
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1991 – 96

SENATE

Wednesday, July 10, 1991

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, July 10, 1991, at 4.15 p.m.

PRESENT

His Honour Senator M. deL. Jordan, (Deputy President)

Senator the Honourable L. V. H. Lewis (Minister of Agriculture, Food and Fisheries) (Leader of the Senate)

Senator A. Morrison

Senator Mrs. V. C. Fraser, B.S.S., J.P., M.C.F.A.

Senator A. J. N. Phillips

Senator the Honourable Dr. C. D. Clarke (Minister of Trade, Industry and Commerce)

Senator Dr. F. W. Alleyne

Senator Miss Y. V. Walkes

Senator Mrs. M. Barker-Welch

Senator Dr. E. A. Simmons

Senator J. J. Payne

Senator Mrs. A. Straughn, G.C.M.

Senator C. O. Williams

Senator W. Leroy Inniss

Senator the Rev. Canon J. L. Springer

Senator J. G. Bellamy

Senator J. A. F. Cole

Senator T. E. Barker

Senator Miss M. A. Mottley.

Prayers were led by Senator the Rev. Canon J. L. Springer.

Mr. DEPUTY PRESIDENT: The Senate is in session.

MESSAGES FROM HER EXCELLENCY THE GOVERNOR-GENERAL

Mr. DEPUTY PRESIDENT: I have been commanded to read the following letter from Her Excellency the Governor-General dated 21st June 1991:—

"Dear Mr. President,

I shall be away from the island from the 24th to 30th June, 1991 on a visit to Jamaica.

In accordance with the provisions of Section 29 (1)(b) of the Constitution, the Chief Justice the Hon. Sir. Denys Williams, G.C.M. will perform the functions of the office of Governor-General during the period of my absence.

As the Honourable Senate will not be meeting prior to my departure, it will not be possible for the usual formal message to be sent down to your Chamber.

Will you therefore please bring my absence formally to the attention of the Honourable the Senate when next it meets.

I have the honour to be,

Yours faithfully,

R. Nita Barrow
Governor-General".

MOTIONS RELATING TO THE BUSINESS OF SITTINGS OF THE SENATE

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, I would like to move that the Senate agree to the

suspension of Standing Order 45(2) to enable us to deal with a matter which is before us – a Bill.

I would also take the opportunity to crave and seek the approval of the Senate for the appointment of Senator Joseph Payne to perform the duties of Acting Deputy President for today's sitting.

The questions were put to the Senate and agreed to.

Mr. DEPUTY PRESIDENT: I should like to take this opportunity to welcome back Senator Joseph Payne after his recent indisposition. We are very happy indeed to have you with us once again, and to see you looking so fit and fine.

INTRODUCTION OF BILLS

SENATOR THE HON. L. V. H. LEWIS: I beg to move, Mr. Deputy President, that the Bill entitled the Banking (Amendment) Act, 1991 be read a first time.

The question was put to the Senate and agreed to.

ORDER NO. 1. – TO MOVE THE SECOND READING OF A BILL TO AMEND THE BANKING ACT, CAP. 322

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, recent events at a local commercial bank, the Bank of Credit and Commerce International, (BCCI) if left unchecked will threaten the integrity of the entire local banking and financial system. Before getting into the meat of the Bill before us, perhaps some background is necessary.

The Central Bank of Barbados last Friday received information from the Bank of England informing it that the directorate of the Luxembourg Monetary Institute and the Inspector of Banks and Trust Companies in the Cayman Islands had acted to secure control of the assets of the BCCI, following upon *prima facie* evidence of fraudulent actions by BCCI somewhere in the BCCI banking network.

Perhaps I should explain how the Bank of Credit and Commerce International came to Barbados and when it first came here. The Bank was founded in 1973 and a licence was granted for that Bank to operate here in Barbados on July 1, 1983. In accordance with information supplied to the Manager of BCCI on July 11, 1983, it, at that time, had assets totalling US\$10 billion and capital funds of about \$640 million and had a network of well over 300 offices in 63 countries; 45 of these offices alone were in the United Kingdom.

The local branch of the BCCI is a branch of the company registered in the Cayman Islands and our

operations here is a totally owned subsidiary of the parent bank in Luxembourg.

Because of these events, the Central Bank of Barbados sought and obtained the authority of the Minister of Finance under Section 15 of the Banking Act to make a special examination under conditions of secrecy of the books and the affairs of the BCCI.
4.25 p.m.

This action was considered necessary since in the opinion of the Central Bank, based on the information available to that institution, the dealings of the BCCI were detrimental to the interest of its depositors. On the same day the Central Bank sent a team of inspectors to examine the books and records of BCCI Barbados branch and at the same time an officer of the Central Bank met with the Manager of BCCI who then turned over the keys of that Bank to an officer of the Central Bank of Barbados. Of particular concern was the fact that the Central Bank's examination of the BCCI disclosed significant levels of withdrawals from that Bank's accounts within a short space of time beginning at noon on July 5.

Mr. Deputy President, as a developing country, it is of paramount importance to us that our banking and financial institutions are established on a firm and sound basis. Failure to maintain a strong financial setting for our financial institutions will severely retard our growth and development because we are dealing with a monetary economy and money is based on trust. Once that trust is lost, then, of course, it becomes extremely difficult to conduct business, and replacing a money economy would have to revert to the primitive form of barter system.

It is for these reasons that we seek to amend the Banking Act, Cap. 322 so that the Minister of Finance may have additional power under the Act to –

- (1) suspend the operations of the Bank of Credit and Commerce International;
- (2) cease the management and control of BCCI;
- (3) ensure that the assets of the Bank are held in trust for the local depositors; and
- (4) validate any action that the Bank may already have taken in the public interest for the protection of the depositors and creditors of the Bank.

The proposed amendments are considered necessary in view of the co-ordinated worldwide decision by banking authorities to close the operations of the Bank of Credit and Commerce International, the decision having been taken on the basis of an investigation which I have alluded to earlier, which has been involved in the fraudulent transactions to which we became alerted through the Bank of England.

Appropriate action by the Government is now necessary in light of the implications for depositors and creditors in Barbados.

I am sure that most of you today have seen the headlines in the two local newspapers. These headlines are somewhat consistent with the alarmist attitudes which have been occurring in this country in the print media in this country in the recent past. Certainly, such ill-advised and at times misunderstood headlines can lead to all sorts of complications and further erode the confidence in the overall economy of this country.

I am stating here... And I draw attention to one headline which screamed at us to the effect, "Bank To Be Liquidated" and another stated, "70% Loss on BCCI deposits". One is fully aware that the liquidation of any institution is the very last step in solving problems connected with that institution. In this particular case, there are other options available to authorities without getting to the point of liquidation. Here, I can think as a first step of an alternative that has not been examined. And certainly, I am not telling the Central Bank of Barbados how to conduct its business. But just to highlight that there are other alternatives besides liquidation which carry with it the connotation of people being able to recover dollar for dollar from investment or deposits placed in the banks and will further cause other people sleepless nights. I think in the interest of fair play I would have expected the newspapers to, at least, have sought, if the people who write these things did not know themselves, advice from people who might know what the alternatives were beside liquidation.

Now, what is available is that the assets and the deposits could be turned over to another banking institution under terms to be negotiated. If this course of action is taken, then, of course, no depositor needs lose one penny and could recover his/her funds on a dollar for dollar basis. I would hope that the Press, rather than trying to scare depositors at this time would explore the ramifications of this possibility.

Mr. Deputy President, while in introducing the second reading of the Bill, it would appear as though we are legislating for one company. But this is not so. We are fully cognisant of the inherent difficulties of trying to legislate for a single case. We are trying to legislate here for a class of companies. We have brought this as an urgent matter because of the very pressing need to resolve this burning problem. However, I must remind this Honourable Chamber that we are in the process of working on the Financial Institutions Bill. This bit of legislation which will be very comprehensive will embody the amendments that I am talking about; it will be incorporated in this Bill. So it is not an attempt to introduce one bit of legislation just for one immediate problem but to deal with a pressing need and this, in due course, will be incorporated within the Financial Institutions Bill.

SENATOR T. E. BARKER: Mr. Deputy President, we on this side have no difficulty in supporting the amendment to the Banking Act as sought by the Government. We are extremely unhappy that a lot of people in Barbados are at this moment undergoing trauma because of the fact that the Governor of the Central Bank can only guarantee them 30% of their deposits. It is not the Press that said that. It is the Governor of the Central Bank who said he could only guarantee them a 30% of their...

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, on a point of order. I do not believe that the Central Bank's Report has been offered in this Chamber. I do not think it is a fair comment for the speaker of the Opposition to decide to impute certain motives or statements to the Governor of the Central Bank.

SENATOR T. E. BARKER: Mr. Deputy President, I was only going by what was reported. We on this side, as I have said, have no difficulty with this Bill. We believe that the Central Bank of Barbados must have these powers to enable them to effectively and efficiently oversee banking activities on the Island. We believe that when a bank or an institution takes money from the public Government, through its agents, should ensure that the money so taken is used in such a manner that when the said depositor wants back his money he should have access to it. We are glad that the Central Bank has been given these powers and we can only hope that they use these powers wisely.

But, Sir, I am put in a very difficult position. I am aware that thousands of people out there, maybe hundreds, I do not know, are, as I have said before, having sleepless nights. We are called upon to amend an Act. I have the problem, Sir, of being called upon to validate an illegality and that is my difficulty. That, Sir, is my difficulty – that we are called upon ...
4.35 p.m.

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Mr. Deputy President, I think these are very, very, strong words being used by the speaker. I do not know that any illegal acts have been committed. I would wish that the speaker, if he wants to make that statement, would establish what illegal act has been committed, and in what court of law it was so decided.

SENATOR T. E. BARKER: Sir, we are being called upon on the 10th day of July to bring an amendment and it has a clause which says that the Act shall be deemed to have come into operation on the 1st of July. Sir, are we called upon to agree to this amendment in order that something which happened last Friday would have the full force of law?

Now, it is not the first time, Mr. Deputy President, that the Central Bank of Barbados has done this. If you can

remember only eight or nine months ago they allowed the Government to exceed their overdraft limit.

Mr. DEPUTY PRESIDENT: Will you constrain yourself? Will you please restrict yourself to the matter in hand?

SENATOR T. E. BARKER: Yes Sir, I am very much dealing with the matter at hand and I am fully aware of certain difficulties that we all have this afternoon. So I will be as brief as possible. Certain things must be said and that is, that the Central Bank must not be seen to be acting outside of any law. Why I am extremely angry, Sir, is because in 1987 a draft Bill which seeks to regulate all the financial institutions, both bank as well as non-bank, was prepared by the Central Bank in 1987 and for over four years it sat gathering dust in the desks of the relevant Ministers. For over four years the Act was prepared and if the Act was brought to Parliament we would not be here now discussing a matter of such importance with only one day's notice.

SENATOR THE HON. L. V. H. LEWIS: You see, Mr. Deputy President, a wide sweeping comment about some files staying on the desk of Ministers. The Honourable Member knows that that sort of statement is out of place. If he says that somewhere in the bureaucratic system the file lays fallow, one would understand, but not the sort of thing that lay on Ministers – not laying anywhere near Ministers – you know better than that.

SENATOR T. E. BARKER: I don't know better than that and I stand corrected. All I know is that a Bill was prepared in 1987 which would have regulated the activities of banks and non-banks in this Island and because of inefficiency and negligence we are called upon here this afternoon, with one day's notice, to rush through an amendment. We have not had time to study this properly. This could have things in here that has serious implications, all because for four years, the Government had a Bill there, a Bill which would be necessary, especially since the Trade Confirmers collapse and they kept the Bill there and now at the last minute they have come and thrown an amendment at us just because something has happened.

This Government is a reactionary Government; they only react to things; they do not initiate. They could have foreseen, because, Sir, for the last two or three years this said Bank was under scrutiny in international circles and that is a fact. We have been hearing rumours for the last two or three years. If the Bill was deficient they had enough time, Mr. Deputy President, to correct the deficiency of the Bill and bring it before Parliament. But, we have been hearing of this particular institution for a number of years and what we have been hearing was not always complimentary. Yet those on that side, sat down on a Bill which sought to protect the depositor and now at the last minute, when people have work to do, we are called upon to read a Bill

just in one day and come and discuss it. I hope, Sir, that all the other Bills that are there on the desks of Ministers ...

Mr. DEPUTY PRESIDENT: Please confine yourself to the matter in hand. That is certainly irrelevant.

SENATOR T. E. BARKER: Okay. It may be, Sir. So I will accede to your ruling. I want, Sir, to go on to the question of what is going to happen to the Bank. Sir, I want to make a strong case that the small depositors be offered protection in this matter.

Sir, we know in past instances we had the case where the Cotton Factory folded up and left a lot of people in the lurch. Trade Confirmers folded up and left a lot of people in the lurch. I want Government to do everything in their power, Sir, to ensure that the small fellow with a couple thousand dollars gets first call on the assets of the Bank. If there is to be any shortfall, Sir, let the big fellow share it, but the small depositor who put a little two thousand dollars or a little five thousand dollars, I want the Government to ensure that they are first protected, because they might be less able to withstand the loss than, maybe, a big investor would be. Probably, Sir, what could happen is that maybe, the Central Bank could use the powers given to it by this particular amendment to maybe say that everybody who had deposits of less than \$10 000 would get back all. I just used \$10 000 as a figure; it could be fifteen. I am not sure as to the actual composition of the portfolio. We can use some figure and say that anybody who has money under that figure would have first call on the assets of the Bank so that any loss then would be suffered by those who have larger investments, because the small depositor might have put the widow's mite into the Bank.

Sir, something else about this matter bothers me a little bit. A bank can only operate in Barbados if it is given a clean bill of health and an okay from the Central Bank of Barbados. Therefore, Sir, I believe that the Central Bank has a moral, as well as a legal obligation to protect the interest of the depositor. He has that right of protection of that interest. Also I am told (and I know), the Bank has set up a special department called the Banking Supervision Department which oversees the affairs of the Banks.

Sir, we have heard of this Bank being in trouble for the last two or three years. What was the Banking Supervision Department doing about this Bank? The question I would want to know is, given the assets of well over \$100 million, how much of those assets are still in Barbados and how much of those assets are overseas. Because that is going to be crucial in determining the sort of protection that the depositors have. How much of the assets portfolio is invested locally and how much is invested overseas. I don't have a figure; I am sure the Central Bank would have those figures, but I would hate to know that too much of it is invested overseas.

Sir, I refer to this morning's paper which said that the Bank had loans and advances of \$45 million out of assets of \$106 million. Now I am no banking expert; and I said, Sir, we don't have enough time to study the thing in great detail. I wonder, Sir, if that ratio of \$45 million in loans and advances (and I suppose plus what they hold in Government paper and what they hold in the Central Bank) represents a high enough portion of local investments. We note, Sir, that the deposits at the Bank were something like \$67 million. Now we have a case where the deposits of the Bank is substantially less than the assets of the Bank. If that is so, something is bothering me. Why then are we hearing that the depositors are only guaranteed 30 per cent? If the deposits are less than the assets, why then all of the confusion? Is it that the assets are not here? All these are things that I would like the Honourable Minister when he is summing up to come clean on with the Chamber. Let us know the truth. We are called upon to...

4.45 p.m.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, on the point of inference here that I have not been clean and open-handed, I resent this and I seek your protection.

SENATOR T. E. BARKER: Mr. Deputy President, I sincerely apologize if it was construed in that manner. I have no bad intention and the Honourable Senator knows that.

Mr. DEPUTY PRESIDENT: Well, you must be careful with your language.

SENATOR T. E. BARKER: He knows me better than that. He knows that I would never question his integrity. I would never question his integrity.

Mr. DEPUTY PRESIDENT: You cannot be so loose with your language. Thank you.

SENATOR T. E. BARKER: All I am saying is that I want information. How come if we have deposits of \$67 million that we hear all of this hue and cry? I apologize; but I still want the information.

Sir, on July 5th we are told that there were substantial amounts of withdrawals from that Bank. Now I have a lot of problems again. It seems as though I have a lot of problems this afternoon. Who got word first that the Bank was in trouble? It is clear that word got out somehow. The most hurtful part is that the depositors got word of it before the Central Bank, because before the Central Bank could act some of the depositors got off their money. Who was negligent? Was the Central Bank negligent or was their information faulty? Something went wrong that before the Central Bank got to the stable the horse was gone. Who would telephone who and tell them to go and collect their money from the Bank? Not the small depositor! All the big

fellows here would hear what was happening through faxes from London or wherever. Before the Central Bank with all of their technology could act, the people had gone for their money and the small fellow now is left in the lurch. Somewhere down the line there was negligence. Somewhere down the line people did not act on information that they received. The result is now that there is weeping and wailing and the big fellows have got their millions and are sitting pretty. As usual, Sir, whenever this happens who gets hurt? People like me; the small fellow, is the one who gets hurt.

I am calling on Government because they have powers now. Use their power to ensure what little is left is kept for the small depositor. I make that plea, Sir, and I hope that the Minister, to whom I have just apologized, would use his powers to ensure that the small depositor is well looked after. If I apologize a lot, it is because I want action on behalf of those who put me here.

Aside.

SENATOR T. E. BARKER: Sir, in spite of all of that, we support the Bill. We want the Government to act hastily when it comes to matters of great importance. I am very upset, Sir, when time and time again this Government takes so long to act speedily on critical things. We are in a situation where trust is no longer the by-word. People will do what they like to get around the system and we have to ensure that our institutions are properly staffed and equipped to handle the sort of international fraud that is going around. Sir, we hear that the BCCI had massive fraud. And do not tell me that they have fraud in London and the Cayman Islands and not in Barbados. Maybe they had but I do not know. All I know is that the BCCI have been closed because of massive fraud. This is what the Bank of London has said.

Sir, I want the Central Bank to make sure that the interest of the depositors are properly looked after. I want that Financial Institutions Bill to be in Parliament even if you have to call us during summer recess. Get that Bill in Parliament so that we can have protection for the depositors of this Island.

With those few comments, we on this side support the Bill.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I listened with great interest to the impassioned speech by Senator Barker. Perhaps if I sat in his position, I would have gone down the same line. Mr. Deputy President, the mover of this Bill has set out the reasons quite clearly why we are dealing with this matter today. What this Bill sets out to do is to enlarge the powers which are available to a Minister of Finance and the authority which can be exercised by the Central Bank of Barbados.

I share the concern expressed by Senator Clarke certainly in respect to the way the print media, particularly the Nation Newspaper, has dealt with this matter. I think this morning's headline of the Nation is most unfortunate. I have to agree with Senator Barker that something is amiss when a paper which boasts of such a large circulation as the Nation (and, of course, the kind of support which they boast of) cannot take the time out to make intelligent public comment on an issue of such importance.

I saw the Governor of the Central Bank last night and I want to make it crystal clear, Mr. Deputy President... And I speak here today as a Senator and I have nothing to do with the Central Bank as far as the Central Bank is concerned at this moment. I do not know anything about what the Central Bank is doing that the rest of the public does not know. I said that I share Senator Barker's concern on a particular point. It does not make sense to me for a daily paper to have a headline which tells readers in Barbados and wherever that paper is circulated that here in Barbados we have no better understanding of financial regulations than to interpret a situation as the one which we are faced with in which depositors can only recover thirty cents of the dollar. It is unadulterated ignorance. Or, to put it another way, it may be public mischief. That is to say, Mr. Deputy President, that the loan portfolio of the Bank is completely contaminated, which contradicts everything which has been said by the Governor of the Central Bank so far.

I cannot take the liberty of Senator Barker and conclude that perhaps there is fraud in the local branch of the Bank because the Governor so far has said on more than one occasion that there is no evidence to support such an allegation.

SENATOR T. E. BARKER: On a point of order, Sir.

Mr. DEPUTY PRESIDENT: Senator Barker.

SENATOR T. E. BARKER: I never said that there was fraud in Barbados. I mentioned fraud in London and I wondered what would happen here. I never said that there was fraud here. I said there was fraud in London and that the Bank was closing because of massive fraud.

Mr. DEPUTY PRESIDENT: Thank you for the clarification. Senator Alleyne.
4.55 p.m.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I am sorry Senator Barker thought I was claiming that he made a definitive statement, but I am sure my legal adviser who is on the other side facing me, Senator Inniss, will tell you that if you raise a suspicion in certain matters, it is as good as if you make a definitive statement. The point, however, is that the print media, and particularly the Nation newspaper, has not been helpful in this matter.

Senator Clarke has been at pains to point out that we in Barbados operate a fully monetised economy and it is important to grasp the significance of the point which Senator Clarke makes when he refers to a monetised economy. When people lose confidence in a currency, whatever that currency is, whether it is a beer bottle, whether it is a cow horn or what have you, the monetised economy collapses. If in Barbados people start to lose confidence in the commercial banking system, which is the linchpin of the financial system, we have to recognise that. We speak of the Central Bank. It is the apex with respect to regulation, but in people's minds the bedrock of the financial system in Barbados are those seven commercial banks we have operating in this country. They control the bulk of the financial assets of the country, and if we start to give people the impression that you can no longer trust the commercial banks, what you are encouraging people to do is to go back and put the money in the mattress. At the same time, Mr. Deputy President, we are driving a nail in the coffin of the credit unions and all the deposit taking institutions.

I make these points, Sir; so that those who have the responsibility to report or comment on these matters in the public domain will be much more careful, because the damage which can be done in one week will take several decades to repair.

As Senator Dr. Clarke said, I am amazed that some elements of the Press are so cheap that they cannot draw upon the financial skills in Barbados. I am not talking about begging for them but paying for them. They make big profits, they pay big dividends and give a lot of bonus shares. Some of them go so far as to have some phony transfer of their assets. They should pay for the skills so they could properly inform the country, because what has been happening over the last six days is nothing but damaging the institutions of finance and business in this country.

Let us suppose you had a worst case scenario as the Nation is pointing out today. The depositors will suffer, but the businesses who have borrowed from the BCCI will collapse and that will have a multiplier effect on the business and financial community of Barbados. Mark you, Mr. Deputy President, that loss of confidence cannot be confined to Barbados, it will impair investor and depositor confidence throughout this region.

I hope that the Press will attempt to recognise the seriousness of the matter and refrain from irresponsible comment. This is not a matter of selling papers, so you look for a catchy headline. There are enough trained minds in Barbados in the area of business and finance whom the Press can pay a proper professional fee to come and write a piece for the paper. This is not a matter of police and thief or talking about stopping and catching crooks.

A little country like Barbados will always find difficulty in grappling with the problems which emanate from international branch banking. Large countries, like the United States and the countries of Europe, have not yet developed the regulatory mechanisms to fully grapple with the problems which surround international branch banking, much more to think of a little country like Barbados.

On this particular score, Mr. Deputy President, I am persuaded that in countries like Barbados, which in a sense are dependent – because we have seven banks in Barbados but only one bank belongs to us, that is, the Barbados National Bank – I am not being nationalistic, I recognise the other banks have made a tremendous contribution to Barbados, and we need them here, but I feel that in the same way Barbadians know about the activities of the Barbados National Bank, because they have to publish an audited annual report, and we know what are their activities in Barbados, I believe the time has come when these branches of international banks should be required to publish financial statements on their local activities.

It is no point telling me about the financial position of the global position of a bank. I do not want to know about their position in South America or in North America, I want to know what they are doing with the resources which they have mobilised here in Barbados. I think it is time that they be required by law to provide this information, because once we have this information we will be in a better position to anticipate and to understand many of the adverse developments before we are caught, as we are this time around.

I believe – and it is more than belief, Mr. Deputy President, I spent a little time studying financial institutions – and I would like to believe that one of the statements made by the Governor of the Central Bank, that is, that the Central Bank has so far not discovered any contamination of the portfolio of the branch of the bank concerned, can stand the test at the end of the day. If that is the case, it means then that here in Barbados we have the opportunity to effect an orderly transfer of the business, that is, the market share of the branch of BCCI to another organisation, and in so doing, the depositors will be 100% protected, the lenders will be able to conduct their business without inconvenience and we would have learned quite a lot out of the whole experience.

5.05 p.m.

I believe that at a time as difficult as we are facing in Barbados – it is no secret that economic performance is flat – it would be very unfortunate if in the final analysis we were faced with a worst case scenario. Mr. Deputy President, very often you have to learn by experience. This is a case today in which we are learning after the event. If that were not the case these provisions would have been included in the Central Bank Act since 1972.

I heartily endorse this Bill. It is necessary at this time to protect Barbadian institutions, Barbadian society and to restore the level of confidence which is a necessary condition for maintaining stability in this society. Let us not fool ourselves today that if there is a collapse – and mark you, there has never been – of a major financial institution in Barbados. Trade Confirmers had about just under \$7 million in assets. When I was a little boy I heard about the Symmonds Agricultural Bank and those kind of institutions. Those are small institutions. We are past that stage. If we should ever experience collapse of one of the major financial institutions, that collapse can boomerang and it will not be confined to the doors of the BCCI. This is why all right-thinking Barbadians and all right-thinking persons who live in Barbados and even those who do not live here but do business in Barbados will hope that the best possible outcome will be realised in this affair. The best possible outcome, as Senator Clarke has pointed to in moving this Bill, is that there should be an orderly transfer of the business done by this bank.

With those words, Mr. Deputy President, I support this Bill.

SENATOR Miss M. A. MOTTLEY: Yes, Mr. Deputy President, there are just a few words that I would like to add to this debate. As Senator Barker pointed out we have no real problem with supporting the intent of the Bill and what it seeks to achieve. However there are a few things that concern me and I will use as the starting point this general attitude on the part of the Government to move in a state of hurriedness when something happens – a state of reacting, as Senator Barker pointed out earlier to the Chamber. When one considers, as he said, that you had the Financial Institutions Bill sitting down for nigh five years, and when one considers even more so that under the Central Bank Act of Barbados the Central Bank of Barbados has powers to regulate in terms for the protection of depositors through depositors' insurance, and that this, having not been done, would leave depositors in a more exposed position as we find today, unlike for example, the position in the United Kingdom where because of the depositors' insurance there, they will not be in a worst case scenario. I agree with Senator Alleyne that we hope there will not be a worst case scenario. However, in the event of a worst case scenario, there will be a greater percentage recoverable because of the fact that there are certain safeguards in place for depositors' protection in terms of insurance. The truth is, really, Sir, that we need a proper comprehensive set of legislation dealing with financial institutions in this country, dealing with the protection of depositors and dealing with all matters ancillary to these, dealing with insider trading, all of these matters. We need in the process as well to sensitise the public of Barbados to matters pertaining to finance, and not the little ones we see running around the ground but indeed matters of finance pertaining to the running of this country.

Nevertheless, Sir, the point is this: despite the absence of that depositors' protection legislation in any intents, the Central Bank Act of Barbados gives the Central Bank the regulatory powers to be able to effect that kind of protection. Unfortunately, because of the absence of any comprehensive view towards the development of Barbados as a financial centre, particularly in the last few years, we have seen an inability to deal with these questions and indeed, to draw all the strings together to protect the integrity of Barbados' financial system and financial houses, both banking and non-banking institutions.

When one considers, Sir, the kind of attitude that was brought to bear in bringing together the offshore legislation and the exempt insurance legislation and the Shipping Act and the whole body of legislation that composes that area of the Law under which my friend Senator Clarke is now reaping the benefits, having been brought ten years ago, you realise it is all the more necessary, Sir, that this is the approach we take at this stage and not just to come with an *ad hoc* set of provisions, merited though they may be, required though they may be. However they are *ad hoc* in the sense that they are not comprehensive in dealing with our whole financial systems. Nor does it attempt alongside with Government to sensitise the Barbadian public to what is perceived as a very esoteric area for a few minds like Senator Alleyne's and one or two others around this country. I, myself bow when it comes to these areas and will admit readily that I need constant guidance in these areas. I, too would like to benefit from that sensitising that I hope that this Government will pursue down the line in implementing a comprehensive body of legislation. Particularly, in matters of insider trading, depositors' protection and the Safe Financial Institutions Bill which was in this Government's 1986 manifesto, I believe, and now in the 1991 manifesto and which we hope will not be in the 1996 manifesto because it will be legislation by then.

In respect, Sir, of more specific things, I think one needs to be cognisant of the fact that we need to bear in mind, not only the fact that depositors are having sleepless nights as was pointed out, but as Senator Alleyne said, there is a very serious risk that if things go in a worst case scenario that a lot of people in this country, particularly businesses which employ a number of persons and which rely on the facilities which have been extended to them by the Bank of Credit and Commerce over the years for overdraft facilities or loan facilities or whatever cash flow for the payment of salaries and wages that this can have a devastating effect on Barbados, particularly given the very precarious and tenuous nature of our economy at this stage; given the fact that as it is, things are bad enough and if this were to happen certain pleas would have to be made to the Almighty, Sir, on behalf of a lot of people in this country.

I know, Sir, at the Bar, I have heard a lot of lawyers complaining that they have had clients' accounts in the same institution. I can't plead guilty to that fortunately, but

nevertheless, I sympathise with them. I believe pleas have been made in other places that the other commercial banks in this country hold out a helping hand as well as respond to a moral duty to ensure that the overall integrity of our banking system is maintained by assisting a lot of these people who now find themselves in the lurch through no fault of their own. I know that the Government would particularly appreciate what I am saying, given the fact – and I hope we can get some clarification on it – that National Insurance, I believe, as well was one of the large depositors within that institution somewhere along to the tune of \$26 million. The figure may be wrong but I believe it is in that area. What is significant, Sir, is that therefore it shows a likeness in judgment between those people who deposited and borrowed from BCCI and that of Government.

This brings me on, Sir, to this particular legislation. I would wish us to look at section 17G subsection (4)(c) and (e), where it deals with the order of priority of those who may benefit in instances of liquidation and winding up, etc. 5.15 p.m.

The custodian has the first right of priority although, Sir, I have a little difficulty with that particularly where the custodian is not reasonable. But, nevertheless, that is an aside. One would hope that reasonableness would prevail with all people who have anything to do with this Act.

More particularly, Sir, subsection (c) and subsection (e) there seems to be a conflict there in respect... I believe this was raised in the Other Place although nothing was done about it. But, nevertheless, I would still wish to raise it as an overall point rather than to go into it in a Committee because it is a global point I am making about the Bank and who should have priority whether the Government, for example, over the term deposits or the ordinary investor.

Now, subsection (c), I believe, is meant to deal peculiarly with statutory payments to Government, for example, taxes, National Insurance payments etc. But the way how it is worded one would be left to feel that it extends to Government's deposits as well and construes Government as having a right of priority for even their deposits over other depositors in this country. I believe it was raised in the Other Place. I will raise it again only to reinforce the seriousness with which we take that conflict and hope that Government would do something about it and amend this as soon as possible. Because I do not think that the average man in the street must be penalised for the fact that his judgment was the same as Government yet Government still has a right of priority, or Government's statutory corporation still has right of priority over them. Because one does not seek to condemn the National Insurance or any depositor for banking there. I myself at some stage banked there too.

Aside.

SENATOR Miss M. A. MOTTLEY: No. I did not lose anything. Nevertheless, I do not make, so I cannot lose.

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Sir. I did not want to interrupt. Senator Mottley was really flowing with very little thought but flowing away anyway. I just felt for the sake of the record I should say that the accounts are all secret. We do not know who is holding any accounts there. I do not think it is fair to lead this Honourable Chamber to believe that there is any institution holding accounts. They are all secret. I have not asked the Central Bank and I will not ask the Central Bank. It is not in the habit of this Government to ask the Central Bank who has accounts where.

SENATOR Miss M. A. MOTTLEY: Sir, I am only learning from my Honourable friend in terms of speaking without thought. In respect of who has deposited there from who has not deposited there I would not expect the Minister to release that information and if he did I would be really disappointed in him. Nevertheless, I think it is also my duty to raise it as a public institution which is responsible for a large amount of money in this economy; it had some interest in there. That is why I was not certain nor did not wish to be certain on a figure which was deposited except to say there is something there.

What I am dealing with, more particularly, is the principle of Government and the conflict posed in section 17G subsection (4) where there is a possible conflict as to how it may be interpreted and the fact that it may give Government as a depositor a right of priority over other depositors in this country. I do not think that is fair. I do not think that Government should bring on to itself the right to say that it should have a right to remove money before John Public or Jane Green or whatever. Therefore, I hope something would be done about it.

The other point I would wish to raise in direct reference to the legislation is in respect of the same rights of priority. This legislation seems to have cut down the rights of the employees by one month in terms of what they are entitled to for guaranteed payment. This brings it to three months although the Bankruptcy Act had previously provided for four months. Once again you would seem to be prejudicing the rights of the employees by bringing this legislation in this manner.

I think if the truth be told, and I think Senator Clarke would agree with this, these amendments are really taken straight from the Offshore Banking Act. This is all the more reason why they could have been brought earlier if this was the intention of Government. What is more, they are taken from the Offshore Banking Act without looking carefully and specifically enough to the particular exigencies of the local banking situation as opposed to the offshore banking situation. By that I mean that same section (3) which I drew your attention to between subsection (a) and subsection (e)

in terms of section 17G that would have been quite normal in the Offshore Banking Act simply because the offshore banks do not trade locally. Therefore, the monies that would have been owing to Government would purely be on a statutory basis in terms of taxes, National Insurance payments if that was the case, and would not have excepted any local deposits. So, therefore, there would be no chance of any construction of Government as a depositor.

I see Senator Clarke looking perplexed. I wonder if I should try and explain to him where the thought is coming from now.

Mr. DEPUTY PRESIDENT: No. You will address the Chair.

SENATOR Miss M. A. MOTTLEY: I am indeed grateful to you, Sir. I think that point needs to be made so that it is clear these amendments were adopted almost wholesale from the Offshore Banking Act. This is the same Offshore Banking legislation for which the Barbados Labour Party received great criticism and which this Government has now had to seek the rescue for in dealing with a situation at the last minute. Nevertheless, Sir, those are the words of caution which I would wish to make at this stage.

I think, perhaps, one is a little disappointed that our Central Bank did not move as swiftly as the Jamaican Central Bank in terms of ensuring access to credit to those depositors and borrowers who dealt with the BCCI. I believe their Governor of the Central Bank and their Minister of Finance dealt with the matter as early as Monday of this week. Indeed it carried such great coverage over here one thought for a moment, without hearing the country, that it was Barbados, only to be disappointed that it was not.

Secondly, Sir, a point was raised in the Other Place on the general constitutionality of the Bill in respect of whether it may not be argued down the line in the law courts...

SENATOR Dr. F. W. ALLEYNE: Sir, I am on a point of order. I hate to interrupt the Senator. I am not clear why the Senator refers to Jamaica taking action before Barbados. Jamaica took action yesterday to bring the operations to a halt whereas Barbados would have taken that action since Friday of last week. I am not sure what the Senator is referring to.

SENATOR Miss M. A. MOTTLEY: Sir, if I can explain to the Honourable Senator. I am sorry if he misunderstood me. I was very specific to say in allowing access to credit for depositors and borrowers. I believe the sum that was given was Jamaican \$50 000, but I stand under correction as to the exact sum. Provision was made for that access by those people dealing with BCCI in

Jamaica. That is what I am referring to. Not necessarily the cessation of operations but the provision for alternative credit or credit within the system.

The second last point I am making raises the whole question of the general constitutionality of the provisions dealing with the deprivation of the property in relation to the method for seizure. Because one would not want to find, for example, my friends within the legal profession bringing action within the courts against Government on the basis that section brings about a breach of the Constitution because certain persons derived rights prior to the passing of this legislation which they have now been deprived or, indeed, that the deprivation of property, though it be banking property, comes under the general provision of the Constitution. One would have hoped that this would have had a section dealing with the general constitutionality not only in terms of the end but I believe in the enacting legislation in the preamble at the very beginning.

The last point, Sir. There is provision for the Central Bank to be exempted from liability. I am not so sure that is the correct attitude. I can understand their being exempted from an injunction. I think, perhaps, we are going a little too far when we exempt the Central Bank from any actions and liabilities in respect of these matters. I think that is all the more reason why we really need to set up, perhaps, a joint select committee to examine comprehensively financial legislation in this country pertaining to both non-banking and banking institutions and also to set out the parameters within which we can sensitise the Barbadian public.
5.25 p.m

We have the situation in Hong Kong where over the last ten years we know there has been a lot of movement away from them in the financial sector because of the fact they have been going back to China, Sir. And there are other areas in the Caribbean, Sir, who have actively sought this type of business. If we in Barbados are serious about expanding on that and expanding on the very solid basis of the Offshore Banking sector (which I believe is now the second highest generator of foreign exchange in this country, after tourism, Sir, and is contributing significantly to employment) it is important that we set up this joint select committee on financial legislation in this country to ensure that there is a comprehensive code of legislation.

With those few words, Sir, I support this Bill, and hope, Sir, that these calls are heard, Sir, in the right quarters. Thank you.

SENATOR C. O. WILLIAMS: Mr. Deputy President, I would like to agree with certain remarks made by the Honourable Senators Barker, Dr. Alleyne and Mottley in respect of the delay in enacting the appropriate legislation since 1987, Sir.

I think enough has been said, but I think it should have been done. We should not have been caught like this. My concern is that whereas I agree with the main body of this Act this afternoon, I fear (if someone challenges it in the Law Courts that we are making – and I am not a lawyer as you know, Sir – provision here for acts that have been already committed and retroactively dating them) that somebody might challenge this in the Law Courts and our vote here this afternoon of assent might be one of condemnation in the Law Courts. This worries me, Sir, because it gives me a sense of failure if this so happens.

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Sir, just for the record, please. I did not mean to interrupt Senator Williams, but just for the record, in my presentation I pointed out that the Central Bank carried out an examination of BCCI on Friday last; this was consistent with the Banking Act, under section 15, which is legitimate. At that time the Central Bank of Barbados suggested that (in the interest ... and to avoid a panic once the word was out) the Bank should close its doors; the Manager of BCCI acquiesced in this suggestion and handed over the keys.

I think Senator Barker sent us down on the wrong path when he suggested that we were validating legislation; we are not validating legislation. It is the Manager of the Bank who elected, and I hope I have set the record straight and I have explained it clearly. There is no illegality and we are not validating anything; we are making it just out of an abundance of caution.

SENATOR C. O. WILLIAMS: Mr. Deputy President, I thank Dr. Clarke and I sincerely hope that it is right. I find difficulty too, Sir, (again, I am not a lawyer) but if the administration of business in Barbados is governed in such a manner, and we have laws that state that directors are responsible for the conduct of the business of a company and are liable if it is so done carelessly, I wonder, Sir, how thorough the investigation has been that some people have been able to withdraw funds having known obviously prior to the Central Bank, and done so, or if management is a director here if they could not be prosecuted. I feel very strongly that not only the small but all depositors with this Bank should be protected in any way possible and any wrong doing should be thoroughly investigated and prosecuted for all to know so we don't have a reoccurrence of this thing again, Sir.

I would like here again, Sir, to agree with Senator Mottley on page 6, section C. I feel very strongly that the depositors with the Bank should be the first people to receive anything in case of a worse scenario. I sincerely hope that Senator Dr. Clarke's indication that they will not be, and that Senator Dr. Alleyne's most eloquent speech is listened to, especially by the media, and I am glad that he has brought it up here today, of the destruction that the media can do to a country through trying to sell a newspaper.

Sir, on page 8, Immunity 17L. I find tremendous difficulty in supporting an Act where the people carrying out the necessary conditions of it are not liable. If I sent my man, a truck driver, to a gas station and he signs for gas, he is a servant (and Senator Inniss might be able to put me right) of my company and I am totally responsible. I don't think anybody should have any immunity. If they are so careless as to not carry out the work of the Central Bank or the Act properly, then they should be punished. I don't think they should have any immunity, Sir, because we in the business sector don't have any. The Directors and those with the power to sign on behalf of a company are totally liable for what they sign.

No. 17M – Offence. I nearly consider it an insult to ask me to vote to only fine a bank or financial institution only \$50 000 for refusing to comply with an Act that we pass here this afternoon. That should be \$500 000. What is \$50 000? As Senator Dr. Alleyne said earlier, Sir, in \$7 million with Trade Confirmers, it is a pittance. My feeling is that should have on another nought at least, Sir, and for overseas banks, another nought still. It is an insult to ask people here to only fine \$50 000, Sir.

In respect with dealing with sensitizing people how to handle their money, most of us Barbadians, (and I speak for myself in particular) are really lambs to the slaughter to these big financial institutions and I sincerely hope that the Minister of Education takes cognizance of this and introduces in the curriculum of school children the important factor, how to handle their money when they leave school and work for it.

With these few remarks, Sir, and with my reservations on them I support the Bill.

SENATOR W. L. INNIS: Mr. Deputy President, I have no intention of travelling over ground that has already been travelled. We have had some worthwhile contributions made and I do not think it makes any point to repeat for the sake of repeating.

I would say, Mr. Deputy President, that whatever the reasons are for our Financial Institutions Bill not being yet ready for debate, we should consider it a bit distressing this afternoon. We know sometimes that our public service has a way of acting in a manner that does not call for the same kind of speed as people in the private sector. Of course, eventually almost all of it ends up on the laps of political directorate, where it has to end up since they are the final persons, but very often it may very well be somewhere in the bureaucratic process.

I am not here to decide, because I do not know who is to blame or who is not to blame. What I am concerned about is that when things are not in place it is the whole public that is left exposed. It is not the Minister; it is not the

Civil Servant; it is the public of Barbados that is left exposed when things are out of place.

We speak about the big depositor and the small depositor. Senator Dr. Alleyne made the point that perhaps if he was in the seat of Senator Barker he might have made the same point. Well I am not in the seat of Senator Dr. Alleyne or Senator Barker.
5.35 p.m.

The point I am making, Mr. Deputy President, is that we have to be very careful about our financial institutions in this country. To speak of big and small sometimes is misleading. There are some accounts in any bank in this country which look like big accounts. But those accounts belong to several small persons. I had the sad feeling today of seeing a cheque which a colleague had written to me drawn on BCCI returned on my desk. Clearly, the bank to which it was deposited decided that we do not touch that. Imagine a number of persons who have trust funds including attorneys who most of their funds are really trust funds of their clients – they are accountable to their clients for that money on their account. But let us say that we have the worst case scenario. The question is: Where must the money come from to pay those persons who have entrusted their money to you?

If we took the advice that we have been given to take care of the small fellows and the big fellows, you may find that one of these so called big fellows may be the person with a small account at BCCI and he will get back all of his money. This thing which looks like a big account might be some poor trade union, credit union, or some other institution where several poor Barbadians have put their money. We have to be very careful not to discriminate in this country. We do not believe in discrimination because very often when you think that you are hitting at the big fellows, as though they are something to be hit at, in truth and in fact you are harming the small fellow. Whenever you finish, the big fellow can handle himself anyhow.

Mr. Deputy President, when we have this position that came about us recently following so closely on the heels of Trade Confirmers, people are becoming worried. Some could live with Trade Confirmers' situation because an easy argument is that you wanted big profits quickly. Take what you get. But those persons who deposited with the BCCI went to where it seemed to be just another ordinary bank which was offering banking facilities. In that short space of time (because a few years in the life of this bank is a very short space of time) they have taken in deposits and we have been hearing people over the last few days wondering now where my money can be saved. The whole integrity of the banking system will be challenged because, as Senator Dr. Alleyne has said, it is a major financial institution that has gone under and not a little piggy bank or fly-by-night meeting turn that some person ran away with the people's deposits. It was an apparent creditable bank.

I would hope, Mr. Deputy President, that when the Financial Institutions Bill gets off the ground (and I hope it will be very soon) we pay attention not only to registered banks and credit unions but even to business houses which take in people's money on deposit. I would go as far to say particularly because persons innocently take their money to have one or two per cent higher interest and deposit it with some business houses, if these business houses are not caught in the net for regulations, then we will have Barbadians still complaining and crying.

I would say again, Mr. Deputy President, that we should take this opportunity to strengthen our own institutions. We have our Barbados National Bank, and make no secret about it, there are some business people who do not deal with the Barbados National Bank because for some strange reason they do not have the same confidence in it that they have in the other commercial banks. I would say, Mr. Deputy President, that indirectly sometimes Government (I am not speaking particularly of party Government) has been responsible for that because for some reason everything ends up with the Permanent Secretary and, when you are discussing the salary of the manager of your bank, you relate it to a Permanent Secretary. My argument is that the Manager of Barbados National Bank is not competing for a job as a Permanent Secretary. He is competing with Barclays, CIBC, and Royal Bank of Canada. Therefore, you must try and make sure that you attract the best in our local bank. We should give people tax-free interest and that still is not enough to attract some people because we have people thinking of a piggy bank situation when we have a proper important institution where your deposits are guaranteed attached to the Consolidated Fund.

I am saying, Sir, that we should take this opportunity to leave out petty jealousies because that is obvious sometimes. Very often a person questions another person's salary and asks, "Why should he get more than me?" They would never ask why Barclays' Manager should get more than them or why Royal Bank of Canada's Manager should get more than they do. Let us treat our institutions carefully. Let us take away our petty jealousies because at the end of the day when people overseas or even in Barbados lose confidence in our banking system then those who govern will have nothing to govern. I am asking that we always remember that, not only when it comes to election time, but always that we must keep Barbados first.

Thank you.

SENATOR Mrs. V. C. FRASER: Mr. Deputy President, I should like to say that I, too, like Senator Inniss do not want to go over a lot of ground. But I have some concerns as a poor person and as a Barbadian. I do not have any money in any bank or the mattress either. I believe in organisations and institutions which are supposed to be

business people because we have to have these kinds of institutions.

Mr. Deputy President, in supporting this Bill, over the last few days I was not happy with the kind of messages being sent out from Barbados. It seems nowadays and I heard only last night that a Minister said on the television that everything that is discussed in Barbados is reported verbatim to the International Press. Recently, in London a number of our headlines are flashed up there. People have started to get scared and feel that Barbados is now becoming a place for some sort of crooks and that they cannot have the faith and confidence in Barbados any longer.

I am concerned, too, because I know that small business people, big business people, or any size business people who would deposit money in a bank would have staff to pay. Some people put their eggs in one basket. They do not put their money in two or three banks. As far as I understand, this bank made short term loans for business people and they allowed reasonable overdraft facilities and things of that sort. This is the sort of climate that business people like, and in a situation like this, one is left to wonder.

I agree with Senator Alleyne that we cannot find people in Barbados who can sit down carefully and feed the public with the right information either through a discussion on the television or writing a proper article in the media so that the average person understands. Right now a lot of people are panicking. I have friends who have money in the same bank. I am going to tell you now that quite a few said that they are only going to receive 30 per cent. 5.45 p.m.

That is not how we hope to see it resolved, because we believe that Government or some other bank can step in and rescue this situation. It was done in Barbados already. I think we had a similar situation where two banks took over some of the staff, everybody got back their money and the transition was very smooth. What you dish out to the public is very, very important, because today you found a number of people saying "I had better not worry to bank my money."

A Barbadian who has been living in England for 30 years put some money in that bank, because he operates a small term business of plumbing, and he was very upset because he would have to go and take money from another account to pay his workers last week and this week, and maybe other weeks, until he gets the money from the people who have contracted him to do the business. There are several business people like that, whether they are big or small. I see this as a very serious thing, because if the big businessman is employing 100 people, you can imagine what is going to happen with that situation if he has money nowhere else.

I am happy that this evening we are trying to do something by way of legislation to get this resolved as soon as possible. I am also happy that the Lower House has taken the same kind of speedy action, but what concerns me is still the propaganda that has already made its way around the world and the truth is at home in its boots. Some people have said here this evening that people got word and took money off the bank. It takes no more than a phone call, if you have a friend in England who knows what is happening, to call somebody and tell them to take their money off that bank. You do not have to go and tell the Central Bank anything, especially if you are a business person. You might do like Guy Fawkes and tell a few of your friends and the word might leak around, but by the time that word leaks around the whole thing is held up and no more people can get any money. This is a situation that is very, very upsetting.

However, Mr. Deputy President, I want to say here that I believe that the Central Bank, along with perhaps the Ministry concerned, will have to do a sustained public relations programme to win back the confidence of Barbadians as far as banking is concerned. I also say to the banking sector that they themselves have to do a public relations programme, not only the Government, because they are living in a society that if everybody walks in and draws off the money and all the businesses go flat, the banks will be dead too. They must understand and realise that they have a serious responsibility to come forward and assist, and also to come forward and assist with public relations, even if they have to pay for the kind of advertisements which they are going to put up, to let people feel more confident.

Regardless of how much legislation is passed and people's attitudes change and they get fed up with a situation, it does not do any of us well. All of us are Barbadians and I do agree that we must treat persons – perhaps Senator Inniss was hearing me – in certain positions with dignity. I agree with you, and could not agree with you more, that that kind of dignity must be attached to the job locally in the banking sector. We cannot just relate it to any little flimsy job down the road. That is a person with a high level of responsibility, and responsibility brings accountability. You are accountable to the people of Barbados and, therefore, if you are going to be accountable, we have in our selections to be extremely careful that we not only choose the right people, but that we treat the people so that they will be concerned and any little things they hear they will pass on. Perhaps sometimes when people do not say anything it is because they are afraid that when they pass on information nobody will take them seriously. This is the result if people are getting fed up and frustrated.

Mr. Deputy President, I want to say in closing that I look forward to see a smooth transition and a ray of hope that all of these persons who have deposits will have their

100% money there and that we will do all in our power – the banking institutions as well as Government institutions – as I mentioned, the Central Bank and the Ministry – to inform the public of the true situation.

I want to make a point here that seems to be slipping in Barbados. During the war years there was a man called Goebbels, who was the propaganda Minister. I am very serious about this. If we continue to allow propaganda to go unanswered and unchallenged in this society, we are making a sad mistake. When it comes to serious matters, especially like this one, we have to ensure that people in the society understand that they are not going to be in a worse position; that they understand that they need to continue their confidence in financial institutions; that these are health institutions, but not to allow people to get out there day after day and tell them: "Boy, you are going to be in real trouble, the business will have to shut down. It will be hell in Barbados." If it is going to be hell in Barbados, it will be hell for every one of us. Therefore, the time is now, because when you are dealing with public relations you have to strike the iron now while it is timely. We must do this now and make a proper explanation to the public of Barbados in every single area of the news media.

Thank you, Mr. Deputy President.

SENATOR Miss Y. V. WALKES: Mr. Deputy President, in giving my approval to this Bill, I just want to note a few things that are bothering me at the moment about the Opposition in Barbados.

I want to first say that I agree wholeheartedly with the position which was taken since this matter has come up, that all banks in Barbados must be checked. I will deal mainly with the poor people in Barbados and the concept that we have about saving. Poor people tend to save more than invest and therefore it is very necessary that we continue to have the confidence in banks that we have had over the years.

Talking of this whole question of checks in Barbados of people who are in authority in institutions, I find that a situation seems to be developing – or it might be because we are becoming more aware and sophisticated in terms of how we operate – where people who are in authority tend not to be taking seriously the positions they are in, even the professionals and the well paid people who have to check these matters. It is said that the Government is only reacting when something happens. I want to say here that the time has gone in this country where we are depending on a few politicians or some government of 30 or 40 people in a setting to check meticulously on what is going on in various areas. There are so many people out there who have the authority, who have the power, and who are in the position to ensure that areas are checked. They are in place for these matters. What is happening to us? Where is that education and training going? What are we saying to ourselves? Are

we saying that we are not worth what we are doing and there are only a few so-called people there who should be doing this? I am particularly concerned about that situation that is developing, because I am saying that if the professionals, if the well-paid people, if the people who are supposed to be highly educated take that position in this country, then what is left for the ones who are not highly trained and who do not understand how to go into the operations of certain institutions and make sure that their monies or whatever are well kept or well organised?
5.55 p.m.

I am calling very strongly on our people who are in authority and checking in all areas, not only in the banking areas, because it is happening in other areas as well... People who are in authority are not taking on the roles that they are supposed to take and then they are shifting the blame on a few people, whether it is the Minister of Finance or whether it be a few Ministers of Government or whether they are a few politicians out there. I am saying that is not the attitude to adopt in a world that is becoming more complex and sophisticated. We are not living in a little cocoon. We are living in a whole wide world.

This whole question of the Government's only reacting when something happens brings me to say that I would suggest that at least this Government took the initiative to look at a Financial Institutions Draft Bill, to prepare it even if it is said that it was prepared since 1987. It also brings me to say that we are a developing country and that we are growing and that as we go on and we continue we will recognise that there are things that must be put in place, that comprehensive legislation must come to bear in this country and the Barbados Labour Party Government when it was there from 1976-1986 did not even have the initiative to introduce such a piece of legislation, furthermore to be talking about somebody reacting when something happens. If they are so good, maybe they could have looked at that piece of legislation long ago. Since they know that they can do everything, I don't understand how the Opposition area over there keeps on reiterating the fact that we are reacting each time. They had the opportunity for ten years – just here the other day – to do as many of these things as this Government is now trying to put in place.

We are a developing country in growth and we must come to this Honourable Chamber with legislation to amend legislation and also to introduce legislation and also to have comprehensive legislation. Each time that a piece of legislation comes up in this Honourable House you will hear about reacting to a situation and that will happen when things come to bear on issues that you will have to introduce legislation at times when it is necessary and it comes to you. You can't just go down the road and introduce legislation just like that. As far as I am concerned, that is a non-point in instances. So there is no need to keep on reiterating the fact. I am saying that the Barbados

Labour Party seems to be so bright that they could have done all of this during the 1976-1986 period.

Let me just go on to say that this whole question of sensitising the public on matters... Everything you hear the Opposition benches talk about sensitising the public on matters. They were in government for ten years and they never told the people of this country anything that was happening in this country. Every time a matter came up the people had to hear it years down the road or if somebody introduced it later on. All you can hear now about sensitising the public on financial matters, on budgetary matters, on this and on that. They never sensitised anybody. I have heard people now talking about everything that happens in this country in detail and questioning. It is true that we are more informed in every area – the information age is upon us – but I am saying that the Barbados Labour Party failed even to do this in this country and yet they get up in this Honourable House every time that something comes up and speak on sensitising the public on matters when they have failed to sensitise the public on matters, especially financial matters. So, I don't understand where this question keeps on coming up.

SENATOR Miss M. A. MOTTLEY: On a point of order, Sir. The Honourable Senator is really misleading the House when she states and makes a blanket statement that the Barbados Labour Party failed to sensitise this country on financial matters. Furthermore, Sir, she has no evidence to particularise exactly what she means. I don't think it is fair to allow the record to go down while...

Mr. DEPUTY PRESIDENT: Thank you. I shall determine what is fair and what should go into the records, Senator Mottley. You will continue, Senator Walkes.

SENATOR Miss Y. V. WALKES: Thank you, Mr. Deputy President. Actually, I am wrapping up and I am saying that we have to be very cognisant of our financial institutions. The time has come where all of us must bear the burden of what is happening in this country and try to pull the country up rather than down. I am saying that there is too much, even from people who make up Government who are trying to pull the country down in those matters. We will have a chance to talk about the various areas when it comes up.

Thank you, Mr. Deputy President.

SENATOR A. MORRISON: Mr. Deputy President, I rise to support this amendment to the Banking Act for the very reason that I think it is incumbent upon Government at this stage to bring some kind of control by way of legislation on the activities of banks in this country. This piece of legislation should be viewed in its entirety as being a part of the Financial Institutions Bill, which is due to come before Parliament in another four or five months'

time in order to correct all the difficulties encountered in the area of banking in this country.

Sir, I believe that what we should be concerned about in a debate of this nature is not to talk about the wrongs that are now being committed or the sins of omission or commission but to reinforce the idea that there should be proper supervision of these institutions and that there should always be in place the kinds of remedies under the Act to safeguard people in the deposit of their monies. Sir, with all the best will in the world there will always be the noise about banking. Even in big institutions in England and America, we have had insider trading in Lloyds of London, we have had insider trading on Wall Street. Despite all kinds of regulations, there are some people who are able to beat the system. Even when we have made these amendments and we have regulations in place, it still does not mean that we will be able to discover when there is big-time crookery or big-time fraud in these institutions. I am sure that we are only made aware of this situation in Barbados because it had been discovered in the big capitals of the world and we don't really know if the Central Bank even as it stands now will be able to detect fraud in the widest possible sense. I think it is the duty of the political directorate to have in place certain laws, certain regulations which would tend to protect the people of Barbados who put their monies in these institutions. That is the part, Sir, that I am very much concerned about. I don't think that any day's inspection by the Central Bank of Barbados could reveal any kind of dishonesty or any kind of shortcomings in the books of institutions as big as that. I think that we have to await more information when the books are properly examined, because it needs time to examine books of that magnitude.

6.05 p.m.

I think we might be beating the gun in trying to even suggest that everything is all right with the particular branch here in Barbados. I do not wish to confine my remarks to any particular institution. I think we should be more concerned at this time, on this occasion, to make sure that we have laws in place that would protect people in these kinds of situations. You have the evidence of Trade Confirmers.

I have to agree with all Honourable Senators that in all of these things it tends to show that the man at the bottom always gets hurt. We must be able to protect the man at the very bottom because, in most cases, the birds you might want to get at might have already flown, but the small fellow cannot fly anywhere. He is always in the midst of these debacles. He gets the worst of the cake.

I think we should be able, whatever mechanism we come up with in this Chamber, in supporting this amendment to the Banking Act, to further send a message to the Government that it should not leave a stone unturned in its regulations in order to protect the small depositor who

would be the one most hard hit in these situations. It is not an easy thing to talk about the collapse of institutions of this nature as just a sleight of hand because they are all serious matters coming before us at this very important time when a man's whole savings could disappear before his very eyes with the stroke of a pen.

These are not matters to be taken lightly or even to argue on both sides of the political divide. These are times that we should try to reinforce Government's hand and try to put the kinds of mechanisms in place. Even though they might not be total to the successful operation of detecting fraud there should be these things in place which would, at least, make people think twice in attempting to defraud poor people of their savings.

I think the Government is very timely in its action. It was a desperate situation. It had to take a positive kind of approach. That is why we had an immediate call to Parliament in order to put this on the Statute Book. We have been working on the new Financial Bill for a long time. It takes time to perfect. Whenever it comes it is going to be a good Bill. We are hoping to incorporate this amendment into the new Financial Institutions Bill to make a comprehensive document which would give people the kind of confidence and provide the kind of stability in the financial sector as to allay people's fears and to make the banking institutions remain as they have always been. We cannot feel too badly because one institution has failed or faltered. But we would like to think that the institutions of this country have always been above reproach.

We also took the word of the former Prime Minister of Barbados, Tom Adams, when he actually opened this Bank and made the opening address. We would figure he was not deceiving us and that the Bank had good potential. If it has faltered now I do not think we could be too hard on the Barbados Labour Party for having introduced into this country that particular bank and being opened then by the late Tom Adams, Prime Minister, and also at that time Minister of Finance. I think it was in all good faith. I do not think we could quarrel too much because it was the Barbados Labour Party who brought this Bank here.

One might say these institutions are like a man. Man being born carries within himself the seeds of his own destruction. Banks, like human beings, all of them could be perceived to be good until they turn bad. That is good for any financial institution in this country. It does not matter that they have been known to be bad but there is a possibility that any bank, no matter how reputable, there is always that outside chance that something could turn sour in any situation and result in public collapse and alarm.

We would like to think that our institutions have served us well over the years in the banking sector. We have had good banks. All the Government is trying to do now is to make sure that we keep the laws in motion and in

actual place to control any aberrant behaviour on the part of these institutions and that we would try to give the public the kind of confidence that they can go forward and put their money in the banking institutions as accustomed.

We remember, Sir, that even last year when we were debating the Co-operatives Society Act there was a lot of debate in the public domain about why there was need for all of these regulations because of the co-operative societies and the credit unions. People were calling in on radio programmes wanting the Government to be easier with the monies in those institutions. But you can never be too sure when it comes to people's money. They must be hedged in by all types of regulations in order to protect the people's money.

People were calling in last year about the Co-operative Societies Act saying there were too many regulations. They did not know why they needed to have these things like companies. They wanted all kinds of freedom with the disbursement of those funds. We insisted they should have these kinds of financial regulations in place to protect people's money in the private cooperative societies and also in the credit unions. The credit union funds have now grown.

One can understand with that kind of money moving around and you do not have the kind of financial controls in place that every day somebody would be sitting pretty in Barbados and spending money that does not belong to him. That is what happens all the time. It started from the Friendly Societies time. Up to this day in Barbados we have not been able to unravel the kind of complexities that have developed in the friendly societies in this country where people carried away other people's money every year. When it comes to paying at bonus time people could not get their bonuses because somebody had eaten out their money. This has been an on-going thing in Barbados over the years and even though the Friendly Societies Act has been replaced by the Co-operative Societies Act we still have the big flow of things under the old Act which has not been settled yet. They have put all their savings in the friendly societies. So if we do not have these regulations in place... That is why I would insist that we should come to the Government's rescue and even suggest more regulations in order to control these activities.

The Central Bank should be more vigilant in the future. They should be able to carry out their work instead of giving information which might tend to be counter-productive and which is usually used from that side in order to try to embarrass the Government in pursuing its financial policies. The other side always seem to have more information about what is happening in the Central Bank about our financial state than what we should know is happening out there in the banking sector. I would only hope that the officials of the Central Bank would take their duties very seriously and we would be one up in these kinds

of instances in order to be on the ball to protect our poor people in the deposit of their monies in these institutions.

Thank you.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, I would like to thank fellow Senators for the support which they offered for the Bill that is before us. There are just a few comments made by Senators which I would like to touch upon. I do believe that there has been some misconception in the debate. There has been no problem at all with the ability of the Central Bank of Barbados to carry out an effective examination of the banks. They have the tools to do it. From all reports of the Central Bank nothing has been found amiss with the local branch. The problem that we are confronted here with, *vis-a-vis* BCCI is that it is a branch of the Cayman Islands which, again, is a wholly-owned subsidiary of the parent Bank. Therefore, if there is a problem with the overall parent body, in order to protect local depositors from a run on the Bank, the Central Bank... And the BCCI acting in its own interest cooperated with the request from the Central Bank to close operations. There was nothing wrong and I think it would be erroneous of us to give the impression that there was a problem with the local bank. It was not with the local bank and there was no fault to be found with the operations of BCCI.

6.15 p.m.

Senator Barker raised the question of validation and I think it led Senator Williams into the same error. I believe as a point of order I tried to correct that by stating that there was no validating legislation before us, but rather the legislation stands on its own two feet since nobody had closed the Bank. There was no authority for closing the Bank and the Bank was not closed by the Central Bank but rather by the management of the Bank.

Senator Mottley spoke on the question of deposits. There are two types of deposits in the Bank basically. Demand deposits and time or savings deposits. There is nowhere in the world that I know that demand deposits or checking accounts that these are actually insured. However, in the United States of America I do know that there is the Federal Deposit Insurance Corporation which allows deposits to be insured up to some sum of, I believe, about \$30 000 now for a savings account and I do agree that for savings, that some similar mechanism should be put in place to safeguard, and these accounts are paid out to the individual holders almost overnight if there is any problem at all with the banks, so they will have their funds.

We do take to heart the need to look at deposit insurance for savings accounts. That is the first step within the system to reduce some of the risk and further to restore confidence which might at this point be sagging within the commercial banking system.

The rights and priorities of payment: There is nowhere in the world where any Government allows itself to be on par with any other creditors. Most Governments will ensure that taxes and all other funds due and owing to Governments ...

SENATOR Miss M. A. MOTTLEY: On a point of elucidation, Sir, I hope the Honourable Senator has not been misled on this point. What I said was the rights of Government as a depositor, not in terms of any statutory rights Government may have in terms of the collection of taxes on national insurance, for example.

Mr. DEPUTY PRESIDENT: Thank you, Senator Mottley.

SENATOR THE HON. Dr. C. D. CLARKE: Most Governments do not stand in line with other depositors but rather take priority over the other depositors for deposits with these institutions and it would be somewhat irregular if we in Barbados should advocate that position and pursue it because it would be highly unusual.

On the question of immunity that Senator Williams is very concerned about, invariably if we expect officers of the Crown to carry out their responsibilities fearlessly it is normal to offer them some protection, and immunity from prosecution. I think it is a fallacy to liken an officer of the Crown to one in the private sector where the motivations are different in terms of carrying out their actions, and it is for this reason that they are offered this immunity.

With those comments, Mr. Deputy President, I move that this Bill be read a second time.

The Question that the Bill be now read a second time was put to the Senate and agreed to.

On the motion of SENATOR THE HON. Dr. C. D. CLARKE, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR J. J. PAYNE in the Chair.

COMMITTEE

Mr. CHAIRMAN: The Senate is in Committee.

Clauses 1 to 5 inclusive were called and passed.

On the motion of SENATOR THE HON. Dr. C. D. CLARKE, Mr. CHAIRMAN reported to His HONOUR Mr. DEPUTY PRESIDENT the passing of one Bill in Committee and Mr. DEPUTY PRESIDENT resumed the Chair and reported accordingly.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, I move that this Bill be read a third time.

Mr. DEPUTY PRESIDENT: The question is that this Bill be now read a third time...

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I seek your permission to have Clause 3 recommitted.

Mr. DEPUTY PRESIDENT: Yes, Senator Alleyne. Just a minute. No. I thought you were ...

SENATOR Dr. F. W. ALLEYNE: I am seeking your permission to have Clause 3 recommitted.

Mr. DEPUTY PRESIDENT: I am sorry. I thought you were referring to what took place in the Committee. If you wish to draw attention to an error you may do this. You can't recommit now that we are having a third reading. It is not permitted, according to the Rules of the Chamber.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I am not sure how you interpret error in this particular case. I can construe it as an error because on page 6E I am of the view that this is an error; that E should replace A, because, as I understand it, the liabilities of a banking institution are made up by the capital subscribed by a bank and then the deposits put down by the depositors. It is my view that the first call...

Mr. DEPUTY PRESIDENT: No, you can't have that now.

SENATOR Dr. F. W. ALLEYNE: That is the point I wanted to make.

On the separate motions of SENATOR THE HON. Dr. C. D. CLARKE the Bill was read a third time and passed. 6.25 p.m.

RESOLUTION TO APPROVE THE LEASING OF LAND AT HOTHERSAL TURNING, SAINT MICHAEL TO MR. LIONEL LASHLEY

Order No. 2 was called – to move the passing of a Resolution to approve the leasing of land at Hothersal Turning, Saint Michael to Mr. Lionel Lashley for the purpose of operating a business.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, this Resolution relates to a proposal partially implemented to lease with an option to purchase approximately 310 square metres of land, the site of a disused public convenience at Friendship Gap, Hothersal Turning, Saint Michael to Mr. Lionel Lashley. The position is that in 1987 when Government took a decision that it would advertise for sale disused public conveniences there was some problem surrounding this particular location. It was not advertised for sale. However, sometime subsequently there was a fire at a business place of Mr. Lashley

and he applied to Government for permission to lease or rent this disused public convenience in order to re-establish his business.

In pursuance of the request, advice was sought and it was obtained that there would be no objection to the grant of permission to lease for a period during which Mr. Lashley would be expected to purchase the property. It is, therefore, Government's policy to dispose of these facilities and the Resolution, in fact, seeks to give Mr. Lashley the right to purchase within a three-year period with an interim lease in order to continue his business. I understand that Mr. Lashley has obtained Town & Country Planning permission in order to make use of the property. I will not steal the thunder of another Senator who, I know, plans to make a specific point which is a valid point except that this is one of the peculiar arrangements which has been entered into in order that use could be made of the facility forthwith and also give the person who is obtaining the lease time in which to get the money necessary to purchase the property outright.

I beg to move that the Resolution be passed.

SENATOR Miss M. A. MOTTLEY: Mr. Deputy President, just a few words on this Resolution. The Resolution seeks to approve the lease of this property at Friendship Gap, Hothersal Turning. As the Honourable Senator pointed out, this was a public bath which I believe was built sometime in the 1950's under the direction of Local Government at that time and over a period of time it has fallen into disuse. The particular circumstances, I believe, have seen where Mr. Lashley, who really operates an establishment that is the centre of social life in that district and after having a fire sometime in 1988, was without the use of facilities for sometime. Given the fact that these facilities were there lying down in disuse and given the policy started by the previous administration and continued by this Government of using these public baths for positive community facilities, one is welcoming this Resolution here today particularly in respect of Mr. Lashley who is a reputable businessman in the district. One word of caution or one request perhaps is that Government looks at this again and not seek just to lease to Mr. Lashley with an option to purchase. I believe the reason given by Senator Lewis of giving him time to have access to capital is a valid one. But instead of giving him time to have access to capital, I submit that the \$500 which is being paid in rent should go immediately towards equity in terms of his purchase of the place. If we are serious in this country about helping small black businessmen, this is one of the ways in which we can assist them in being able to acquire property, Sir, particularly where the establishment is already in existence. If we want to talk about validating this evening, Sir, this is an example of validation. Sir, although it is being passed here now, I would wish that negotiations perhaps could be reopened with a view of coming back and ensuring that the money being paid towards the lease as soon as

possible be paid towards his equity in the purchase of the place to give him the opportunity, Sir, to be able to expand his business at an early opportunity without having to borrow money at high rates, Sir, especially at a time when we have already been discussing the terms within the commercial banking system this evening, Sir.

In respect of the same Friendship Gap, Sir, I said that this is the centre of activity there and it has become even more so given the fact that the community centre, which is obliquely opposite this establishment, has been closed for the last six months and, unfortunately, the members of the Friendship group have been unable to meet although other groups have had the benefit of the place during its construction. I think that Government needs to look into that problem because at a time when we are crying out about problems among young people these people are actively begging and pleading for the use of this place so as not to be a burden on Mr. Lashley at his place. Nothing is being done to give them a chance to have these facilities at their use, Sir.

Thank you, Sir.

The question that the Resolution do now pass was put to the Senate and agreed to.

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION OF LAND AT VAUCLUSE, SAINT THOMAS FOR THE CONSTRUCTION OF AN ABATTOIR

Order No. 3 was called – to move the passing of a Resolution to approve the compulsory acquisition of land at Vaucluse, Saint Thomas for the construction of an abattoir.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, the Resolution relates to the acquisition of 3.355 hectares of land or some 8.298 acres at Vaucluse in the parish of Saint Thomas on which it is proposed to construct an abattoir. All of us are aware that the present abattoir located at the premises of the Barbados Marketing Corporation, Bridgetown have become quite inadequate for the needs of Barbados. They lack the modern technology which is required to impact positively on the development of a livestock industry in Barbados. One of the main problems encountered at the existing plant is the inadequate disposal of waste.

This new development, apart from improving and hopefully encouraging owners to expand the livestock industry, ought to pave the way for some expanded trade in regional and international areas because certain of the features of the new abattoir will include a rendering plant for the disposal and conversion of the waste into animal feed. The plant is being constructed to meet USDA's standards as well as standards of the EEC and there will be an effluent treatment plant as part of the abattoir. This

project is being developed in consultation with consultants who have been selected and approved in collaboration with the EEC who are funding the project. Very careful consideration has been given to the design of the plant. In more recent times, there has been a redesign of the plant and it is being developed in stages. At a later stage it is expected that part of the plant will be able to manufacture leather from the use of animal skins, but that is at another stage of the development.
6.35 p.m.

The land is alleged to be marginal for agricultural use, but as far as I am concerned it is land that is being retained in agricultural use, since an abattoir is an agro industrial activity. The original intention was to use a larger area, some 18 acres, but the redesigned plan will require immediately five acres and a further three acres are being obtained for any expansion in Stage 2. The site is on a roadway which brings it straight into other routes, so that there will be no difficulty from the point of view of access, but yet it is far enough away from residential accommodation to ensure that it creates no problems. Not that any problems are anticipated in terms of the plant that is to be constructed.

Aside.

SENATOR THE HON. L. V. H. LEWIS: There is nothing that is ever smell free, not even human beings. I will never be silly enough to say that there will be no smells. The fact is that if you dispose of all the parts of the animal, then nothing is left to smell. There may be some smells at cleaning time, because you have to clean down certain parts of the plant, but if you dispose of the waste adequately then there will be no smells.

I beg to move that the Resolution be passed.

SENATOR C. O. WILLIAMS: Mr. Deputy President, I have, and I declare my hand, an actual interest in this project. I would like to make a contribution as to its operation. I do not think the Honourable Minister, Senator Lewis, is entirely correct in saying that the technology at the present plant is inadequate. That is not the only fault, the application and attitude of those employed there are horrific.

I will start at this point. I support this project 100% but I would like to raise some flags that I hope will help. I sincerely hope that this project is not going to be an entirely owned and run Government project. I hope that the example of the Pine Hill Dairy and other institutions – maybe Barbados Agro Processing, although it is young, but the Pine Hill Dairy in particular – can be used, where Government is a substantial shareholder but it is run entirely in a businesslike manner. I really hope so, we need it desperately.

I was very disappointed to hear the Honourable Senator say that they were going to have this waste disposal unit. I was hoping and praying that the only thing that would not be used would be the squeak of the pig, the moo of the cow and the baa of the sheep. The Honourable Senator Simmons has just been to the agricultural show in England and he has seen where the technology there can be used to recover every single item, except as I said, the noise of when the animal actually dies, in respect of hair, skin, faeces, everything. There is a popular saying in the Argentine that the only thing they do not save is the noise of the animal at death, and I should hope that we utilise these. The technology is there, it is not big, it is not expensive, especially for a start up, and I hope it can be incorporated.

I do not think we should say it is marginal land, but I must agree with the Honourable Senator that it is a very, very necessary institution for the advancement of cattle keeping, sheep keeping, any animal raising in Barbados. I wish it every success, but I warn again about it being an entirely Government-run operation. I would like to see shares put on the market and a company floated. I am sure the lending institutions would go along with this and that it can be a very profitable area coming up alongside the Pine Hill Dairy in helping the diversification of agriculture in Barbados.

Thank you, Sir.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, I submit and accept that there is something wrong with much of the attitudes found at the BMC and several other Government institutions. Indeed, earlier today I was told by somebody that maybe my role should be to have to deal with some of these institutions, and I would enjoy it thoroughly if I had the opportunity to be able to deal with the attitudes which are prevalent in some of these institutions. The fact of the matter is that as a Minister I find that I have less power than when I was a Public Officer, because as a Public Officer I would be in a position to deal directly with some of these inefficiencies, some of the stupid attitudes which prevail, but the poor Minister's hand is tied although he has responsibility for the management of some of these institutions. That is straight from the horse's mouth, from deep down within my belly. I would love to be able to correct it.

SENATOR C. O. WILLIAMS: On a point of order, Sir. I think I gave the clear hint as to how it can be corrected. I sympathise with Senator Lewis in the fact that he is unable to do it, because of the strings that are tied upon his hand, and that is why I gave the advice that maybe private enterprise can deal adequately with these horrible attitudes that prevent the advancement and the establishment of great institutions in this country.

I thank you.

SENATOR THE HON. L. V. H. LEWIS: There is a *laissez-faire* in the private sector too. Never mind, we will also speak to that when the time comes.

Mr. Deputy President, the abattoir will have a rendering plant for conversion of waste. If the impression was given that it was going to be a waste disposal unit, then that is really not the true impression I was trying to convey. There is going to be, I repeat, a 20th/21st century rendering plant. Most of the waste will be dealt with in the rendering plant, but whenever you finish all of that you will still have some residue, even if it is only water to wash away. It was that I was talking about when I said I did not anticipate any smells.

On the question of a joint public sector-private sector type of activity, it is a fact that the project is giving, and will continue to give, consideration to the establishment of an operation similar to that of the Pine Hill Dairy. Indeed, there have been several discussions but no firm position has been taken as yet. I am personally inclined towards a joint private-public sector activity. My own experience in the Public Service leads me to believe that the way forward for some of our countries will be for Government to take the

lead in many of these activities, with the intention over time to relieve itself of its participation, except in those circumstances where it is evident that the private sector will not come forward and then Government has to continue to take the lead. In the case of this abattoir, no firm decision has as yet been taken, although the idea which was mooted by Senator Williams is not new to us. Indeed, it has been specifically mooted and represented and is being given consideration.

6.45 p.m.

I beg to move that the Resolution do pass.

The question was put to the Senate and agreed to.

ADJOURNMENT

SENATOR THE HON. L. V. H. LEWIS: I beg to move that the Senate be now adjourned *sine die*.

The question was put and agreed to, and Mr. DEPUTY PRESIDENT adjourned the Senate accordingly.
6.50 p.m.

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