or an election every four or five years, that is possibly one of the more democratic institutions in the country, where people sit and go through, painstakingly, their affairs and then they say that I want you to continue to represent my interest for a year, et cetera, right down the road, enabling legislation. I therefore want to say to the Government who previously channeled a bulk of its business, if not all, into the Insurance Corporation of Barbados, an entity which will be sold. Most likely some expanding institutional player will buy it. They now will see the Insurance Corporation of Barbados as a possibility to place some of their properties in that institution.
11.20 a.m.

Mr. Speaker, let us move further beyond that. There is no bank in Barbados that we can express a nostalgic attachment to by placing our resources therein. Therefore, the time is right for the emergence of a national cooperative bank.

Asides.

Mr. R. D. JONES: The people must be able to channel their resources wherever they want. I do not want to channel my resources or to encourage anybody to channel their resources into anything foreign, I am speaking empathically on that. I do not have any phobia relative to foreign people, but at the same time I am a national of Barbados. If I have to go to war, I will not fight for Spain or Germany, I will fight for this six square rock, Barbados. I want to fight for the investment of the people through structures that we create for the development of the people.

Mr. Speaker, we must get rid of the imbedded mental structures that tie us down and that mitigate against a major segment of our population. That is economic enfranchisement, not the spurious arguments emanating from the mouths of some of those out there who do not understand the reality of Barbados. We must come up with solid

solutions for dealing with the issues that impact upon the people of this country rather than the nice, well-dressed, sartorial statements which, when you boil them down in a large pot, mean nothing to the lives of the people. We must get to the realities.

Mr. Speaker, let us have legislation to establish a national cooperative bank. Let us have what I call sensible investment by establishing an investment corporation whose funds would also be secured in the national cooperative bank, where those of us who come from the “Nigger Yard of Yesterday” – you are a student of poetry and English, Mr. Speaker, so you would know the poem – can take our two bits worth and pool them into the investment corporation to be managed properly.

Sir, we have brilliant people who can do that. They can look for opportunities to invest those monies on the behalf of the people. The credit union movement could provide initial loans at drastically reduced rates, not at the six, seven or eight per cent rates, for those who want to be part of that investment. That is what has to happen. Any investment loan from the investment corporation must be around three per cent to give persons the opportunity to pay off the loans within a year or two. Sir, there are seven credit unions today that are not making money.

Asides.

Mr. R. D. JONES: Persons are a bit uncertain of certain economic realities and they are taking decisions not to borrow, so we need to do those things. I am serious about what I am speaking about. We must really transform, so let us do the education. Let us convince the minds of the people that where opportunities provide themselves they must work to develop those opportunities. Let us have the enabling legislation to do what is necessary. Let us not have the hobbling legislation that some people want to bring because of the imbedded structures in their mind.

Mr. Speaker, the clarification of all of these things will ensure that the new Barbados would be a more understanding Barbados, a more humane Barbados and a Barbados where wealth is not seen in colour or in the pockets of lawyers and doctors only but would be seen among Joe Public so that their children can look down the road and see the creation of that wealth rather than the disappearance of massive businesses which had a different face and a different colour.

I thank you, Mr. Speaker.

Mr. SPEAKER: At this point may I remind the House that the agreement last week was that we would take Order No. 3 and No. 4. together.

Dr. W. F. DUGUID: Mr. Speaker, I rise to thank you for giving me the opportunity to make my contribution in this debate and to support this amendment for the Securities (Validation of Functions) Bill.

Mr. Speaker, the Securities Commission is a regulatory body which was established to regulate the Securities Exchange. This was necessary because the Securities Exchange of Barbados was self-regulatory before and if the exchange was to continue and to encourage confidence in its investors, it must have an independent regulatory body which would govern its action and have rules for it.

Mr. Speaker, the Securities Commission has power to make legally binding rules. It is charged with developing policy to guide the industry. It makes recommendations to Government regarding changes to legislation. It helps investors get information on how various companies are performing on a regular basis. It provides rules necessary for fair play on the exchange. It establishes qualifications for those registered to advise and trade on the exchange. In all, the Commission is to protect the integrity of the capital markets and the confidence of the investor.

Mr. Speaker, the Securities Commission was set up to regulate the Securities Exchange. The Securities Exchange as it relates to Barbados is essentially a place where public companies have an opportunity to come to an individual place and trade their stocks on a regular basis. So this begs the question, what are stocks? A stock is a certificate which shows that you own a small fraction of a corporation. When you buy a stock, you are paying for a small percentage of everything the company owns, building, chairs, computers *et cetera*. When you own a stock, you are referred to as a shareholder or a stock holder. In essence, a stock is a representation of the amount of a company that you own.
11.30 a.m.

Mr. Speaker, the benefit of owning stocks in a corporation is that whenever the corporation profits, the stockholder profits too, for example, if one were to buy stocks in the United States of America in Coca Cola, and Coca Cola were to come out with a new drink that happens to encourage large amounts of sales, the company would make lots of money and the individual stockholders would profit from that and from an increased value in their stocks.

Mr. Speaker, why is the Securities Exchange of Barbados so important? Indeed, why are security exchanges so important to people of the Caribbean. I was happy to have heard the Honourable Member for Christ Church East Central making the point about educating the Barbadian public about stocks and about the Stock Exchange, and I agree with him. That is why I have taken the tone in this debate to try to educate people in this country as to how important the Stock Exchange is, how important it is for

persons to maintain the stocks, as well as to continue seeking further investments in the Barbados Stock Exchange Incorporation, or in stock exchanges throughout the Caribbean.

Mr. Speaker, a stock exchange can be used to enhance the economy. It can be used as a vehicle for investments from pension funds, from companies and from individuals. It can also be used to help public listed companies to garnish capital, not debt capital which needs to be serviced but capital by selling part of the company. This capital can then be used for expansion; to improve the company; to buy real estate; and to improve the general well-being and viability of the company. It can also be used to create wealth for the citizens of the country. Mr. Speaker, we certainly have to look at the Barbados Stock Exchange Incorporation, which has led me to do a comparison over a two-year period. I took the closing price for shares, May 31, 2002, and compared that with the last closing price, May 24, 2004. It was absolutely instructive and amazing to see the comparison in the share prices in the Barbados Stock Exchange Incorporation.

Mr. Speaker, out of the 24 listed securities, 18 of them had increased in value. I am going to list them and go through the percentages. It is quite instructive to see some of the percentages over the two-year period:

- (a) Barbados Light and Power Company (BL&P), 2 per cent increase;
- (b) Barbados Dairy Industries Limited, 2.5 per cent;
- (c) BICO, 2.7 per cent.

Sir, there is where I put a cut-off mark because they are the ones that would have increased less than the interest rate would have been over the two-year period.

Sir, we are going to see where the substantial investments would have made sense to people, if rather than putting their money into the commercial banks, but would have invested instead in the Barbados Stock Exchange Incorporation. Sir, there are only three that are less than what would have been the accumulative interest rate for money at the bank.

- (a) West India Biscuit Company, 11.9 per cent;
- (b) Trinidad and Tobago Cement Limited, 26.6 per cent;
- (c) Almond Beach Resort, 31 per cent;
- (d) Banks (Barbados) Breweries Limited, 39 per cent;
- (e) A. S. Bryden & Sons Limited, 42.8 per cent;

- (f) Cave Shepherd & Company Limited, 72.4 per cent;
- (g) Barbados Farms Limited, 74.6 per cent;
- (h) Grace Kennedy Foods Limited, 76 per cent;
- (i) Neal and Massy, 77 per cent;
- (j) Barbados Shipping and Trading (BS&T), 96 per cent.

Mr. Speaker, do you know what that means? It means that if someone had invested \$1000 in Barbados Shipping and Trading (BS&T) in 2002, in 2004 that person would have doubled their money.

Sir, I go further:

- (k) The Barbados National Bank, the bank the Honourable Members on the Other Side are saying should not be privatised, 105.8 per cent;
- (l) West India Rum Refinery, 168 per cent;
- (m) Royal Bank of Trinidad and Tobago, 210 per cent.

Mr. Speaker, if that is not a reason for persons to invest in the Barbados Stock Exchange Incorporation, I do not know what would be.

Sir, there is one other entity that has surpassed all of them, that is the Insurance Corporation of Barbados. Over the two-year period, this entity has seen an increase to 221 per cent as its share price.

Mr. Speaker, this is certainly a reason for the people of Barbados, if they have the opportunity and the disposable income, that rather than putting it on the commercial banks, they can consider investing in the Barbados Stock Exchange Incorporation. It has proven itself over a two-year period and certainly over 18 of the stocks have increased in value, of which 15 of them have increased better than the interest rate, and some up to even 221 per cent as its share price.

Mr. Speaker, I must make the point that there are certain inherent risks involved in investing in the Barbados Stock Exchange Incorporation. If the company increases, of course, one would share in the profits but there is also a chance that the share price could decrease. Therefore, when one takes that investment in, one also buys a share of that risk.

Sir, concomitant with that, I have to say that most, if not all of our companies listed on the Barbados Stock Exchange Incorporation, do adhere to best practices and that there are companies that have shown, time and time again, that they have improved on their profits and have increased

the values of their shares. Therefore, I am confident in the Barbados Stock Exchange Incorporation.

Mr. Speaker, a case must also be made for a Caribbean Stock Exchange, first because the Stock Exchanges in each territory are unwittingly competitors to each other. Capital market integration is essential for the economies of this region to grow and a strong correlation has been shown between an enhanced capital market and a strong economy.

Mr. Speaker, integration promises to spur economic growth all round. As is currently, companies within the region are constrained to depend only on local capital, whereas with a Caribbean Stock Exchange, companies will be able to get investments from the whole region in their equity and would be able to raise capital rather than raise debt.

The concept of pooling resources is not new to the region. Of course, CARICOM is a concept of pooling our resources together. At present, there are five security exchanges in this region: Barbados; Trinidad and Tobago; Jamaica; the Eastern Caribbean, and the Bahamas Stock Exchanges, and I would suggest that they need to come together. Of course, they have spent millions of dollars on hardware, on software, and on duplicating efforts that could have been better used if they had all come together under one Stock Exchange.

This, of course, would be a benefit where we would see brokers all coming together; issuers all coming together; regulators all coming together under one common regulation for the Stock Exchanges; and investors all coming together. This would not only give an opportunity to raise funds under a broader number of investors but it also gives an opportunity for greater diversity of one's investment portfolio.

Sir, there are some cross-border transactions but they are seen by the brokers to be difficult. This is why the industry is crying out for a Caribbean Stock Exchange and this is the way forward in which we must be going. Four securities are presently cross-listed, First Caribbean Bank in Barbados, Grace Kennedy in Jamaica, Royal Bank of Trinidad & Tobago and Trinidad Cement Limited both in Trinidad.
11.40 p.m.

Mr. Speaker, the Honourable Member for St. Philip West spoke about the IMF Article 4 Consultation with Barbados and suggested that the Barbados economy is not well managed. This prompted me to read the article and it is obvious that this document gives the Barbados economy Grade A. It is a first-class recommendation and commendation of the Government of Barbados for its fiscal policy and management of the economy of this country.

Mr. Speaker, paragraph 4 shows the proof of this Report. It reads:

“Over the past year the economy recovered partially from the 2001/2002 recession as real GDP grew by an estimated 2 per cent in 2003 led by recovery in the tourism sector and inflation remained low at 1.5 per cent.”

Sir, obviously the directors are commending the Barbados Government for having improved the economy, brought it out of recession and showed real growth in the Gross Domestic Product.

Sir, paragraph five reads: (11:43)

Sir, this is an excellent report on the way the Barbadian economy is being managed and handled.

Dr. D. C. ESTWICK: Mr. Speaker, on a point of order. The Honourable Member is misleading the House because he is interpreting the document inadequately.

Mr. SPEAKER: You will have to specifically point to the information that he is interpreting inadequately.

Dr. D. C. ESTWICK: Mr. Speaker, widening of the current account deficit is in itself an indictment that is secondary to an increase of foreign inflows which would have resulted in widening the current account deficit in the first place. Therefore, the Honourable Member is misleading the House.

Dr. W. F. DUGID: Mr. Speaker, I want to go further and read the penultimate paragraph.

Mr. SPEAKER: This debate has got out of hand and much cannot be done at this point. This debate was taken into a certain direction at the behest of the leader of the motion and I will not allow it to go into an economic debate. Therefore, all quotations and references of Honourable Members should have a link and should be used in some way to support the Bill before the House.

Dr. W. F. DUGID: Mr. Speaker, the link between the economy and the capital market is that as the capital markets improve and increase the economy gets stronger. Mr. Speaker, I have taken this line because we are being constantly shown the IMF Report as if it is a red flag to wave at the Barbados Labour Party and this Government. This Report is congratulating the Government of this Commission but the Opposition is taking certain parts out of context and using it against the Government of this country, but, Sir, I will not allow it to continue. This is why I am showing it up for the red herring that it is and that is why the

Honourable Member is refuting it. The Honourable Member for St. Philip West made it a document of the House and said that it is irrefutable.

Mr. Speaker, whenever the Leader of the Opposition speaks, he criticises the Government for the sale of the Barbados National Bank and the Insurance Corporation of Barbados. This shows how the Leader of the Opposition and his Deputy are working to try to distort the good image of this Government.

Sir, in the penultimate paragraph, the IMF directors noted that the decline of agriculture and manufacturing in recent years highlights the need to broaden the productive base. In this regard, they welcomed the recent reform which includes the National Insurance, establishment of a regulatory framework for pension schemes, corporatisation of the Port Authority, privatisation of the Barbados National Bank and the move towards greater competition in the telecommunications sector. Looking ahead, the directors also supported the authority's focus on reform related to budget, tax policy and Government pensions. The directors commended the authorities for their continued commitment to further trade liberalisation in the context of CARICOM, WTO and the envisaged FTA and the recent initiatives to enhance the labour market flexibility. Sir, if that is not congratulatory of the people of this Government and the Barbados Labour Party, I do not know what is. It is their report that was made a document of this Honourable House. 11.50 a.m.

Sir, in winding up I want to say that the Securities Commission, the Securities Exchange and a Caribbean Securities Exchange are all positive things for this country. It enables a person who may have had shares given to them, shares instead of a bonus, who have had an opportunity to buy a few shares or who have been a beneficiary of shares when the Mutual demutualised to become Sagicor, they can now capitalise on that. They can hold on to their shares and see the values increase or they can sell their shares when they receive their increased value and use that to purchase things that they may need.

The Barbados Stock Exchange has given a vehicle for the National Insurance Scheme to invest millions of dollars so that our social security and pension are secured for years to come. The Barbados Stock Exchange has proven itself on many occasions and I encourage people to get involved by purchasing shares because the Barbados Stock Exchange is working.

Mr. Speaker, I want to make one other point which relates to tax. At present, as I understand it, when you buy shares and they are a new issue, you can buy up to \$10 000 and get a tax rebate and when you buy mutual funds, you can get a tax rebate up to \$10 000. However, I am told that the

tax rebate does not extend to shares that have been issued before. I am going to ask my colleagues on the front bench to consider that when shares are being bought, that the \$10 000 tax incentive need not be for new shares but should also be extended to all shares that may be purchased on the Barbados Stock Exchange.

Sir, this would also encourage people to consider trading shares on the Barbados Stock Exchange. I believe that it is a good thing for Barbados and I am sure that it will continue to provide growth and spur the economy.

Mr. Speaker, I am indebted to you.

Hon. K. D. SYMMONDS: Mr. Speaker, I thank you for the opportunity to participate in this debate and I welcome the opportunity. I think that this debate could be placed in an appropriate context by some of the remarks that you made and I certainly would not repeat those remarks either for effect or otherwise.

I am very mindful of the fact that this is the second day that we have come to this Chamber with a view to debating something that is broader than just the operations and regulatory environment of the Barbados Stock Exchange but when placed in an appropriate context, is really a debate on wealth ownership in this country, the allocation of resources in this country and opportunities to access those resources. That is really the broad context in which this debate takes place.

Sir, I am of the view that having heard the Honourable Members who have spoken on the other side, I am mindful of the fact that in an old Democratic Labour Party there were persons who were more comfortable, or so it would have appeared, on the wicket when called to bat on a wicket of wealth ownership. Sir, that is my personal opinion.

I believe that discussing the broad issue of wealth ownership in Barbados cannot be simplistically reduced, as we heard last week, to a debate almost a monologue on the ideological positions of any political party, which we heard from the Honourable Member for St. Lucy. Nor can it be an avalanche of attacks on the accomplishments of the middle class of Barbados who have put themselves in a position where they can benefit from having purchased and invested shares.

Sir, all of the talk about an aristocracy of investors, as we heard from the Honourable Member for St. John, is slightly short of abusive of a group of people. When we talk about aristocracy of investors, what are we saying? Sir, many of us in this Honourable Chamber will have to be part of that aristocracy. The debate cannot be advanced if we are going to be simply casting aspersions on people's accomplishments.

Sir, as the Honourable Member for Christ Church East Central said, this has to be an exercise in educating the public. I believe that in lifting the focus of the general public of Barbados to look at the possibilities that can exist in terms of wealth allocation, access to opportunities for the ownership of wealth in this country and the ideal way in which that exercise can be done is if our people, of all walks of life, understand that there is tremendous benefit from participating and empowering themselves in the ownership of companies in this country. Mr. Speaker, that basically is the context in which I would like to frame the few words that I am going to say here today.

I believe that if I were asked what I wanted to see come out of this debate, it would not be the traditional partisan difficulties and crossfire that we have in this Honourable House. I believe that this is an excellent opportunity to say that the public has had enough of that fare and that an exercise such as this provides us with an opportunity to transcend that fare and to reach a stage where we are able to issue, perhaps, for the first time, in recent times, to reach a situation where we issue a bipartisan statement urging the people of Barbados to embrace with both hands the opportunities for empowerment through ownership of capital in companies in this country.

Asides.

Mr. SPEAKER: Please, please.

Asides.

Hon. K. D. SYMMONDS: I believe that we are given a golden opportunity, which we do not often get. We have to be able to divorce ourselves from, perhaps, the instinctive reaction that exists to draw swords and cross swords on some matters.

I do not believe that anybody inside or outside of this Honourable House is in any doubt of the fact that there is a rich tradition in the Democratic Labour Party of doing things which have advanced the interest of fighting poverty in this country. Equally, there is nobody who would doubt that the Barbados Labour Party has that tradition as well. This is not a debate about how much you put into education or health. We are given a unique opportunity to throw up something about the future and to share with the country that which we consider to be the values for the allocation of resources. It is a debate about values for tomorrow and the value for the sharing and ownership of wealth opportunities to access resources in Barbados. Sir, that is how I see this debate being framed.

Therefore, I have to say that I part company with the Honourable Member for St. John, who unfortunately is not in his seat at this time, when, last week, he referred to this exercise as a sterile and irrelevant debate, those were his words.

Mr. Speaker, I rose at that time and left the Chamber because I felt a sense of revulsion. I am going to say why I did so. Sir, every Tuesday we come into this Honourable House and we sit and discuss issues about the liberalisation of the Barbados' economy because we feel that we are prepared to do so in the context of a Caribbean Single Market and Economy. The most fundamental difficulty that we would face in that liberalisation exercise will not be the fact that Guyanese or Kittians want to come to Barbados or that Barbadians may be going to Antigua because for years our people have intermarried, visited and worked in media and several sectors in the region. We have a rich tradition of movement in this Caribbean. Sir, If I were asked what my view is on the most fundamental difficulty, it would be the harmonisation of this region's financial capital markets.
12.00 noon.

A debate took place last week, and a debate is taking place today where we are looking at our Stock Exchange of Barbados. We are asking ourselves whether on the basis of three years of existence, we are truly satisfied with its performance.

Sir, not a word is to be heard from the Other Side, not a word is to be heard from the New First Eleven of the Democratic Labour Party as to the whole question of the impending, most difficult aspect of integration, which is the harmonisation of our capital markets.

Sir, we have a revised treaty of Chaguaramas. I do not know why people do not take the opportunity to chart out where we are going, look at what our weaknesses are today, and see how we can get to where we want to be. The whole Chapter 3 of that Treaty is devoted to that issue and now, Mr. Speaker, I think that we have to do justice when we are talking about the Securities Exchange of Barbados in that context.

I heard that it is an irrelevant and sterile debate. I say that this fills me with a certain measure of revulsion because of the fact, Sir, that for the first time, this region is seeing the development of Pan Caribbean companies. The Honourable Member for Christ Church West who just took his seat, named a few, Grace Kennedy, RBTT, Sagicor here in Barbados, and others, some of which have served every part of this region and have gone on and penetrated markets across the hemisphere and into the wider world. We are therefore speaking about a new era, a new sophistication of business enterprise in Barbados and in the Caribbean.

As we speak about that sophistication of business enterprise, Mr. Speaker, we have to face the reality that these Pan Caribbean companies will merge. They will seek to acquire interest in each other, and interest in extra regional

companies. Therefore, the level of sophistication that our business people are developing, Sir, has to be kept marching in pace with the level of legislative regulation, and that is a basic point. We cannot have companies going out there and attracting their attention to this region as ambassadors of excellence, because that is what it is.

Asides.

Hon. K. D. SYMMONDS: I heard the Honourable Member for Christ Church East Central talking about a monolithic enterprise looking to buy over ICB. ICB is Barbadian bred and born. Sagicor is Barbadian bred and born. The monolithic enterprise is the wealth of Barbadian talent that has built a Pan Caribbean company which is now prominent across this hemisphere. Sir, that is why it is being flogged in the Parliament of Barbados in 2004 for, the achievement of overwhelming success.

Therefore, the question has to be asked are we serious? When therefore we speak about all of this sophistication in business, Sir, and we look at the legislation that we are asking you to patiently sit down and preside over, Mr. Speaker, do you know what is involved in this legislation?

We are saying that the Securities Exchange of Barbados needs a registrar. Big sophisticated companies are coming out of Barbados attracting attention to the Barbados exchange and the Barbados market, but we need to have a registrar. We need to have officers out there who are armed with the ability to ensure that companies on the exchange are compliant. We need to have the compliance officers and that is what this legislation is about.

This legislation, Mr. Speaker, speaks to the fact that people can issue shares in Barbados today, but there is no penalty for them not properly registering the fact that they have issued, even though the Stock Exchange is required to publish in the *Official Gazette*, by March 31, that shares have been issued.

Mr. Speaker, we cannot be serious if we are going down the road of having this kind of corporate commercial environment but at the same time, we have these legislative weaknesses and loopholes. Instead let us reach out across the well of this House and recognise that this is not a Barbados Labour Party, Democratic Labour Party divide, but it is something that can be usefully discussed in the context of making Barbados' exchange more strong and effective and more meaningful. Equally, the next step must be to look to see how we can reposition the rest of the region's exchanges as they interface with Barbados. Instead of that, Sir, we are hearing that the debate is sterile and irrelevant to the people.

Sir, I did not think that within a year of being in this Chamber, I could begin to express concern about whether or not I am really happy about what I hear coming out of this

place. I am not satisfied that I am happy about the environment and what I hear coming out of this place.

Mr. Speaker, there is a real concern in this country among people who have put themselves in the position to recognise some of the weaknesses in our legislation that I just referred to. They want to hear answers coming from this House, because they are out there doing a large volume of business.

Sir, even as we speak about that, the other afternoon I was reading a Harvard Business Review and an analysis was being done, Mr. Speaker, of the South East Asian exchange. I really put down the thing in cold sweats when I realised that the exact issues that caused those people at Harvard to express concern about the way in which that exchange was evolving, are the precise issues that are facing us in the Caribbean today, on which we are definitely silent.

I speak, Sir, of four or five small inward looking exchanges, competing against each other, literally cutting each other's throats to attract the identical type of business. You go into the institutional investor, Sir, and you see similar studies being done.

In fact, very recently, the Investor did a study on the southern cone of Africa and the exchange there, and there is market segmentation as a result of the fact that South Africa's exchange has become virtually all powerful in that area but Malawi and Zimbabwe are languishing behind marking time. Why? Because they are extremely protective in their scope, exceptionally competitive in the way they treat each other, and there is no collaboration. This is almost an identical depiction of that which we are doing in the Caribbean. This is why when I hear them trivialising the speech made by the Honourable Member for Christ Church West, I feel very sorry.

Sir, when people do not stop and think about the substance of that which was being offered to them, then the Parliament itself is failing the people whom we are elected to represent. I ask the question, Mr. Speaker, if we have seen the segmentation of markets taking place in South East Asia, if we have seen it taking place in significant circumstances in the southern cone of Africa, and if we see...

Mr. C. A. MASCOLL: Mr. Speaker, the Honourable Member for St. James Central is certainly misleading this House, because he is accusing the Opposition of disagreeing with the speech of the Honourable Member for Christ Church West.

The Honourable Member for St. James Central is the only person who spoke after the Honourable Member for Christ Church West. I do not know how he could be accusing the Opposition for disagreeing with the Member's speech, so it is a total misrepresentation of the facts.

Hon. K. D. SYMMONDS: Mr. Speaker, that demonstrates the kind of trivia that I was referring to, and that is why I tell you that I am genuinely unhappy sometimes about what this Parliament is allowing itself to become. Mr. Speaker, if we are going to be talking about different levels of developmental exchanges within the context of regions and there is an abundance of evidence that there has been a negative effect as a result of features which are almost identical to that which we now face in the Caribbean, then it is incumbent upon us to speak to redressing some of those difficulties.
12.10 a.m.

Mr. Speaker, we are talking about a regional stock exchange, but at the same time, we have a painful level of disharmony in the way exchanges in the region operate. For example, we have a situation where there is a restriction on the percentage of shares to be held by any one entity in Trinidad and Tobago. Mr. Speaker, we have evidence of the way that has disadvantaged Barbadian business.

The Honourable Member for Christ Church West spoke about Sagicor and the demutualisation process. He could have gone on to say that when Sagicor demutualised, Trinidadians who would have been policy owners were not enabled and empowered to involve themselves in the stock ownership the way Barbadians were because of that restriction. Therefore, a Barbadian company competing in this region, at a time when we are seeking to have a harmonious development of our capital market, was disadvantaged. This House has to be speaking to some of those issues.

Mr. Speaker, if we are going to be speaking to the development of a regional stock exchange in the context of companies practising their business and their industry across the Caribbean, then the issue of convertibility of currency becomes a critical issue for this debate.

Sir, how much longer are we going to sit and not recognise the fact that a civil engineer who leaves Barbados to sell his skills abroad in St. Lucia or Grenada would have to be paid in US currency because the Barbados dollar is not going to be accepted and there is no convertibility of currency to pay him. That is a reality of the day to day experience of the Honourable Member for St. Michael South Central, yet I am going to hear from that Side that this debate is sterile and irrelevant and it does not matter.

Sir, every time we go the route of paying out US currency, we are passing it out of this region. We are paying seigniorage for the use of every dollar at a time when the Caribbean people are expected to be overcoming the most difficult of the obstacles of integration which is the harmonisation of the markets. We are not hearing any discussion on that. We are talking about the harmonisation of the market and the whole question of the creation of a clearing and settlement system across the region so that when

I conduct my business and business is conducted with me here in Barbados. What are the bureaucratic difficulties that are in place? Is there any part of this region where we are practising online banking where you can sell a service or a good and be paid real time? Are we going to continue to talk about harmonising a market in which you would wait five or six days for it to clear the bank here before it goes through the Central Bank, and what is the transaction cost of that time?

Mr. Speaker, this is why I tell you that I am pained by this debate because these are the identical issues which confronted the Europeans but they tried to salvage some of the difficulties by creating a federation of stock exchanges. So that you sit down and you marshal all of your intellectual and professional resources and look at the difficulties that you have in the system such as what makes the cost of doing business so high and what makes the exercise of trying to unify the region so difficult.

Sir, we have a golden opportunity to get past the debates of the 1960s about what the Democratic Labour Party did and what the Barbados Labour Party has or has not done. We are not going to do that. We are not going to project the eyes of the general public on to what values we have for the development and the evolution of business enterprise in the Caribbean in the future.

Sir, we cannot talk about building a regional exchange unless we harmonise our levels of disclosure. One country has a certain requirement that they name only a few directors. Another company wants all the names of the entire ownership structure, the intermediaries involved and the broker. I do one transaction in Barbados which is the identical transaction which is done in Jamaica but the fee in Jamaica is three times higher than the fee in Barbados or *vice versa*. These are the administrative issues that we have to get right.

Mr. Speaker, as we talk about strengthening our own domestic exchange, I am of the view that this is but a vital first step. Sir, we are standing in a Parliament today discussing legislation three years after the stock exchange has been working under circumstances where the stock exchange does not have an information technology specialist. There is nothing that requires a greater degree of technological expertise than that exercise. You need to have your compliance officers. The question, how do we research what the markets are doing, has not been asked. Mr. Speaker, do we have a sufficient staff complement for market research? My understanding is that the answer to that is no. So unless we get the nuts and bolts in place and unless this debate speaks to trying to throw out ideas as to how we might more effectively get those nuts and bolts in place, then this debate really is perhaps, in the words of the Honourable Member for St. John, irrelevant and sterile.

Asides.

Hon. K. D. SYMMONDS: Sir, they were just making sport about the fact that today is the date of my birth. Sir, I believe that I am still young enough to feel a conviction to speak about a Caribbean which can dream big dreams and have good values. I have heard it said before and it is a fact that this is the first Parliament of this millennium. About one-fifth of us in here if not more are under the age of 40. It is a golden opportunity to start to speak about a Caribbean of tomorrow when we are talking about regional exchanges and so on. I have not yet heard one word, especially from the other side, which suggests that we can go above and beyond just buying and selling a share.

Mr. Speaker, there is no reason why Guyana with its now emerging stock exchange cannot create for itself a speciality niche just like how the United Kingdom has a metal market because there is nowhere else in the Caribbean that have more of a precious metal market than Guyana. The same principles would apply in Trinidad and Tobago. The price of oil today is over \$41 per barrel. The price of oil last week was \$36 per barrel and the week before that it was \$34 per barrel. Sir, if we in this region were prepared to collaborate instead of compete at the level of the stock exchanges, then Trinidad and Tobago could develop for itself a future market, another speciality niche, whereby they could have hedged their risk and buy oil six and nine months in advance when it was \$33 per barrel because they could read down the road and realise that with the ongoing war in Iraq and certain people in charge of certain countries that there was not a likelihood of what we might deem as being a sane view prevailing.

Therefore, we might have been in a better position to hedge risk by using a future market, using the derivatives, as a mean of cushioning against the shock and would not now have the Minister of Energy scratching his head to see how best he could cushion that shock by way of what has to be an increase. Sir, our failure to take some of these things very seriously is a failure which will come back to haunt us.

Mr. Speaker, I made the point that there is a lot to be learnt in terms of an evolution of an exchange in this region but in order for us to practice that, there has to be a greater degree of interface between what we are doing here in Barbados and what they are doing in Trinidad and Tobago. There has to be a greater degree of interface between Barbados, Trinidad and Tobago and Jamaica.
12.20 p.m.

Mr. Speaker, there has to be a willingness to reach out and to say that instead of competing and putting in place restrictions which I believe may make my exchange to be more attractive but in the long run may mean that I am discriminating against certain types of businesses, and that instead, I must create areas of specialty which help compliment the overall development of the regional exchange.

Sir, that is nothing new. That is how it has evolved in Europe, that is how there is a Dow Jones and Company in the United States of America, which deals with one type of business while another exchange deals with another type. Therefore, one would get commodities dealing with one type of business and technological companies dealing with another type.

Mr. Speaker, that is how it has evolved in the southern cones of Africa and their failure in Africa is the reason why there would have Johannesburg continue to escalate to be the 10th largest stock exchange in the world today, when Malawi and the rest of the continent are standing still in the dust. Sir, that is a fate which we cannot afford to replicate here in Barbados.

Mr. Speaker, the Order Paper reflects that in a few months' time, there will be an opportunity to discuss the Single Market and Single Economy and I would bet my last dollar that in the interest of the people of Barbados, their minds and visions would not be set to another plateau, or to things that could come, but yet we can hear the same weary and boring platitudes about doing any number of things, for example, inventing tourism, which gets us nowhere fast.

Mr. Speaker, as I have said, I did not think that the day would have come when I would have felt a little unhappy about what I am hearing that is coming out of the place in which I wanted to be so dearly. It is not that I repent for the trouble that I have taken, or the trouble that has been inflicted on me, but I feel that we can do better.

Mr. Speaker, I thank you for your indulgence.

SUSPENSION

Hon. R. C. EASTMOND: Mr. Speaker, I beg to move that this Sitting be suspended until 1.30 p.m.

Hon. R. R. FARLEY: I beg to second that.

The question that the Sitting be suspended until 1.30 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.
12.30 p.m.

RESUMPTION

Mr. SPEAKER: This Honourable House is resumed.

Mr. R. L. SEALY: Mr. Speaker, we have before us the Securities (Validation and Functions) Bill, 2004 in which we are seeking to give the Securities Commission oversight over

the matter of property transfer tax as it relates to the transfer of shares of public companies. The Securities Commission enjoys a significant amount of power being able to supervise the various actors in the securities markets like brokers and dealers. We are told that this measure will enhance the work of the Stock Exchange of Barbados and in so doing empower the people of Barbados. Sir, I want to start by looking at the state of the Stock Exchange of Barbados.

Mr. Speaker, in spite of a number of positive indicators when looking at the macro-economic situation, the market has been trading quite poorly. Indeed, at the end of last year, by way of the Economic Review of the Central Bank of Barbados for September, we heard that the picture was not rosy in terms of activity on the Stock Exchange.

The Honourable Member for Christ Church West did some impressive research and looked at the development of certain securities on the market from its inception to date but the reality is that at the end of last year, three companies did not trade a single share for the entire year and fourteen of the twenty-four companies registered either stayed at the same value or declined. In fact, market activity largely revolved around the Sagicor situation which is 91 per cent of the total volume.

It was ironic to hear the Honourable Member for Christ Church East speaking about the Barbados Mutual affair and what it did to increase the awareness of Barbadians owning a stake in the company. We well recall during the course of the debate of the Barbados Mutual that the Barbados Labour Party sat in a stupefied silence and said nothing on the matter because the then leader of the Barbados Labour Party was on the board of directors for twenty-years and did nothing about the fact that the policyholders were not taking an interest in the affairs of that company. It should not come as a surprise that his successor and the other present day politicians of the Barbados Labour Party appear to want to lend a lot of platitudes to this issue but when one looks for the 'beef', it is lacking.

Sir, the reality is that as a vehicle for empowerment and broadening the base of ownership, the Stock Exchange of Barbados is failing. I agree with the Honourable Member for St. James Central that this should not necessarily be a Barbados Labour Party or Democratic Labour Party matter but the reality is that we are in the third term of a Barbados Labour Party Government and if there is a situation where the ownership of wealth in this country appears to be going into the hands of fewer and fewer and there is only lip service lent to the concept of broadening the ownership of wealth, then somebody has to take the blame.

Sir, this is not a Democratic Labour Party matter but since the Barbados Labour Party is now in its third term, it is a Barbados Labour Party matter and something has to happen. There are billions of dollars in savings but indicators

reveal that Barbadians are gripped with a deep-seated aversion to investing in the Stock Exchange.

We have to accept the reality that the entity is not functioning properly. The Governor of the Central Bank in her annual review said that the Stock Exchange is comatose. The Honourable Member for Christ Church West has medical training and he knows that you do not enter a coma by chance but that it is precipitated by an injury or illness of some sort. Sir, we have to understand that the state of the Stock Exchange did not happen by accident.

There are a number of things Government can do to improve the situation. Sir, I am prepared to discuss a solution and when the Governor of the Central Bank of Barbados spoke to the issue of the excess liquidity in the commercial bank during her last Press briefing and she announced that permission was being granted for the commercial banks to invest this excess liquidity overseas, I thought it could be looked upon as a retrograde step.

Surely, some of those resources could be channeled into our highly undercapitalised market. This would have been a boost to the confidence in the average Barbadian and get them involved in the Stock Exchange.

Sir, it is no secret that mutual fund managers and unit trust managers in Barbados tend to look at mutual funds which have foreign components. We need to look at the right mix of policies to try to get some life in the whole question of the Stock Exchange. If the Stock Exchange was not doing well, when the economy was doing well, now that a few storm clouds are forming how can we expect it to improve. Now that the national debt has reached 75 per cent of the Gross Domestic Product, now that we are seeing the productive sectors in decline and disposal income coming under pressure, we have a challenge on our hands to create this nation of investors which Honourable Members on the Other Side spoke about so glowingly.

Mr. Speaker, while I ponder at how much latitude you have given the debate, on reflection, it is appropriate because we cannot look at wealth merely in terms of securities and be relevant. It is okay to speak to esoterics but we as a Parliament must be realistic. Sir, it is not only about taking the intellectual forage into various parts of the Far East, as the Honourable Member for St. James Central said, but we have to be relevant because the average Barbadian is not going to invest money into the Stock Exchange unless he has already invested in land and house.

Mr. Speaker, if Government is serious about broadening the ownership of wealth, it has to come with a serious policy with regard to land and the opportunity for Barbadians to own a piece of land. I do not accept what was said by the Honourable Member St. James North. He said that the reason for the increase in demand for housing

is because people have more confidence but shelter is a basic need. Sir, shelter is not subject to the ebbs and flows of demand and supply because people must have a place in which to live. Therefore, I am saying that the land bank and the effort to house this nation must be taken to another level before any wealth creation strategies, via the stock exchange or anything else, can be looked at in any serious way.
1.40 p.m.

Mr. Speaker, the other thing that happened when this debate started was that attempts were made by this Government to focus on the development of an entrepreneurial class in Barbados. I have to say that in spite of having provided a panoply of different instruments that potential entrepreneurs and existing entrepreneurs can source, clearly we are not seeing the results.

Asides.

Mr. R. L. SEALY: There is the Urban Development Commission, Rural Development Commission, Fund Access and Venture Capital. In spite of all of those entities being created, we are yet to see anything of any serious level of entrepreneurs being created in this country.

Mr. Speaker, in spite of a Government that has enjoyed record levels of revenue, we are seeing a Government that in procuring its goods and services spends \$2.5 billion and yet we do not see any serious entrepreneurial base being developed in the past ten years. Surely, by now there should be some success stories by some of these entities.

Sir, let me make it clear that I am not talking about the hats. I am not talking about the political beneficiaries who hang out around Roebuck Street.

Asides.

Mr. R. L. SEALY: I am not talking about any of them that benefit from taking payouts. I am talking about creating an entire class of entrepreneurs and businessmen who can join me as we go about the region plying our trade, offering our service and hopefully we would not have to be paid in United States dollars. We can be paid in local currency. The point is, we have to have an entire class of legitimate business persons. Not people who take financial packages and set up hired car businesses or people who get paid \$30 000 to cut down trees. I am not talking about those types of business people. I am talking about businesses that can be vibrant and that we can see a wider range of such businesses.

Mr. Speaker, in terms of reestablishing this entire class of entrepreneurs, we have to take a developmental approach in terms of our Government policy. I think that the attempt to reestablish the Barbados Development Bank, although it is being called by another name, is a good initiative.

In order to enjoy financial and technical assistance government must play a role. I am only suggesting that a gestation period can easily culminate by these entities, having benefitted from the governmental finance and by being put in a position where they can become listed on the same stock exchange. We cannot be serious about developing the stock exchange, in an emerging economy like Barbados and be content with just twenty-four large companies being listed on the Stock Exchange. We have to look at broadening the membership of that Stock Exchange.

Perhaps, it was one of the few points that the Honourable Member for St. Michael South made that was of any worth. I think that is a necessity that we need to see. Having broadened the chance for these entities to practice on the stock exchange, then the consuming public, the potential owners of shares in these companies, can be then encouraged and educated. I think that Honourable Members have made mention of that point. In that regard I think that the Barbados Association of Corporate Shareholders, I do not know if they enjoy a subvention, I do not believe that they do, but their work is worthwhile work. I think that the incumbent President is well-known to Honourable Members on that Side because he is the Chairman of the Barbados Industrial Development Corporation. Clearly the entity has a role to play in terms of educating shareholders.

Mr. Speaker, that is the only way that we can look at seeing that the Stock Exchange fulfills any of its promises but the will must exist on the part of the Government to see to it that we can broaden the base of ownership of wealth in this country.

The reality is, that ten years into the Barbados Labour Party Government, instead of wealth being broadened in this country it is being restricted to fewer individuals and entities. Unfortunately, the role that Government has played in this has not been a very positive one. We saw, in the case of the Barbados National Bank's shares, where Government had an opportunity to involve, through a public share offering, other entities but they did not do it.

Mr. SPEAKER: Order, please.

Mr. R. L. SEALY: If you juxtapose the position on the Barbados National Bank to what the Democratic Labour Party had done with Almond Beach Resort, you can see a difference in philosophy. Mr. Speaker, Almond Beach Resort remains the only hotel that is listed on the Stock Exchange today and it got there because of deliberate government policy on the part of the Democratic Labour Party.

Asides.

Mr. SPEAKER: Order, please.

Mr. R. L. SEALY: Barbados Shipping and Trading is a large conglomerate but they made it clear that the only way that sale could occur was if the workers of the hotel and ordinary Barbadians were given a chance to own a stake in the entity.

Asides.

Mr. SPEAKER: Order, please.

Mr. R. L. SEALY: This is exactly what they were talking about doing. We are hearing talk about it in this debate but the actions do not back up the talk.

Sir, as if that is not enough, the Insurance Corporation of Barbados is now on the auction block. We are told that a large conglomerate is now doing due diligence. In essence what would happen is that the general insurance market will virtually be controlled by a large entity. Mr. Speaker, that is very backward thinking and it is downright dangerous.

Sir, we now have virtual monopolies in too many different critical areas of our economic activity. It is unfortunate that Government rather than playing a role in broadening the ownership, it is actually playing an active role in seeing that consolidation occurs. Mr. Speaker, I do not accept the lousy excuse that globalisation is the reason for this consolidation.

Sir, the fact is, that within the context of increased trade liberalisation, there is a role for smaller responsive customer-focussed supply entities that can provide services in this region and even beyond. When you consider the whole school of things, Sagicor is still a small player on the hemispheric stage. I am not won over by this theory which said that because the world is becoming smaller and because there is increased trade liberalisation that we have to consolidate all of our entities and have a tremendous social impact in terms of layoffs *et cetera*. No one has considered that but that has an impact on your society.

1.50 p.m.

Therefore, the Government has to play a greater role in broadening the ownership of wealth in this country. The Government is not playing that role, Mr. Speaker, and I can say so with impunity. In spite of all that we have heard in this Chamber on this debate and all we have heard outside, I would challenge them to bring the evidence. Let us hear about the new entities, and the emerging entities in Barbados.

When you think about it, Mr. Speaker, where is Julie'N? Where is Wise Shoppers? How come we do not have more Rawle Brankers and James Husbands?

Asides.

Mr. R. L. SEALY: What is wrong with that? What about the Lloyd Alleynes? What about the Ronald Robinsons? Why don't we have a whole host of them? We do not, Mr. Speaker, and that is the reality and I do not see a deliberate strategy on the part of this Government.

Mr. Speaker, there is a group of young persons out there, who would have turned 37 years old today, and those in that general area, contemporaries who are not prepared to accept that they would be hewers of wood and drawers of water for large traditional businesses. They want a larger stake and what the Honourable Member for Christ Church East Central said is true. There will be social dislocations if we do not address our minds to that. We have to be relevant because a lot of these young people out there are simply not prepared to accept such a life.

Mr. Speaker, a word to the wise is good enough. From the evidence of what we have seen today, it is not occurring and it is my sincere hope that the future will indeed be brighter for all of these young people, and those who genuinely desire a true stake in the wealth, and the wealth created entities of this great nation.

I thank you, Sir.

Mr. M. A. LASHLEY: Mr. Speaker, I rise to make my contribution to this debate. We have heard a lot of talk about corporate governance, which I believe is a philosophy that gives the average citizen an opportunity to be involved in the decision-making of companies, certainly, to have some property or some shares in the particular companies that form part of the economic making of this country.

We must ask ourselves, Mr. Speaker, whether this Government has provided the framework for the survival of small businesses in this country. This is against a background, Sir, I can recall, when the Barbados Labour Party Government was on a campaign, and the language of that campaign was that no one should be left behind.

Certainly, Mr. Speaker, when we examine the growth and survival of small businessmen in this country, and the category of those left behind, certainly small businessmen will form part of that category. Quite recently, in the Princess Margaret School in St. Philip, a former Honourable Member of the Government attested that others have been left behind.

Mr. Speaker, when we examine the Cooperative Societies Act, we must ask ourselves if the proposed amendments are restricted in nature or are we creating an environment for the credit union, which was described by an Honourable Member on this Side as the poor man's bank, a bank that a dual citizen has confidence in, and a bank with

which a dual citizen would feel comfortable or have some intimate connection.

The fact is, Mr. Speaker, when we examine the proposed amendments and, certainly, an analysis of them, the fact is that we were seeking to place provisions in the Cooperatives Societies Act which put onerous duties on Directors. We must ask ourselves whether there are comparable provisions in the Companies Act which place those onerous responsibilities on Directors, and if there is some comparison in relation to the character of those proposed provisions. The question is that they were seen to be draconian in character.

Mr. Speaker, as was said, credit unions operate in an environment where there is no scope or, in fact, not much scope for insider trading, and other forms of risks. They operate in a low risk environment. The point is, Mr. Speaker, to seek to introduce provisions or seek to amend...

Hon. K. D. SYMMONDS: Mr. Speaker, on a point of order. I really believe, Sir, that the Honourable Member is misleading the House. First of all, Sir, if he is talking about a proposed piece of legislation, then he is at best anticipating debate which contravenes the rules of this Honourable House.

Secondly, Sir, the Cooperatives Societies Act has not come properly to Parliament. It is an amendment which is in draft and has not even passed the Cabinet of Barbados.

Thirdly, essentially, he is coming to his House to throw up in the air a glass house, just to lick it back down.

Mr. SPEAKER: The Chair did not think that he was making any very serious reference.

Asides.

Mr. M. A. LASHLEY: There is a rule, Mr. Speaker, that when you make an objection, even in court that you base your objection on sound evidence, but I will continue.

Mr. Speaker, I would further state the point. There has been no developmental strategy by this Government through a legislative framework to enhance the growth of the poor man's bank. That is the Credit Union Movement.

Mr. Speaker, the question is, could we develop an environment to expand the investment portfolio of the Credit Union Movement? I am saying that this must be the essence of any attempt, or any debate, or any discussions on how we move forward with this poor man's bank, that is the Credit Union Movement.

Certainly, Mr. Speaker, the Attorney-General spoke about commercial law reform and I have the latitude. When you open up a commercial law, it would give the licence to make reference to the proposed references from our Side, which would obviously enhance commercial law reform in this country. Mr. Speaker, we on this side agree with the development of small businesses. In fact, we speak on the behalf of the small man. We develop that philosophy to enhance the working-class in this country.
2.00 p.m.

Mr. Speaker, the young people of this country have a desire to be involved in business activity and in the sharing of the economic pie of this country. Therefore, we must do whatever is possible, whether it is by legislative framework or whatever means, to enhance their growth. This would certainly redound to their benefit and by extension to others who are connected to small businesses in this country.

Mr. Speaker, we spoke about wider public education in terms of improving small businesses. The question being asked is whether they have access to the capital which is there. Mr. Speaker, is this Government providing the environment for the small businessmen in this country to access capital to improve their businesses and to compete with other businesses that have advanced technology and that employs persons with good marketing skills and specialists to develop their businesses?

Mr. Speaker, small businesses in this country have gone out of business under this present administration. They cannot refute that because there is compelling evidence of that. Mr. Speaker, small businessmen would love to have an opportunity in getting some of the business contracts from the Government. Some of the small businessmen in my constituency have asked me how they could get access to a business contract from the Government. Some of them are barely surviving. They just need us to open the gate for them so that they can have access to the capital. They want to be given the opportunity to engage in some of the contracts that some of the other persons are receiving for business startup from the Government because when they get these contracts they know that the payment for doing the job is certain. Mr. Speaker, the future of a small businessman looks bleak under this Government.

Asides.

Mr. M. A. LASHLEY: Mr. Speaker, we have never criticized any small contractors. Furthermore we are calling for the creation of a proper environment to stem the demise of the small black businessmen of this country.

Hon. A. P. WOOD: On a point of order. Mr. Speaker, I really did not want to break the Honourable Member for St. Philip North flow, but like all the others on this Side, I have to set the record straight. I am sitting here and I am getting the impression that although the Honourable Member for St. Philip North is an elected politician, he is quite unaware of what has been going on by way of policymaking from this Side targeting specifically the small business sector in Barbados.

Mr. Speaker, I am just going to outline one or two things just to make a lie of what the Honourable Member for St. Philip North is saying. He has asked if we have created an enabling environment for the small businessman...

Mr. SPEAKER: What I am suggesting to you, if the Honourable Member would give way, is that, that really is a point of elucidation.

Hon. A. P. WOOD: Okay, Sir. On a point of elucidation then.

In terms of providing an enabling environment for small businesses to develop and to flourish, this administration by way of direct policy formation and execution has done the following things. We established the Small Business Development Act so as to reduce the incidents of encumbrances for small businesses establishing and sustaining their businesses in Barbados. With respect to taxation, we sought to reduce the corporate taxation rate for those businesses. With respect to training, the Government recognises that giving small businesses and already existing small businesses access to fund is not all. So in a very deliberate fashion, we have put training programmes in place.

Asides.

Hon. A. P. WOOD: The Honourable Member for St. Philip North is aware of what we have done in collaboration with the Small Business Association. We have a very organised and a well-accepted programme delivered in a decentralised fashion at about 13 or 14 centres in Barbados.

The Honourable Member for St. Philip North must be aware that no administration before has sought to establish as many funds specifically to provide financing for small businesses in Barbados than this one. We have the Enterprise Fund at the Rural Development Commission, we have the Enterprise Growth Fund and we have a number of other funds.

Asides.

Mr. SPEAKER: Order, please!

Asides.

Mr. SPEAKER: Order, please! Continue Honourable Member for St. Philip North.

Mr. M. A. LASHLEY: Mr. Speaker, the stark reality is whether a young man who is seeking to set up a business and who suffers from a lack of capital would have the appropriate security which is a condition of accessing the capital to advance his business. It is all well for the Honourable Member to speak about all of these mechanisms, but the question is whether in reality the person who is supposed to benefit is truly benefiting from that.

Asides.

Mr. SPEAKER: Order, Please!

Hon. K. D. SYMMONDS: On a point of order. The deliberate and wilful misrepresentation of facts has to end, Sir. It was this Government that capitalised FundAccess.

Mr. SPEAKER: Please, you are out of order, Sir. What is your point of order?

Hon. K. D. SYMMONDS: The Honourable Member is misleading the House. The reality in Barbados is that there is a FundAccess which is fully capitalised, an Agricultural Development Fund, an Enterprise Growth Fund and other funds, the list is as long as my arm, to assist small businesses.

Asides.

Hon. K. D. SYMMONDS: Mr. Speaker, it is wrong to give those lies large wings like eagles and let them fly, Sir.

Asides.

2.10 p.m.

Mr. SPEAKER: Please, Honourable Members.

Mr. M. A. LASHLEY: Mr. Speaker, this matter is central to empowering those persons who are willing to have a share in the economic viability of this country. I said the stark reality is, are those persons who are supposed to benefit from this, actually benefitting?

Mr. Speaker, there are many times when young people from the constituency would want to set up businesses but due to the bureaucracy and restrictions, they encounter a number of problems.

Asides.

Mr. SPEAKER: Order, please.

Mr. M. A. LASHLEY: Mr. Speaker, it goes back to the philosophy of corporate governance creating an environment where the poor Barbadian would want to have a say, would want to have a slice of the economic pie, and certainly would want to engage in small business activities in this country.

Sir, certainly these people would have good ideas and, therefore, we would have to advise them how to incorporate their businesses, so as not to attract certain liabilities. We also have to provide a framework for them where they can be trained, in terms of marketing their products.

Mr. Speaker, I believe the way forward for the small man, for the 'Joe Citizen' as my friend referred to them, is in the poor man's bank. We have to create that environment to promote and to diversify the investment portfolios of credit unions so that those persons could benefit.

I thank you, Mr. Speaker.

Mr. T. A. PRESCOD: Mr. Speaker, I want to enter into this debate on the Security Commission's Bill which to me is a fairly complex one, not because of the nature of the Bill but because of the various contributions, angles, and the expansive nature of the content of the debate itself.

I am not as knowledgeable on these matters as others who have spoken before me but I believe I am cognizant of some of the difficulties that our people face in this political economy.

I have a different perception altogether about whether Government is responsible for the broad masses not sharing in capital expansion, regardless of what instrument is being used. I have heard talks about development funds, discussion on bonds as a form of investment, different stocks, *et cetera*.

These discussions are very difficult for a man who has had an elementary understanding of these complex matters, to speak with the same level of authority as most persons who have before spoken, some of them were very erudite and knowledgeable on the subject matter.

Mr. Speaker, I am not convinced that these persons were focusing on the Bill itself. The reality is that as we debate this Bill in this Honourable Chamber, the vast majority of the people on the outside are totally ignorant, even of the classification of the instruments that we are using. Therefore, we are into a debate which, in itself, is totally alien culturally to the vast majority of the people.

Mr. Speaker, in recent times since the 1960s, this society has produced a new generation of a new educated group in this society, who, in my view, has never focused much attention on rewards in the form of capital as a

consequence of investment but they have concentrated on rewards in the form of labour, their energies, skills and abilities, which manifested themselves in the weekly rewards of wages and monthly rewards of salaries.

Mr. Speaker, if we are going to encourage persons to become involved in buying shares, securities, bonds and special investment funds, I believe that an imperative prerequisite would be to deal with the advocacy and education that is required, to make these persons aware of the benefits of bonds and securities.

Mr. Speaker, I am not convinced that we have done that but I think that the Government has that responsibility. Sir, if we are to focus on not only making capital available in order to expand and to assist the business environment but that the majority of persons are to benefit from it, then we have to make them understand how important it is so to do. We have to make them understand why such a direction in this contemporary period would be a necessity, especially in an environment where the only angle of rewards that they have known to some extent, would be that of wages.

Mr. Speaker, I said that because every investor, especially expatriates who come into this economic environment, seem to be of the opinion that the wages and salaries that are paid to Barbadian people, are a disincentive. Sir, because of the nature of the dynamics of our history over the years, that was one of the national planks that the working-class in this country had fought hard to achieve, therefore, trade unions and Governments were given credit for constantly making increments available to the labour-class in this society.

This now seems to be a disincentive in the foreign investment. The necessity arises for us now to use a new instrument to make those rewards more equitable to the general society itself. Therefore, we now begin to talk more regularly about these new instruments of investments and rewards.

Sir, in this environment, the working-class person has a culture of survival and when we invest, we expect returns in 24 hours. Therefore, if one is talking about an investment in the slot machines, one would readily capture the attention of thousands of Barbadians because they would understand that if they were to invest, the risk factor would be extremely high but the chances are that they would be able to get immediate rewards. Therefore, because of that culture in the slot machine and in the race horse industry, one would find a more mass-based support in those particular areas. Sir, but using these complex and sophisticated instruments that we are talking about, we are creating a tangle in the minds of ordinary persons and would, therefore, be in breach of our responsibilities if we do not explain to them what it is that we are trying to do, not only to continue to consolidate

capital itself but ultimately the society would be able to share in the equitable distribution of the wealth of this country through the investment in capital. Sir, people do not clearly understand this, they believe that more money would be made available for the business class to sustain and expand their businesses.

2.20 p.m.

I believe there is some source of evidence in the State's documentation to reveal that the masses of people do not respond to this type of instrument readily, not because they view it with suspicion but totally ignore it because it is not part of their culture. I will not blame the Government for this but it is important that we educate and sensitise people as to how these instruments can work for them otherwise a group of the fragile middle class and wealthy class would continue to use these instruments as a form of investment.

Sir, it is unfortunate to accuse this dispensation of not trying in this difficult world environment to be able to enjoy some aspect of the economic space in this society. It is not only an indictment on the Government but also an indictment on the Ministry of Social Transformation, Ministry of Agriculture and some of the other industries along with the Cabinet that put small units in place in order to finance projects and programmes and to make funds available to the broad masses of people who now want to invest in a difficult and challenging environment.

Sir, it is not that the funds are not available, that is not the charge. We speak one thing in January and another thing in June but if we are honest, the charges coming from the Opposition, some members from this Side and the general public were that when funds are made available to small businesses in the society it is felt that they do not have the capacity to utilise the funds in the way they ought to be utilised.

I have also heard the view expressed that most of these small businesses are undercapitalised and find it extremely difficult to sustain themselves in the troublesome, hostile economic market of Barbados. Many small black businessmen start businesses in Barbados but the limited funds available and how they are allocated over a period of time, find it extremely difficult to find a balance in the exercise and hope that in the process of time that they are able to make a net profit simply because the amount of funds invested are much less than is required to get the business to get out of trouble waters in the early stages of its development. Sir, I have heard that problem over and over again.

Sir, the truth is that in this competitive market there are non-black traditionalists who I speak about monotonously and tirelessly. These traditionalists are not friendly to the development of new enterprises in the environment. Sir, both parties have experienced problems because the traditionalists do not just deal with theory like us. They deal

with theory, skullduggery and court new relationships with politicians in order to monopolise markets and have avenues of opportunities. Sir, nobody has to ask me to produce evidence because it is a reality and the evidence is there for anyone to see.

Sir, when a new man comes into this business culture, he would understand the manner in which the traditionalists manipulate the economic order. We are all aware of businessmen who survive regardless of which political party is in office. The political scientists have been debating for a long time whether the traditionalists control economic power in the society or parliamentarians. The dynamics of the society is such that if you are unfriendly to those persons with the interest of the masses at heart and do not shake hands with those who control traditional power over the years, they will do everything they can to make sure that you do not return to this Honourable Chamber. They are abetted by many other gatekeepers in the system not just the political dispensation across Barbados but in journalism, there are serious men who control the media who facilitate these people as well. This is why I describe it as a hostile economic market or you could describe it as a hostile political or business market. When we talk about a micro business emerging against all these dynamics in a system and surviving, the person has to be miraculous in economics in order to penetrate the system. Sir, we have heard many sad stories about things such as these.

2.30 p.m.

Sir, you had the Trevor Clarkes, one in the garment and one in the furniture industry and you had the Hampdens. Sir, you had a whole set of them collapsing in the market and in some cases, although Governments tried to facilitate them in benefitting from all the new changes and trying to cultivate the environment, there is a government outside of government that determines whether they survive or not. The only way that we can deal with these people to bring about the fundamental changes in the distribution of this wealth, is if we collectively join on one particular issue and break the backs of the traditionalists who will work extremely hard to undermine probably both dispensations in the system. It calls for a major sacrifice and we cannot do it easily regardless of how melodious the language is from Parliament or outside of Parliament about interest in poor black businesses. The reality is, we cannot do it unless we do it collectively or we would be playing one force against the other.

Sir, if the Party in power decides to make that fundamental change that is necessary, the truth is, the next election the Democratic Labour Party would be healthy with election money.

Sir, I believe that these things are true. When we come up with new instruments and we talk about them because we

think that we are sailing in waters which are free and harmless in relation to that traditional business class, I want to reiterate that the vast number of those people remain ignorant to the benefits of these things.

Sir, do not make the charge that we have not made funds available to small business people. The reality is, that at the Urban Development Commission...

Asides.

Mr. T. A. PRESCOD: The agencies that we set up in recent times have made investment capital available to small businessmen. The success story is one that we have to be careful with and to be constantly evaluating because the traditional qualities of the black businessman have been challenged over the years by our educational system. Every young man that comes out of the secondary and tertiary level of education, very few of them, even when they study economics or accounts, are concerned about getting loans to invest to set up new business units. They are obsessed to the exclusion of all other methods of getting wealth apart from contraband.

Sir, the only thing that they think about is how they are going to get large salaries. How they are going to get a lot of money from the tourism sector, government department or private sector. *The Nation newspaper* would write about how much money Trevor Prescod receives a month and they are journalists who believe that they are progressive and who would make people believe that I am getting a great piece of the national cake but they are not concerned with what they ought to be concerned about. Those people who used the traditional methods and benefit from these new approaches, sometimes to both, would spend a lot of time on that but not take any serious analysis about the new instruments that we are talking about in this society. That is one of my concerns.

The small businessmen have been granted opportunities. Black businessmen had it before and it was taken out of their hands. They had it from Carrington's Village down to Roebuck Street and Pinfold Street and it disappeared. Sir, buffer groups have come into this political economy and opportunities were created for them. They understand the truth better than our people. The Lebanese, Syrians and the Asian understand it. In all the economies across the world, they look for some of the industries that remain out of the hands of the white traditional business class in this society and they move in. That buffer group then forces the small businessman further backward. We have seen it happening throughout the environment. We would probably see it more so in the transport industry. Eventually we would be seeing it in other industries. Most of the time those persons go through a different cultural development in their education, especially the Islamic brothers and sisters. It is taught in their schools about the importance of being part and parcel of the economy and being involved in business

and reaping rewards out of business but it is not taught enough in our schools. Only a vague understanding through business studies, commerce or a similar subject is being taught in the secondary schools in Barbados.

Mr. Speaker, most of us are still caught in the psychological trap that we must earn substantial wages. When a man is a wage earner in a society, he is part and parcel of that fragile group that can collapse in twenty-four hours. What he earns from his income has no sustainability. He has to invest it and he does not understand that. He can put it on a fixed deposit or bonds but the majority of people do not have that kind of surplus in the system to deal with stocks or bonds. Although we would like to speak as though the vast majority of people know about these things, there is no scientific proof that can prove otherwise.

Sir, I can appreciate all the adjustments and regulations that are being put in place. I think that we have to make these things available in this society. I also think that we have a broader responsibility to open up the society to a wider group of people and we have to study carefully what methodology we can use in order to provide a basis that is development for the broad masses.

Mr. Speaker, with all the clouded views that have been expressed by me and probably others, it is clear to me that as long as the strategy remains in place where one dispensation can be played against the other as a political instrument of divide and rule, especially at that crucial period of an election, these things are not in isolation. We live in a real world. We can divide all the disciplines for the purpose of analysis and speak about the economy as though it is something separate from the politics of the society and that the politics of the society is something different from education and culture for the sake of having a more profound understanding of the various disciplines. Mr. Speaker, we look at those individual areas and sometimes we subdivide some of them in order to have a clear understanding of it but the reality is a holistic view.

Sir, when we talk about these things, although they might appear to be falling within the framework or the ambit of exclusively economic things, the reality is that they have an impact on the politics, the social structure of the society and the manner in which people live in this society.
2.40 p.m.

I believe that what is really healthy about this occasion is that we have seen almost every person present in this Chamber, having the privilege to analyse this Social Security Bill, looking at it from various angles. I hope we have the capacity to gather all of that information and work towards the developmental benefits of the broad masses of people in this society.

Sir, you know that I always speak on that aspect. I cannot do any better. I do not know why but the truth is that I cannot do any better. My purpose for entering the debate was because I felt that it was a little unfortunate to sit...

Asides.

Mr. T. A. PRESCOD: As long as I am in here, I would make sure that I muster the courage to be critical of the Government or anybody. I obviously would like them to go much further than they are going, there is no doubt about that, but I know that we are making an effort. Money was made available to contractors in this country.

Asides.

Mr. T. A. PRESCOD: It has to be said.

A large percentage of those contractors, not all, took the money of the State, the taxpayers' money and used it for their own purposes. This is a reality.

I will defend the bonafide small black businessmen but I am not going to defend those who are deliberately dishonest and steal the State's money. The State's money is the people's money. We had that problem when we made funds available to them, even in cases where the broad society and Honourable Members on This Side and on the Other Side were of the opinion that some of them did not have the capability even as contractors.

Asides.

Mr. T. A. PRESCOD: That is a reality and that is true. It is not negligence. You do not understand the evolution of our history.

It is only in recent times that carpenters are trained at the Samuel Jackman Prescod Polytechnic and the Vocational Training Board. The reality is that back in the 1950s, there were men doing carpentry and building some of the strongest houses, especially after hurricane Janet and thereafter who never went anywhere to be trained.

Asides.

Mr. T. A. PRESCOD: Well, they had the apprenticeship system. We do not have that system now but we have the Vocational Training Board and the Samuel Jackman Prescod Polytechnic.

Then, there were men already involved in building houses but they did not have the managerial capabilities of working with others after setting up businesses. There was a lot of tension in relationships and sometimes workmen did not come back to work with them, because of the unfriendly way in which they conducted their business.

Sir, some of them took out money and spent on personal things and did not use it for the purpose allocated. For example, I can tell you that there were men who received \$10 000 from the Urban Development Commission under contractual relationships, as a mobilising fee, and then they disappeared. They escaped like Winston Hall with the money. These are small black businessmen whom we are trying to encourage. We also have much difficulty, because we do not want to push them through court, so we do everything that we can to persuade them to repay the loan.

Sir, we make loans available to small businessmen, I am not only talking about contractors but micro businesses, and when you check at the location to see if a building has been erected, there is a vacant spot and no business on the site.

Then, we had to put mechanisms in place, not that they are not in place on paper and in theory, but we now have to put personnel in place to track down the individual who probably might be moving from town to town, location to location, with no fixed place of domicile. We have to find him and try to persuade him to repay the Government's money. We have contractors who did great work and are still doing good work, and we do all of that because we want to encourage new entrepreneurs in the system. We are giving them opportunities but that is what they do.

They also credit materials from places and cannot pay for them, because they are now into complex management where they have no experience. What is required as a prerequisite but which is foreign to them, again because it is not part of their culture, is to sit with the different enterprises that granted the opportunity through the Loan Funds and spend a couple weeks or months trying to understand the basics in business. For example, how to open up a bank account, operate a computer, and how best to spend their money in order to attain a profit out of the exercise.

Sir, most of the time they end up at a loss, and asking for money to invest in the whole exercise far beyond the total market value of what is expected at the particular time. When we calculate a house to cost \$52 000, some of these men charge as much as \$62 000, and still ask for money to complete the enterprise. When we set up small businesses, the same thing happens.

Sir, a large percentage of them, I cannot give you the percentage in terms of data at present, fail because we have to spend time educating them and urging them to get involved in these exercises, so that they can take advantage of the new instruments that we want to make available to people in this society. The education has to be focused more on the masses of people who are the majority people, if we are concentrating on an objective that has included in it, an

exercise of equity. If we are just trying to strengthen other persons and let them remain with us forever, we can do nothing without educating the broad masses of people.

Sir, I want to thank you for the opportunity to speak on this particular matter. With my limited knowledge, I hope that I have been able to shed some small degree of light on the debate.

Thank you very much, Sir.

Mr. R. D. MARSHALL: Mr. Speaker, I was not sure if I was going to speak in this debate but after I heard the Honourable Member for St. Michael East speaking out in his fashion, on what poor people have to endure and how poor people have to spend their disposable income, I thought that I am also in a situation where I represent a constituency which is fashioned in the same way as the constituency of the Honourable Member for St. Michael East.

Sir, I would say that it is a working class community. Like most people in Barbados, these people depend on a weekly or monthly income, in order to survive and take care of their loved ones, which comes from being employed. Sir, the income of the people in the constituency of St. Michael West Central, like that of most people, comes from being employed. Some people have an income coming to them by way of an inheritance and some people get an income from investing. However, the main source of income for most Barbadians is from their employment. Sir, when they get this income the first thing they have to think about is their daily expenses such as food, rent or paying for a mortgage and educating their children. Sir, most poor people have four or five children so their money goes in the area of taking care of food, clothing and living expenses for themselves and their children. When people get this money they are not going to think about investment as such, they are going to put their money in a bank because they can go to the bank and withdraw a little something to spend every week or every month as the need arises.

2.50 p.m.

Mr. Speaker, some people put their money into what is known in the Trinidad parlance as a 'sou-sou' but as a 'meeting' in Barbados where every week somebody would get a little turn. It is a way of saving. It is not an investment because they do not get any returns on the money. It is just a little saving for them, as the Honourable Member for the City of Bridgetown said. It is just a little saving to get them by on a weekly or a monthly basis. If they want to buy a little fridge and it is not their turn, they can tell the person who is in charge of the 'sou-sou' or the 'meeting' that they want their turn in two weeks times because you want to go and pick up a little fridge at Cave Shepherd, Dacosta or Courts. That is the way older people grew up getting something in their lifetime.

Sir, something of late which has become very popular in Barbados is the credit union which in itself is a little saving investment for those people because when they have a problem or find themselves in a situation they can go to their credit union and take off a little something. The credit unions run a system now where you can borrow up to three times the amount you have in savings with them and you can repay it at reasonable interest rates. They would probably get better facilities at the credit unions than they would get with the consumer bank.

Mr. Speaker, some people do not trust banks, credit unions, 'sou-sou' or 'meetings'. These people save their money under the mattress at home because they know they can get money when they want it. If the bank is closed on a weekend or on a bank holiday and they want a little money to spend, they can go under the mattress and take a little money and do what they want to do.

Mr. Speaker, I want to go ahead to talk about what people should be doing with their savings. Mr. Speaker, if you rent a house all the days of your life you would never own a house. There are some people who believe that they don't want to own anything and would rent all their life. However, Sir, by the time a person reaches age 45 or 48 and they do not have a house, chances of them owning one are very slim. First thing is that they are only going to work until about 60 or 65 years, but when a person reaches that age, they are on a declining mode in life, and if they go to borrow money and an institution is willing to lend them the money, they would get it on a different scale than when they are young. So, Sir, before a person reaches age 30 or 35 they should have started looking seriously at getting a home for them and for their dependents.

Sir, the other thing one needs to save for which one could get out of investment, if one has money to invest, would be for one's children education or for one's own education because some people when they were very young might not have had the time or the opportunity to further educate themselves because they were getting children. So when the children get older, some may be self-supporting or some of them might be big enough to take care of themselves, those persons could probably decide to educate themselves so as to be able to market themselves in order to get a better paying job or to do something they have always wanted to do where education is concerned.

Sir, people have to save for everyday needs. We talked about savings in the bank, credit unions, meeting turns and home saving. Sir, I am from a background of insurance and one of the safest places a person could put their money is in an insurance company. It is not really an investment, it is more or less that you are saving money for future retirement or for future delivery.

Sir, if a person has a life insurance policy for \$25 000 or \$50 000 that person is putting down that money against an eventuality, that is death. If you are insured for a certain amount of money, on your death that money is paid to your beneficiary to take care of certain things. You might have planned for an education for your children or going about getting a home for your children, so if death comes before that time, the money that you are insured for is paid to your beneficiary. So although you are dead and gone along your children can still have that education because the money from the insurance company will be paid to your beneficiary and your children can still have that education. If you were saving for a house, on your death that money is paid to your beneficiary who can take that money and purchase a house for the remainder of the family instead of renting. These are ways and means of saving, Mr. Speaker.

Mr. Speaker, if you do not die and you are living to a certain age depending on what kind of policy you own, if it is an endowment type of policy which is for 20 or 25 years, and the policy endows, the money is paid to you. Sir, beside that, all along you are paying your money in an insurance company the policy accumulates what is known as cash values and dividends. As long as your policy accrues cash values and dividends you can borrow from the insurance company against the cash values in the policy and you can go at any time and take off the dividends from the insurance policy. By law you are not required to repay the dividends but you are required to repay the cash values. Mr. Speaker, when your policy matures or endows you have the money there coming to you and on death the money is paid to your beneficiary in addition to any dividends that have accrued over the years on the insurance policy.

Mr. Speaker, nobody is going to live forever. Death is shared fairly and all of us have to die some time. If you are in a situation where you are saving for the future, you can also save for your retirement years. You can put money into a pension plan as an investment so that down the road in your retirement years you have some kind of money coming back to you.

Mr. Speaker, not all companies carry pension plans for their employees. Therefore, one can decide to set aside some money in a pension arrangement through a registered retirement savings plan or in a little plan by oneself for one's retirement years because in those years one stops working but does not stop spending. When you retire from work at age 60 or 65 years it is that time, like a motor car where the engine begins to wear out, when the body begins to work the same way and there might be a time when you might not be in good health and you would need money to spend on yourself. So you would have money from your pension plan or your retirement income policy to take care of you in those old days.

Mr. Speaker, people should only get involved in investment after they have made certain arrangements in their life like making sure that they have adequate insurance and that they have put aside something for their children's education and in case they get sick.
3.00 p.m.

Mr. Speaker, it is only then that people should look at investing because poor people do not have the disposable dollar to invest in Barbados. If persons have the disposable income, they can put their money into stocks, bonds or treasury bills, which is the safest way and is guaranteed by Government.

Sir, I do encourage persons that if they have the disposable dollar after their expenses are met, they should put their money into treasury bills, stocks or bonds. Fortress Mutual Company has a good mutual fund arrangement. I do have some savings in a mutual fund arrangement and I believe that is the way to go.

Sir, in a large measure, I am in support of this Bill before this Honourable House. I am obliged to you.

Hon. Dame Billie MILLER: Mr. Speaker, I want to make a short intervention on this matter. I want to be supportive of the amendment before the Honourable House.

Mr. Speaker, I think that Honourable Members have to be careful how they speak to these issues, lest the wrong impression should go abroad. I think we need to recognise that in respect of the restructuring of the capital market, there is still a global recession resonating. One might see a little flurry in North America in the first quarter but let us face some facts about that.

Mr. Speaker, I wish to speak to something that was touched upon by the Honourable Member who has just taken his seat. In Barbados, we live in a society with a very long tradition of both men and women saving, educating their children and acquiring properties.

I hear some Honourable Members speaking as though they are not properly acquainted with the history of home and property ownership in this country. Reference was made by the Honourable Member who has just taken his seat about the 'meeting-turn' but even before the 'meeting-turn,' in our grandparents' time, there was something called the 'friendly society.' Of course, the credit union then grew out of that.

Sir, this Barbados Labour Party is to be credited for bringing progressive legislation to this Honourable Chamber in the 1970s and 1980s, which has helped with the taking-off of the credit unions as we see them today.

I looked in a local newspaper a number of weeks ago and was interested to see a credit union advertising its services. I did not look to see the name of the institution, I was reading the body of the information and I thought that I was reading an advertisement put out by a commercial bank.

Sir, the truth is that the credit unions of Barbados, properly described as non-bank deposit-taking institutions, are very competitive. All of the services that I saw, would expect, and could have access to in the commercial bank in Barbados, are now available in several of the credit unions which have flourished over the past 25 years in this country, and are offering a number of services.

Mr. Speaker, do not let us underestimate the ordinary working-class Barbadian. That is what the constituency of which I have had the honour to represent for the past 28 years has taught me. It is exclusively working-class, thank the Lord. I know where I am with them, and they know where they are with me.

I have people in the City of Bridgetown who have taught me a number of things about investment. I have a chief canvasser who, many years ago, taught me about treasury bills and bonds. Therefore, over the years when I give gifts to nieces, nephews, god children, and others, this is the way that I do it. I, in turn, have tried to teach them about investing in Barbados and in the Barbadian economy. We must also give credit to some of the captains of industries, if not all of them, in this country.

Mr. Speaker, these people get maligned from time to time about their overseas investments but the truth is, the majority of them, if not all, invest in Barbados. That is part of the reason why today the banks are liquid because Barbadians know and understand how to save.

Sir, I think we need to educate people in this country about new investment instruments and part of the task of the Securities Commission is to educate, beginning at the level of the school system and then generally to all Barbadians. One will find, I am certain, that people will respond to it.

I heard Honourable Members talking about people having less today than they had 20 years ago. Sir, that cannot be the truth. That cannot be the Barbados that 25 years ago, this Barbados Labour Party, with the Tenancies legislation, which was much opposed by Honourable Members sitting on that Side at that time, for the first time in generations and centuries, the Barbados Labour Party freed up legislation, where people living on plantation lands got to own their own properties. Sir, a whole new property-owning class came into being.

Sir, we have not only done it with plantation tenancies. Today as we speak, Government estates are now offering, and I am very pleased that in the City of Bridgetown at

Kensington Lodge estate and Pondside estate, Government estates are now putting long-term tenants in a position to buy their properties, and is, therefore, widening that property-owning class.

Sir, one only needs to take a drive and one would see that there are public sector developments across Barbados that are taking place. Perhaps some of these Honourable Members who do not seem to know what is going on in this country in respect of who owns land or property, need to take a drive around Barbados to see how everywhere people are helping themselves. It is taking place in the City, in the suburbs and in the country, where people are converting wood to wall, starting at the back and coming forward.

Mr. Speaker, some people are now building entirely in wood, but in the harder woods coming out of Guyana, such as purple heart and green heart, where the most attractive houses can be seen. People are also doing landscaping. Sir, home ownership is something of which every Barbadian is proud and to which every Barbadian aspires.

Mr. Speaker, this is a way in which the average Barbadian, through the years, has sought to invest in their country. It is not a good thing that we would say only negative things in here and would give the impression that somehow their investment is not a worthy one and should, therefore, be discounted.

Sir, a person's home is perhaps the largest single investment that one would ever make in a lifetime. Little boys of 15 years old aspire to owning a motor car and think that car may be the most important or only asset that they will ever own in a lifetime, but young women know otherwise. That is why in excess of 67 per cent of mortgages today in this country are held by women. It is nothing new, our grandmothers who were hawkers have saved up and bought land.

Mr. Speaker, I grew up in a Barbados where people were inheriting properties from grandparents who were working-class Barbadians, who may have had one or two acres of land, and who would have fed, clothed and educated sometimes a family of eight or ten out of it.
3.10 p.m.

We should not behave as if Barbadians do not understand about investment. There may be new modern instruments about which they now have to be educated but this is something that Honourable Members need to be putting a positive light on and encourage their constituents to understand that they too can aspire to this.

The School Meals worker or the lady who is a domestic helper living in Pondside who was able to rent a unit fifteen years ago never thought that one day she would come to own

it. Sir, in the Barbados Labour Party administration it is not a dream but a Manifesto promise which has come true in our time. We have never in our time seen black land ownership as the Barbados Labour Party has done in the last decade. We must not mislead people who believe that one day they can own their piece of the rock because it is happening and can be done.

Sir, savings did not happen in this generation. As a child we were taught to save in a tin and I can remember people in the country talking about burying the 'cocoa tot' in the ground with money. We only have to look at the phenomenal growth of the credit union to understand where ownership lies.

This amendment before the House will be understood by working people in Barbados. They will also understand the implication and I wish to urge upon the Commission to work on its public education outreach so that people can have a better appreciation of new and different ways in which they can invest. Barbados is built upon the fact that Barbadians understand how to save and invest in their country Barbados.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I wish to thank all Honourable Members who spoke in this debate. While they have been many varied and wide comments some perhaps well outside of the parameters of the legislation that is before the House, I do think that it has engaged all members' attention and allowed for a broad debate on the imperative of ownership with broadening of an economic democracy and the realisation that we will only survive, that independence will only be meaningful for us all if we are capable of creating sufficient wealth within our jurisdiction among all our people such that they can improve the quality of life they now enjoy in a way that we have seen improvements over successive generations.

Mr. President, apart from a few political comments, the essence of the debate reflects a unanimity of perspectives in relation to where Barbados must go in terms of increasing the number of persons who must become owners not just of real property but of all other forms of assets in our country at one level. The Honourable Leader of the Opposition and other members spoke to the fact that unless we can finance further investment in our productive capacity, we would not continue to grow as a nation and provide the kind of infrastructure that would allow us to maintain a stable macro-economic environment nor the kind of infrastructure that would allow people to make investment in various productive sectors.

Mr. Speaker, we live in a world today where the international market activity has so grown that some may argue that it undermines the sovereignty of the G7 countries in terms of their capacity to treat to monetary and fiscal policy because of the nature of the movement of capitals across markets. The reality is that every minute of the day

there are Stock Exchanges opened whether in New York, Tokyo or London and it is significant that we live in a world where some people liken the international financial markets to a huge casino because of the speculative level of trading that takes place in these markets. Indeed, Mr. Speaker, they process in one day in excess of one trillion dollars which is equal to nearly six times the value of all the direct productive foreign investment during an entire year in the entire world. Mr. Speaker, that is a staggering statistic.

We would not be of that league but it is clear that there have to be broader opportunities for acquiring capital in order to run the enterprise established. Sir, the question to be asked is whether the enterprise should borrow and pay interest or open up the ownership of the enterprise and allow persons to invest in order to produce goods or services without having to incur the additional cost of interest had the enterprise gone for debt financing. These are the issues that we will discuss more as a people in the future.

Mr. Speaker, I agree with the last Honourable Member who spoke because when I listened to the reports from this debate last week, it struck me that we have come a long way in the last twenty years. We would not have heard Honourable Members in this House speaking about the need to invest in securities or give children gifts in the nature of savings instruments. Mr. Speaker, more and more, as the Honourable Member for The City of Bridgetown said, those who traditionally would have saved, whether it was the more traditional mode of keeping it in their home or otherwise, will participate in the wider range of product offerings that the economy has to offer in the same way that their dietary patterns and the way their dress have changed from 20 or 30 years ago.
3.20 p. m.

Sir, it is a question of public education, sensitisation and where we come in as a Government to protect the interest of all concerned. That is why the Securities Commission's role as regulator is so keyed because there must be standards which are adhered to by all players as long as we are dealing with the public's money. We understand that in public life there is need for laws to ensure transparency and accountability in respect of how Governments spend the taxpayers money. Equally, in the context of capital markets, there is need for regulation to ensure transparency and accountability in respect of how companies and various investors use the money that they raise from the public.

Sir, one of the significant things that I would advert to is that under the old Securities legislation of 1982, those public companies that were not listed, because there are some public companies that do not trade because they are not listed, would not have been subject to the same level of high standards and prudential norms as there are under this legislation that was passed in 2001.

Sir, even if you are a public company that is not listed, you have now to go beyond filing annual audited financials. You also have to, under Section 58 of the current legislation, register with the Commission to ensure that you are properly regulated. You have to ensure that you make disclosures similar to the disclosures that must be made by the listed companies that are public.

Mr. Speaker, once you are doing this, it allows the Commission to ensure that, even where that public listing does not take place, there is still a level of adherence to the fiduciary responsibilities more clearly stated in the Companies Law of Barbados.

Sir, we are moving more and more to a system of higher standards of corporate governance, accountability and transparency. Therefore, those companies that exist in our midst who do not want to broaden their ownership base because they feel that it would require of them a higher standard conduct than if they remain a private business, will soon realise that more and more, whether it is in terms of equity or debt financing or the normal standards of company law, that the adherence to greater transparency, accountability and fiduciary standards will become the norm. Therefore, that is not to be a reason to shy away from broadening your ownership base if it is going to increase the capital of the company to allow it to take on new challenges and opportunities.

Mr. Speaker, we will hear more and more about this. As I indicated last week, there is an Advisory Committee which is chaired by Sir Henry Forde and appointed by the Securities Commission to review several pieces of legislation, the Mutual Funds Act which was passed in 2002, the Take Over Bid Regulation and almost the whole raft of legislation to ensure that which was intended by Parliament and the Government in terms of policy framework, is, in fact, being reflected by the manner in which it is operating now that we have the Securities Commission fully operational and companies are engaging in ways on a daily basis.

Sir, we also look forward to the further growth of the development of a corporate bond market which will make it more competitive for companies to be able to access capital in this country rather than simply taking a loan and the interest rate of the loan. Equally, it will require of them higher standards in terms of what they set out to those who will be subscribing to the bonds, the targets set and the level of transparency and accountability.

Sir, the reality is, this is how most companies across the developed world now operate and we should not do it because it is done so but it makes sense in being able to give you greater competition in terms of the availability of capital and as a result of greater competition, lower cost capital for you to be able to access and that is what makes sense, not simply because it is done in the outside world.

Sir, we look forward over the next decade to Barbados becoming a serious financial capital, not only in the region but we believe in the hemisphere. There are 35 countries which are actively engaged in the hemisphere and we feel strongly that Barbados is well placed to continue its development in the services sector, not focusing exclusively on its domestic and economic environment but also as a hub for international investment and, hence, at some point there will be a convergence of the policies that we pursue in the international services sector and our domestic economy.

It is a *sine qua non* in a strong economy that you have well regulated financial sectors. We feel, as I said last week in the reconstruction of the economy, that in the development of the new economy this is one of the key platforms that will help us move forward as a stronger nation. We also feel that in the post Enron/Worldcom environment there are matters that need to be addressed in relation to the strengthening of corporate governance, transparency and accountability. Sir, as I said, these things are not new to us because these are the standards to which we in the public sector must adhere in relation to the fiduciary relationship which we have with the people of this country. Therefore, all that we would be doing is extending it across to the private sector to ensure that the society and economy as a whole is one that respects transparency and accountability and, therefore, allows for the full flow of information as well as the creation of opportunities for all with ability, and discipline, who want to be able to achieve it and not just to a privileged few.

Mr. Speaker, I am not going to get into a major debate as to the effectiveness of Government's funding in relation to small businessmen because this debate was not fully about that. Suffice to say that the evidence is clearly there, whether it is through the Rural Enterprises Fund, Urban Enterprises Fund, Fund Access or Enterprise Growth Fund Limited, that there is now a plethora of funds that are accessible and do, in fact, lend people money on a daily and weekly basis in order to participate in small business activity in this country.

I said and maintain that and I do believe that the commercial banks need to have a more aggressive stance in relation to lending money to people in that class and generally within the small and medium-sized enterprises of this country, largely because a lot of these people do not come from a history of large capital. They have good ideas and may be able to have access to markets but unless they are given the opportunity they will not be able to get off the ground. What may have to happen is, rather than not lending them, strengthen the risk assessment procedures within the commercial banks in the country to be able to allow them to ensure that they do not make bad decisions but at the same time give people a greater opportunity to access capital in a society that is known for the majority of its people not having ready access to capital either by inheritance or in terms of what they have done in their working life.

Mr. Speaker, as I indicated at the outset of this debate that while we are debating specifically the Securities Commission (Amendment) Bill, there is an ally piece of legislation on the Order Paper in the form of the Property Transfer Tax (Amendment) Bill, 2004. May I just for the purposes of summing up indicate that the Securities (Validation of Functions) Bill will validate the actions taken at the beginning of 2003 and now by the Securities Commission, in relation to its adjudication of property transfer tax on the sale of shares.
3.30 p.m.

The Property Transfer Tax (Amendment) Bill will bring about the effective amendment ensuring that it will be the Securities Commission and not its precursor, the Securities Exchange that is responsible for adjudicating Property Transfer Tax in the future. Accordingly, therefore, Mr. Speaker, when I introduced the Property Transfer Tax Bill I will take that debate as having been reflected in this debate.

With those few words, Mr. Speaker, I beg to move that this Bill be now read a second time.

Hon. Dame Billie MILLER: I beg to second that, Sir.

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

On the motion of Hon. Miss M. A. MOTTLEY, seconded by Hon. R. R. FARLEY, the House resolved itself into Committee on the Bill, Mr. R. D. MARSHALL in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is now in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Hon. Miss M. A. MOTTLEY, seconded by the Hon. Dame Billie MILLER, Mr. CHAIRMAN reported to HIS HONOUR the SPEAKER the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Miss M. A. MOTTLEY, seconded by the Hon. Dame Billie MILLER, the Bill was read a third time and passed and cited as the Securities Validation of Functions Act, 2004.

ORDER NO. 4 – PROPERTY TRANSFER TAX (AMENDMENT) BILL, 2004

Hon. Miss M. A. MOTTLEY: Mr. Speaker, during the course of the debate on the Securities (Validation and

Functions) Commission Bill, I would have indicated that this was a companion piece of legislation and that we would have one debate in relation to both of them.

This having happened, Mr. Speaker, I beg to move that this Bill which simply seeks to replace the Securities Exchange with the Securities Commission as the entity responsible for the adjudication of Property Transfer Tax be now read a second time.

Hon. Dame Billie MILLER: I beg to second that, sir.

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

On the motion of Hon. Miss M. A. MOTTLEY, seconded by Hon. Dame Billie MILLER, the House resolved itself into Committee on the Bill, Mr. R. D. MARSHALL in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is now in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Hon. Miss M. A. MOTTLEY, seconded by the Hon. Dame Billie MILLER, Mr. CHAIRMAN reported to HIS HONOUR the SPEAKER the passing of one Bill in Committee, and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Miss M. A. MOTTLEY, seconded by the Hon. Dame Billie MILLER, the Bill was read a third time and passed and cited as the Property Transfer Tax (Amendment) Act, 2004.

ORDER NO. 5 – FAMILY LAW (AMENDMENT) BILL, 2004

Hon. Miss M. A. MOTTLEY: Mr. Speaker, this amendment which is before the House is very simple. It really is a form of housekeeping to facilitate the House to deal with more substantive matters later in the year.

The Act provides, Mr. Speaker, for the establishment of a Family Law Council, this is Chapter 214 of the Family Law Act. In the circumstances, this Bill is being brought before this House to allow us to increase the size of the Council by two additional members. I will give you a brief background.

Sir, given the very robust debate which took place last year, in relation to some amendments which were brought before this House which I had the Honour of only closing the

debate, because they were brought by my predecessor and went to a Select Committee of this Parliament, it was left to me only to report back to this House.

The Government paused the process, as we normally do, in circumstances where there is clear deep division, on matters of fundamental social policy. I say so because at the end of the day we can only govern to the extent that we do not allow for levels of social marginalisation or exclusion especially in a country as small as Barbados. Mr. Speaker, in so pausing the process, we have sent the amendments back to the Family Law Council for them to review them. Mr. Speaker, while there may have been one or two provisions that were particularly contentious, it is our judgement that there is a wider range of issues that are of fundamental importance to persons in this country who have at some time or another to treat to the law courts or to the Family Law Act.
3.40 p.m.

Mr. Speaker, I therefore look forward that by the end of the year we can have a report such that this House can treat to this matter in a comprehensive manner having been assured of the very clear and wide consultative process that would mitigate against social exclusion and social marginalisation in our midst.

Mr. Speaker, on the re-election of the Government sometime late last year, in constituting the Family Law Council I invited the President of the Men's Educational Support Association otherwise known as MESA to nominate a person to sit on the Council because it was absolutely clear that there was a strong feeling on the part of men in Barbados that there was a particular bias on the part of the legislation against their welfare.

Mr. Speaker, it is not the intention of this Government for any class of people, far less any gender, to feel excluded by legislation passed by this Parliament. Therefore, we took the issue seriously and invited them to be represented on the core body of the Family Law Council. It is true that previously we have never invited any women's organisation. Mr. Speaker, there was a feeling that the composition of the body had a level of sympathy to women, but that can only be so because there may be an understanding from how far down the women were travelling in relation to marginalisation and exclusion in this country.

Mr. Speaker, with a level of evenhandedness, one of the things we want to do with this amendment is to allow us to invite the President of the National Organisation of Women (NOW) to nominate a person not in their own right on the Council. The same way that MESA has a person who is representative of MESA, the National Organisation of Women should have one representative like MESA.

Mr. Speaker, it was also felt that we should increase the members of the Council by one in order to get a wider range of skills because as you would appreciate, we feel strongly that the Family Law Council should not be limited to lawyers alone but to wider skills within the society and the community in order to have a holistic perspective as it relates to problems pertaining to the family.

Mr. Speaker, I think I can safely say, that it is the judgement of this Government that strengthening the role of institutions that cater to the family as the first and most immediate self for nurturing and building individuals in this country is a priority for this Government and hence later this year you would see measures from the Ministry of Social Transformation that would treat to the family in a cohesive and holistic way rather than the piecemeal delivery of social services that we have seen not intended as something bad but that has not worked well for us in the context of our society. So we look forward to future amendments, but I need to be able to increase the members of the Council so that when those amendments come forward they are the subject of a full representative body. I am also going to require them to go to the public as well with what they have, before sending it to me as the Minister, as well as the policy framework that the Ministry of Social Transformation would bring in relation to strengthening the support structures and institutions for the development of strong families in this country.

Mr. Speaker, you would note that I stayed away from the politics of families first. Suffice it to say, we believe that this is the appropriate framework that is necessary for us to strengthen the family and to recognise that in building strong families we build strong communities and strong countries and by extension a strong society.

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

Hon. Dame Billie MILLER: I beg to second that.

Mr. Speaker, I want to make a short intervention by directing my concern to the Family Law Council. It is a concern I have voiced on the Floor of this Honourable House on more than one occasion in the past and I would continue to voice it until the day this matter is corrected.

Sir, I speak as a practitioner of some standing in the area of family law. In the Magistrates' Court where a maintenance order is granted, if after a fixed period of time, fixed by law, the monies to be paid in respect of maintenance for children of a relationship whether it is through a marriage or a union other than a marriage in this country are not lodged in the Magistrates' Court or in any other way whether by attachment or otherwise, automatically the matter comes before the Magistrate again and the offending person is

summoned to the court and must show cause as to why the monies have not been paid and the Magistrate would deal accordingly.

Asides.

Hon. Dame Billie MILLER: Mr. Speaker, the point I really want to make speaks to what happens or indeed what does not happen at the High Court level. At the level of the High Court when a maintenance order is given and the maintenance monies are not paid this matter does not automatically come back to the court, so people have to come afresh to the High Court. In many cases, particularly for those people who have to depend on legal aid because they cannot otherwise afford, it works great difficulty for them because legal aid would not grant a second certificate in less than a year. Mr. Speaker, in that year while they are waiting children are starving and are going without the basic necessities simply because a parent would not maintain.

Mr. Speaker, it is not something which is earthshaking for some people and it is not generally known to some people but it works great hardship for a number of people in this country. Therefore, it really needs now to engage the attention of the Family Law Council to find a way, in which either automatically or for some mechanism be put in place at the level of the High Court, so that people are not disadvantaged in this way. It is not the adults who are disadvantaged, it is the children of these unions who are disadvantaged.

Mr. Speaker, I find it difficult to believe that this is not something which can be addressed in modern Barbados. Mr. Speaker, the reality is that it is the majority and not the minority of cases in which this matter recurs year after year.

Mr. Speaker, I would be much obliged if the Family Law Council would take this matter into consideration and treat it with a certain amount of urgency.

I am much obliged.
3.50 p.m.

Mr. D. St. E. KELLMAN: Mr. Speaker, I rise to speak on this Bill but from a different angle.

Mr. Speaker, it appears to me that there is a massive divide in Barbados and throughout the Caribbean in relation to building relationships between parents and children. Sir, for example, there are some men who are justifiably supporting their children but because the relationship between these men and their spouses have gone afoul, these men are dragged before the law court for children support even though, in most cases, they would have been giving substantially more than they would have normally been asked to pay by the court.

Sir, I believe that children should not be brought into matters such as these, and there should be some provision made where these matters could be resolved, instead of fathers having to be brought before a law court despite the fact that they are supporting their children.

Sir, if these men are supporting their children, there is no justifiable reason why that particular case should be heard before a court. I believe this is unfair to men, and the only cases that should be brought before the courts are those cases where fathers bluntly refuse to support their children. Therefore, as long as those children are being supported, I believe that fathers should not be brought before a law court. I believe too that children should not have to bear that stigma where they can easily be told that they had to be supported through the law courts of Barbados.

Mr. Speaker, this Council should be empowered to deal with these cases and before they can be heard before a magistrate, they should come before the Council. I think that as it is, it is unfair to both children and fathers. Sir, any war taking place between two women should not have these particular matters being heard before a law court.

Mr. Speaker, something must be done to justify the support for the child and to make sure that the child is not disenfranchised because of jealousy between two women.

I thank you, Mr. Speaker.

Mr. M. A. LASHLEY: Mr. Speaker, the query I have with the existing legislation is that we should look at a union other than a marriage and that certainly when there is a breakup of the union and there is the issue of property, basically the legislation states that an individual has a year in which to apply. If that individual goes outside the year, he or she stands to lose whatever property rights he or she would have had.

It is my respectful submission that the period should be extended to a reasonable time, perhaps to two years because at present, a party to that union stands to lose all of his or her investments, or whatever interest that took place during that union.

Sir, in relation to a husband and wife, certainly if there is a breakup, the action has to be brought before the year and if that individual is outside of that time, he or she would have to apply for leave or for an extension.

Hon. D. D. MARSHALL: On a point of order. Mr. Speaker, I would like to remind the Honourable Member that the first rule is one of relevance. The Second Reading speech did not range so far as to allow a substantive debate on the other aspects of the legislation.

It was clearly stated as being limited to the appointment of other representatives or individuals to the Family Law Committee. It begs us to believe that we would be approaching the issue of leave to apply and so on.

Mr. SPEAKER: Please proceed.

Mr. M. A. LASHLEY: Mr. Speaker, I said from the outset that I would make a brief observation. As I have said, my observation is that they should look at the existing legislation to see if we can preserve the rights of those individuals who are involved in a union other than a marriage.

Mr. Speaker, I want to say that in relation to the Family Law Council, we welcome the involvement of other parties such as the representative of Men's Educational Support Association (MESA) because it gives that body participation in whatever aspects, whether it is to make amendments or to suggest amendments to the Family Law Act.

Mr. Speaker, that is my contribution to this debate. I thank you.

Mr. T. A. PRESCOD: Mr. Speaker, I am cognizant of representations that have been advanced both on the points of order and on the short contributions from the Other Side but I differ somewhat about restricting the debate, although I would not attempt to go beyond the limits that any reasonable individual would expect.

Mr. Speaker, I believe if we are not coming here making sport, that when we make an amendment, regardless of how minor it appears to be, we have to be doing a number of things because we want to create a more efficient system in the law to ensure that justice is done in the exercise.

Sir, simply because we include a number of persons, the inclusion of these people does not add to efficiency. Therefore, in an attempt to achieve efficiency, we cannot simply examine the structure but we have to take into consideration all the concepts that will enable us to make the functioning of the Family Law Act more relevant to the times of today in our society and more appropriately to the changes that are occurring within the social environment in which we live.

Mr. Speaker, unlike my colleagues from this Side, I believe that the Other Side has a justification for expressing their views on this matter. It is up to them if they want to be gagged by this kind of injection but I do not share those views.

I am not saying that they are gagged, I am saying that if they want to be gagged.

Mr. SPEAKER: Honourable Member, I do not think that is the intention.

Hon. Miss M. A. MOTTLEY: On a point of order. The mere fact that the Honourable Member is speaking is indicative that this Honourable Chamber has not gagged anyone but more so, I know that the Honourable Member would not wish to make that allegation because he would be offending the rights and privileges of every Honourable Member of this Honourable Chamber. Therefore, perhaps, the Honourable Member was thinking of another place when he said that.

4.00 p.m.

You cannot stop someone from saying if they want to be gagged. Sir, it is not factual nor am I charging anyone but trying to create a mental construct by saying if they want to be gagged.

Sir, in an attempt for all of us to have a clear picture of what we need to address rather than coming every two years to examine the problems that exist within family law, then sending it back to Parliamentary Committee, it is good to generate a comprehensive and extensive debate on issues perceived to be narrow and it will last two days because the perception of the person who advanced it, is not the perception of the entire body.

Sir, I am talking about the Family Law Act and we are not simply adding numbers but trying to cultivate greater efficiency. I am arguing on the basis of efficiency as the operative focus and saying there are other issues that are of urgent concern in the sociology of the family law. When we begin to look at the legislation in the future, I am asking that we try to embrace all the problems that exist under the difficult unions and have codification of the family law so that we have a clear perspective of what we are talking about.

Sir, we are talking about unions in marriage and unions other than marriages under this piece of legislation but I am arguing the point that there are other unions outside these two specifics that ought to be addressed that are of greater threat to the society in terms of the disharmony and disintegration of the society than what falls under the Family Law Act itself.

I am asking that the Family Law Act embrace all other unions in the society. This will call for a clear definition of what is the family. This Act does not include individuals who have children on visiting relationships. What the law does, in practice, outside the theoretical precinct is to incarcerate the vast majority of people under the Maintenance Act of Barbados.

Asides.

Mr. T. A. PRESCOD: Sir, they believe that law is a special profession but the reality is that most young men who go to prison do not fall under the Family Law Act but under the Maintenance Act. If those who fall under the Maintenance Act fall under the Family Law Act as a consequence of codification, I believe that the judges in the law courts will have different views of human beings in this society who are treated discriminately under the practice of law.

Mr. Speaker, there are hundreds of young men in your constituency but this law does not address their concerns. They are addressed by the Maintenance Act. Sir, when I look at the Act...

Mr. SPEAKER: The Leader of the House suggested and it is clearly written that at this time she was only asking for two small amendments and that there would be wider discussion at the end of the year on other matters that need to be discussed to be presented before the Committee on Family Law. This is one amendment but I do not know if you are saying there should be another amendment.

Mr. T. A. PRESCOD: Sir, the person who thought about increasing the numbers was looking to include persons in the structural arrangements to ultimately make the system more efficient for persons who fall under the Family Law Act. The element of efficiency would be the motivating factor that causes us to include MESA and now change the structure. There were two NGO bodies who made representation because there is a history that has given rise to this change, and in the public domain, in the last few years, a new NGO office emerged which has been expressing concerns about the Family Law Act even prior to the last amendments which came to this Chamber.

Sir, there is a heated debate between the members of MESA and the National Organisation of Women. When the last amendment was made, we were cognisant that there was a special commission led in the 1980s by an Honourable Member of the Other Place that took a number of suggestions that came out of the Australian model which caused a lot of debate in the public domain.

Sir, to continue to defer discussion on these matters is to continue to allow that kind of antagonism to remain within the social fabric of this country simply because people want to set the parameters for dialogue as though there is no autonomy or democracy given to a parliamentary representation to stretch a debate to the extent that he considers it ought to be stretched in order to ensure that justice and democracy exists in the system.

Sir, I am guided by your ruling but we ought to be able, if we so desire, to carry the debate wider. If other people believe that there is a necessity to get home at a specific time, that is a matter for them and other people might believe

that this is an insignificant matter and that it should be deferred until November or December.

Sir, in my constituency, this matter of family is a major social issue and now or in the future I would like to see an attempt to bring under the Family Law Act other elements of unions in this society. I believe that in applying the Act to pragmatic situations that those people involved in the judiciary would have different perceptions when making analysis in their decisions. I believe I should be given the latitude and flexibility to comment on this particular area. Too many people are incarcerated because there is segmentation in the law. Too many young men are given custodial sentences and they then have to come back into the same society and face the stigma of those sentences of the ordinary people in the street as a consequence of the people who apply the law not having the same perception of relationships on the marriages and unions other than marriages, as they have for those who have other relationships, whether or not they are referred to as multiple relationships.

4.10 p.m.

Sir, I believe that we have to take all of these things into consideration, even the Islamic view in this society and Islamic practice of a family. Their view does not respect the monogamous nature of what we classify as a legitimate family. They have spread their concept of a family beyond the monogamous family and even when the law does not embrace it here within the environment in which we live, they have practised their polygamous approaches to family life and marriages. I feel that when we come back on the next occasion I would like to see us not following that traditional trajectory of what is perceived as a family but broaden it so that we can have a more informed and realistic debate to the kind of environment that we are now creating. We are talking about Caribbean Single Market and Economy, people outside of Caribbean Single Market and Economy and new cultural practises. Sir, all I am asking is that the Family Law seeks, in the future, to embrace all of these things by having an Act that is codified and clearly defined beyond the limits of which we have at present.

Sir, this is just a short contribution. Why would somebody attempt to disallow me to have that kind of freedom? Any time that happens to me I know that the right place for me is where I came from and that is speaking to the people in the rum shop or under the tamarind tree who would be better able to understand me.

Asides.

Mr. T. A. PRESCOD: They seem to be a group of people in here who believe that certain views should not be espoused simply because these views are not theirs. They

believe that what they have to offer is something esoteric but that is not for me. They can couch language as poetic as they like but I am saying it raw and plain. I believe that we need to make changes in the Family Law Act to accommodate all different unions in the society. Mr. Speaker, that is my contribution.

I thank you, Sir.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I want to thank all Honourable Members who spoke in this debate and if I may take them one by one, the Honourable Member for the City of Bridgetown raised issues in relation to the need to ensure that there is no discriminatory practise between the Maintenance Act and the Family Law Act. In fact, the last Honourable Member who spoke also made that point. Therefore, there is a unanimity of perspective between the Honourable Member for the City of Bridgetown and the Honourable Member for St. Michael East.

I also want to thank the Honourable Member for St. Philip North because I believe that he was well-intentioned in raising a matter that is of legitimate concern in relation to the issue of ensuring that the other amendments which are brought, which I can give you the assurance that there is a wide raft of amendments to come, particularly those that would have come before the Lower House and never passed the Upper House for the reasons that I have already outlined in this debate.

Sir, I only say to the Honourable Member for St. Lucy that I heard his concern but I am not sure that the Family Law Council is the appropriate place to refer such matters instead of a court because the Family Law Council is not a tribunal. It is not a tribunal in that sense but it is an advisory body that treats to policy as opposed to a tribunal that treats to individual family concerns.

Sir, the Honourable Member for St. Michael East spoke strongly about the need for legislation to come in relation to the Family Law Act. I can only say to him that he is well aware, as the Advisor to the Ministry of Social Transformation, that there is a number of major proposals which the Ministry, that he advises, proposes to bring before this Honourable House, and they have been speaking about them for some time, to ensure that there is a holistic and proper development to the framework to support the family in this country.

Mr. Speaker, I would have said that in my opening remarks. Therefore, I look forward to having the Ministry of Social Transformation, whose function it is to treat to issues pertaining to the policy and the development of structures to support families in this country, bringing before this House that policy framework as a matter of urgency. I believe that the anxiety with which he speaks portends well for the future

in the sense that it shall be before this Honourable House shortly.

I also want to take his point that the inclusion of an additional person does not necessarily add to efficiency. Sir, where two persons are asked to do the job of one person does not necessarily mean that it would be done more efficiently, but by the same token, the point for increasing the size of the Council is not just to increase numbers for the sake of increasing numbers but to allow for a representative basis to exist within the Council, such that the very difficult divisions of which he spoke can be represented in the context of the Council's work and ensure that we can build a common platform to which all can subscribe rather than fostering a climate of social exclusion and marginalisation in this country.

Sir, were that the wish of this Government, that Bill would have been debated in the Senate and passed into law but this Government put it on pause because we truly believe that when it comes to matters of fundamental social policy, you have to ensure that you do not leave groups of people outside of the process. Clearly, whether there is a need for public education, changing of the laws or the combination of the two, there was work still to be done before those amendments could become law.

I also want to thank the Honourable Member for reminding this Honourable Chamber that this Government has, in fact, committed itself to putting in the Constitution a provision that will see the end of persons going to jail for the inability to pay, whether it is civil debt or child maintenance. Therefore, the only persons who will be subject to imprisonment would be those who wilfully refuse while having the means to pay, in circumstances where they go to prison not for failing to pay their debt but for contempt of court for wilfully refusing the order of the court. There is no country that removes from the courts the power to commit people to imprisonment in circumstances where they wilfully refuse the order of the court.

Sir, what we cannot tolerate any more as a country is that persons who by no fault of their own and purely as a result of their inability to pay genuinely, that they should be the subject of a warrant of committal in this country.

Mr. Speaker, this Government is committed to it and so committed are we, that we have said that it should not be a part of ordinary legislation but it should be part of the new Constitution which we are in the process of drafting. We hope and trust that in so doing, we will follow the model of the Fijian Constitution which had a similar historical experience to us in relation to the marginalisation of many of its people by a previous colonial administration. Sir, these are the things that we want to remove from our laws and we will do so.

It is unfortunate that the Honourable Member did not realise that. As I said, this amendment is purely to make way for the larger set of amendments to come before this House. Therefore, their absence today does not reflect a lack of work or lack of a position on them but only that we would wish to have them carried through a Council that is far more representative than the one that there is today. If he misunderstood what I said in my opening remarks, I would publicly say to him that I regret that he has done so but he must understand that there is a process that we must follow to make sure that when we are dealing with fundamental social policy, we do not work to exclude elements of this society.

4.20 p.m.

Mr. Speaker, I am grateful for the time and therefore, I beg to move that this Bill be read a second time.

Hon. Dame Billie MILLER: I beg to second that, Sir.

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

On the motion of Hon. Miss M. A. MOTTLEY, seconded by Hon. R. R. FARLEY, the House resolved itself into Committee on the Bill, Mr. R. D. MARSHALL in the Chair.

COMMITTEE

CHAIRMAN: This House is now in Committee.

Clauses 1 and 2 were called and passed.

On the motion of Hon. Miss M. A. MOTTLEY, seconded by Dr. W. F. DUGUID, Mr. CHAIRMAN reported to HIS HONOUR the SPEAKER the passing of one Bill in Committee, without amendment and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Miss M. A. MOTTLEY, seconded by the Hon. Dame Billie MILLER, the Bill was read a third time and passed and cited as the Family Law (Amendment) Act, 2004.

ADJOURNMENT

Hon. Miss M. A. MOTTLEY: Mr. Speaker, this brings us to the end of Government's Business for today's Sitting and I beg to move that this House be adjourned until Tuesday, June 8, 2004 at 10.00 a.m.

Hon. Dame Billie MILLER: I beg to second that, Sir.

The question that this House be adjourned until Tuesday, June 8, 2004 at 10.00 a.m. was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.
4.23 p.m.

CONTENTS

MINUTES

Hon. Miss M. A. MOTTLEY 1

ANNOUNCEMENTS BY HIS HONOUR
THE SPEAKER

Mr. SPEAKER 2

PAPERS

Hon. N. A. LYNCH 2

Shipping (Incentives) (Future Trading Inc.)
Order, 2004.

FIRST READING OF BILLS

Hon. Miss M. A. MOTTLEY 2

The Barbados Water Authority (Amendment)
Bill, 2004.

SUSPENSION OF STANDING ORDERS

Hon. Miss M. A. MOTTLEY 2

Suspension of Standing Orders Nos. 6, 16, 18,
20, 42(5), 43 and 44.

GOVERNMENT BUSINESS

ORDER NO. 3 – SECURITIES (VALIDATION
AND FUNCTIONS) BILL, 2004 2

Hon. N. A. Lynch, 2; Mr. R. D. Jones, 5;
Dr. W. F. Duguid, 9; Dr. D. C. Estwick, 11;
Hon. K. D. Symmonds, 12, 20; Mr. C. A.
Mascoll, 14; Mr. R. L. Sealy, 16; Mr. M. A.
Lashley, 19; Mr. A. P. Wood, 21; Mr. T. A.
Prescod, 22; Mr. R. D. Marshall, 26; Hon. Dame
Billie Miller, 27; Hon. Miss M. A. Mottley, 29.

ORDER NO. 4 – BILL ENTITLED AN ACT TO
AMEND THE PROPERTY TRANSFER TAX
ACT, CAP. 84A 31

Hon. Miss M. A. Mottley, 31.

ORDER NO. 5 – BILL ENTITLED AN ACT TO
AMEND THE FAMILY LAW ACT 31

Hon. Miss M. A. Mottley, 31, 34, 36; Mr.
D. St. E. Kellman, 33; Mr. M. A. Lashley, 3;
Hon. D. D. Marshall, 33; Mr. T. A. Prescod,
34.

SUSPENSION 16

ADJOURNMENT 37

Hon. Miss M. A. Mottley, 37.

SPEAKERS IN THIS ISSUE

DUGUID, Dr. W. F. (Christ Church West)
ESTWICK, Dr. D. C. (St. Philip West)
JONES, Mr. R. D. (Christ Church East Central)
KELLMAN, Mr. D. St. E. (St. Lucy)
LASHLEY, Mr. M. A. (St. Philip North)
LYNCH, Hon. N. A. (St. Michael South)
MARSHALL, Hon. D. D. (St. Joseph)
MARSHALL, Mr. R. D. (St. Michael West Central)
MASCOLL, Mr. C. A. (St. Michael North West)
MILLER, Hon. Dame Billie (City of Bridgetown)
MOTTLEY, Hon. Miss M. A. (St. Michael North East)
PRESCOD, Mr. T. A. (St. Michael East)
ROETT, His Honour I. A. (St. Michael Central)
SEALY, Mr. R. L. (St. Michael South Central)
SYMMONDS, Hon. K. D. (St. James Central)
WOOD, Hon. A. P. (St. Philip South)