
THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1991 - 96

THE SENATE

Wednesday, May 27, 1992.

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, May 27, 1992, at 11.25 a.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 Labour, Consumer Affairs and the Environment);

Senator Dr. Frank W. ALLEYNE;

Senator Miss Y. V. WALKES;

Senator J. J. PAYNE;

Senator Mrs. A. STRAUGHN, G.C.M.;

Senator J. G. BELLAMY;

Senator J. A. F. COLE; and

Senator T. E. BARKER.

Prayers were led by Father Errington Massiah.

Mr. DEPUTY PRESIDENT: The Senate is in session.

MESSAGES FROM HER EXCELLENCY THE GOVERNOR-GENERAL

Mr. DEPUTY PRESIDENT: I have the honour to inform the Senate that we have received from Her Excellency the Governor General, Dame Nita Barrow, the following messages:

"Dear Mr. President,

I shall be away from the Island from 7th to 8th May, 1992 on a private visit to Trinidad and Tobago.

Acting in accordance with the advice of the Prime Minister under Section 30 of the Constitution, The Honourable Sir Denys Williams, G.C.M., has been appointed to be Governor-General's Deputy during the period of my absence.

As The Honourable The Senate, is not in Session, 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."

That was dated May 7, 1992 and there is another, also from Her Excellency the Governor-General dated May 25, 1992 which reads as follows:

"Her Excellency the Governor-General has the honour to inform The Honourable The Senate, that she will be absent from the country during the period 1st to 9th June, 1992 on a visit to Rio de Janeiro, as an "Eminent Guest" of the Secretary-General of the United Nations Conference on Environment and Development.

Her Excellency further has the honour to inform The Honourable The Senate that under the provisions of section 30 of the Constitution, The Governor-General, acting on the advice of the Prime Minister, has designated The Honourable Sir Denys Ambrose Williams, G.C.M., to be Governor-General's Deputy during the period of her absence."

PRESENTATION OF PAPERS

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I have been commanded to lay the following documents:

Annual Report of the Barbados Broadcasting Authority for the year 1990-91.

The Annual Report of the Barbados Export Promotion Corporation for the year ended March 31, 1991.

The Thirty-Second Annual Report and Financial Statements of the Barbados Board of Tourism for the year 1990-91.

The Education (Amendment) Regulations 1992, and

The Education (Amendment) (No. 2) Regulations 1992.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS OF THE SENATE AND MOVED BY A MINISTER

Mr. DEPUTY PRESIDENT: Senator Lewis.

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I beg to move that Standing Order 45(2) be suspended for today's sitting to enable us to deal with certain matters which may only have been laid in the House, as in the case of the Education Regulations, yesterday.

The question was put to the Senate and agreed to.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, I beg to move that Senator Joseph Payne be appointed as Acting Deputy President for the duration of today's Sitting.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS:

On the separate motions of Senator the Hon. L.V.H. Lewis the following Bills were read a first time:

The Financial Intermediaries Regulatory Bill, 1992;

The Public Order (Amendment) Bill, 1992;

A Bill to amend the District Auctioneers Act, Cap. 114.

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, I beg to move the First Reading of two more Bills, but I give the assurance there is no intention to

proceed with Second Reading today. I do this because the Leader of the Opposition on the other side has indicated a wish to have them deferred. I have no difficulty with that request, but I wish to move the First Reading of the Criminal Law (Arrestable Offences) Bill, 1992 as well as the First Reading of the Criminal Damage Bill, 1992.

The question that those two Bills be read a first time was put to the Senate and agreed to.
11.35 a.m.

PUBLIC BUSINESS
ORDER NO. 1 – SECOND READING OF
THE FINANCIAL INTERMEDIARIES
REGULATORY BILL, 1992

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, the purpose of this legislation is designed not only to regulate the existing commercial banks, trust companies, finance companies and other deposit-taking activities of commercial houses, but also to encourage the growth and development of leasing companies, mortgage finance companies, merchant banks and savings and loans institutions as distinct from commercial banks. This is a necessary first step, Sir, if we are to broaden and deepen our credit markets while safeguarding the country's sound financial system and preserving its integrity.

Before moving into the Bill with your permission, Sir, I would just like to spend a few moments talking about credit markets. Too often we tend to think in terms of credit markets as a place such as the stock market, Cheapside Market, *et cetera*. But we would do well to bear in mind that a credit market is not necessarily a place but rather a bringing together of the demanders and borrowers of credit and the suppliers or lenders of that credit. This process is known as financial intermediation and its participants, the financial institutions, through their activities establish the prices at which they are willing to make transactions. That is the role of financial institutions or financial intermediaries which is to facilitate and accommodate the demanders and suppliers of credit. Of course, this function is performed for a fee and that cost of fee is the rate of interest paid to the lenders or the suppliers of credit for the use of their funds and the interest charged to the demanders or borrowers of this credit. The difference between the cost of the funds borrowed and/or received by the financial intermediary and the price charged by them for loans made to would-be borrowers is their income or revenue. The establishment of a well developed credit market is essential for economic growth and development, for it is through this market the current flow of money saving and other funds available in the economy are mobilized and invested in loans and securities. It may be said, Mr. Deputy President, that the credit market through its intermediation acts as the catalyst for the conversion of saving into investment. The instruments used in these

transactions become representative of and a means of transferring the economy's real wealth.

As we look at the credit market, Mr. Deputy President, it is not homogenous in nature but it is broken up or differentiated in many segments. One, we may look at it in terms of the purpose of borrowing. Secondly, we may look at it as the degree of risk that it has to take and the maturity of loans.

We may also look at it in terms of the types of loans it makes such as bank loans which tend to be of a fairly short maturity and mortgages on the other hand which tend to have a much longer maturity, real estate which has the necessary attendant securities in place and Government's obligations which may either be short term or long term. We may look at it in terms of the type of people who participate in that market and also the type of businesses. Based on the type of participants, you will have your financial institutions on one side – commercial banks, credit unions, financial companies, insurance companies. You have businesses and corporations which tend to be mainly borrowers, the individuals or consumers who tend to be the lenders in the market and Government itself. I shall have more to say about the role of Government in this market a little later and we have also the commercial banks, financial companies, insurance companies and merchant banks which we are seeking to encourage, credit unions which are outside the ambit of this but performing the function of financial intermediation, leasing companies which we hope to develop and mortgage companies to provide more money that will flow into the real estate and housing markets.

Although, Mr. Deputy President, I have indicated that businesses are mainly borrowers and individuals are mainly lenders, in the overall market the individual might either be a borrower or lender and this is also true for businesses. Businesses will tend to be suppliers of funds to the market at the peak of their activities while at the low points, when they are building up inventory, you tend to find them coming into the market at that time seeking funds to carry their inventory. In the case of manufacturing, they can go through the manufacturing cycle of converting raw materials into finished products and obtaining sales. In the case of commercial businesses, they buy their merchandise which it provides an inventory and then effect sales. But during this period the credit institutions are active in supplying the funds necessary for this economic activity to be carried out. As a group and contrary to public opinion, consumers generally tend to advance more money to the market than they tend to borrow while businesses on the other hand tend to borrow more money than they advance. Because at any one point in time you would have large inventories which have to be carried over time.

Therefore, in order to ensure that more funds are available for savings and subsequently investments,

individuals must be induced to consume less so that more will be saved thereby allowing more funds to flow from consumers to financial institutions and ultimately to the borrowers for investment purposes who in turn, especially in the manufacturing sector, tend to create the real wealth in the country as opposed to the monetary phenomenon.

In this whole process, Mr. Deputy President, the commercial banks and through them the Central Bank and the Government play important roles and exert influences that both condition and affect the credit market. Since the role of Government is so all pervasive within the credit market, I would like to say a few more words about that. As we are aware, Government tends to be a net borrower of funds. Although it might be a net borrower of funds, when Government is retiring debt even to the extent that Government might be rolling over debt and if this debt is handled by the individual, those who hold the debt initially will be paid out and need not re-enter into the market when the debt is rolled over for the same amount. To that extent, the money will be transferred from one group to another and between these 2 different groups they may have different tendencies to spend and this will determine what dispersible funds by Government, although Government has been a net borrower, will enter into savings or will go into investments. Government's activities especially through its fiscal policies will also have a profound effect on the credit market as it affects the liquidity of the system, that is the availability of funds and the cost of those funds. Government will also effect the transfer of funds between individuals, as I mentioned earlier.

11.45 a.m.

Of particular importance, since the public debt looms so large in terms of Government's financing and in the Estimates of Expenditure, I think that we need to look at this in some greater detail. When it borrows or retires debt, there is no question the cost and availability of funds will be affected. Government's tax policy will also affect the credit market to the extent and level of corporation and business taxes, especially after after-tax profits. We can say that the greater the after-tax profits the more is available for in-house financing of that corporation and to that extent then the corporation will need to enter the market less in order to attain funds for financing, either for capital works or for carrying out its investment programme.

Government, through its debt policy, has a net effect on the credit market. Government, through its tax policy, has an effect on the credit market, and furthermore, the source from which Government will elect to go into that market, whether it goes to the Central Bank, the commercial banks or individuals, will all have an effect on the credit market and, ultimately, within the economy as a whole. Because of this, the conversion of using money capital to achieve investment, and hence real capital, we

see for the first time the fusion, if you will, the conversion or the merging of the monetary sector with the real sector of the economy. This is critical because, as I said in the opening and giving the reasons for this legislation, it is critical for us to be able to convert money income into investment, and hence real capital, if this country is to develop and grow over time.

In developing this Bill with the purpose of strengthening the credit market, consultation, as is the wont of this Government, was broadly and widely held in the community. The consultations were held and input received from them within the working party which was drawn from the Ministry of Finance and Economic Affairs, Central Bank, Attorney General's Chambers, certain financial houses and commercial banks. At all stages of the drafting of this legislation affected and interested parties were all asked to comment on the legislation.

The objectives of the Bill seek to achieve the following:

- (1) to encourage a high level of competition among financial institutions so as to keep the cost of services to the consumer within reasonable limits;
- (2) to ensure efficiency and public confidence in financial institutions;
- (3) to give some measure of protection to depositors and other investors;
- (4) to encourage financial institutions to regulate themselves as much as possible;
- (5) to ensure a system which encourages innovation and development; and
- (6) to ensure the development of a system which minimises the use of the Central Bank for short term liquidity.

The Bill is set out in 9 major Parts. The first Part deals largely with the definitions of terms used in the Bill. Part II makes specific provision in relation to commercial banks and contains most of the existing provisions of the Banking Act. However, there are additional measures which go outside the existing Banking Act, Cap. 322, which, because of the coming into effect of this Bill, will eventually be repealed.

The additional measures for the better protection of the depositor include an increase in the minimum level of required capital. Under the old Banking Act, Cap. 322, the original capital was \$500 000, now the required capital will be at least \$2 million (see section 15 of Part II), and

secondly, capital in an amount of not less than \$2 million which has been subscribed and paid up in cash.

Let me make that clear again. A licensee under the new Act must have –

- (a) the stated capital of the bank of at least \$2 million; and
- (b) capital in an amount of not less than \$2 million would have to be subscribed and paid up in cash. That is, one cannot use an old building with no other value and claim that it is capital worth \$1 million.

What it tends to do is to afford a new bank greater liquidity. As I said, under the old Act the capital requirement was \$500 000.

Section 17 of Part II requires that a reserve fund should be set up and a minimum of 25% of net profits should be transferred to that fund before any dividends are declared whenever the amount of the reserve fund is less than the issued and paid up capital of the bank. Again, you are ensuring that there is more and more liquidity in the system so that in case there is a temporary run on the bank, the commercial bank can satisfy those temporary runs without having recourse to the Central Bank for temporary financing.

Another feature of the new Bill will now require that commercial banks maintain resources consistent with the level of inflation. I believe that this will be worked out in due course between the commercial banks and the Central Bank of Barbados.

Another requirement is to strengthen and ensure that there is a certain specific minimum ratio of capital and reserves to deposit liabilities. As you know, Mr. Deputy President, financial institutions tend by nature to be fairly highly leveraged, that is, with a fairly high debt equity ratio. However, given the nature of the portfolio in the banks, the type of loans they have and the type of deposits which they take in by ensuring that there is a certain minimum ratio, this in turn will if properly managed further ensure that there is greater liquidity to deal with any unforeseen circumstances.

A case in point is if the bank should be receiving demand deposits and using these demand deposits, converting the cash received, the assets, into long term arrangements, say, mortgage loans or other loans of medium to long duration. The net effect of this would be to reduce the liquidity of the bank, and should there be a run on the bank where people are cashing demand deposits, the bank would find itself in a rather difficult position in terms of converting those mortgages and other long term

instruments into cash, and hence recourse will have to be sought at the Central Bank.

Another area of interest in Part II, banks which participate in corporate activities other than banking must now separate the attendant risk from the banking operations by holding an amount in excess of 25% of paid up capital and reserves in a holding company.

11.55 a.m.

I see my friend Senator Phillips is looking over here. I do not know what the implications are for one of our institutions.

In Part III of the Bill this deals with financial institutions other than commercial banks. These relate especially to trusts, finance companies and merchant banks. However, these other financial institutions shall not offer chequeing facilities. For the first time trust and finance companies will be required to obtain a licence to operate. The capital requirements of this group of financial institutions will now be required to have the following:-

- (a) an authorised capital of at least \$500 000; and
- (b) capital in an amount of not less than \$500 000 which will be subscribed and paid-up in cash.

Another constraint which I am not quite sure I do understand is that the Minister may, on the advice of the Central Bank, impose reserve requirements on any class of company listed under Part II, that is, trust companies and finance corporations. However, if they are not allowed to have chequeing facilities there must be a one to one relationship between deposits taken in and loans made. I am not quite sure what this means unless it is an attempt out of an abundance of caution to ensure that at no time these institutions will be allowed to get into chequeing arrangements.

In addition, every trust, finance company or merchant bank shall establish a reserve fund into which it shall deposit annually 15% of its after-tax profits whenever the amount of the reserve fund is less than the issued and paid-up capital. In both groups of companies, both the commercial banks and the other financial institutions, trust and finance companies, coming through there is an attempt to ensure that greater liquidity is added to the system. Most financial institutions because of the highly leveraged nature of the operations tend to run into trouble because of a lack of liquidity.

Part IV of the Bill before us defines the business of deposit-taking which commercial houses may engage in. It restricts these commercial houses' participation in such businesses to those which are licensed.

Under Part IV, Restrictions, section 41(1) states that a licence shall not (a) take any short-term deposit, that is for the commercial houses, (b) accept deposits of less than \$1 000 and (c) receive money on savings accounts. The licensee may not be required to repay any deposit within a period of less than 7 days from the date on which that deposit was taken. The capital requirements for this group – a licence may not be issued under this Part, (Part IV), unless the stated capital is at least \$1 million and the capital in an amount of not less than \$1 million has both been subscribed and paid up in cash.

Under section 49(1) there is an explicit attempt to protect depositors. It says:-

"A licensee shall insure each eligible deposit held by the licensee by way of

- (a) the deposit of funds with the Central Bank;
- (b) a guarantee from a bank licensed under Part II; or
- (c) the purchase of debentures of the Government of Barbados deposits with the Central Bank."

The limit of deposit insurance is \$20 000. For the first time in Barbados we are having provision being made to insure deposits up to a limit of \$20 000 for depositors in certain instances.

In section 50 it sets the fixed assets ratio. The Central Bank may fix this ratio of the licensee. It will consist of the fixed assets or net worth to its total deposit liabilities.

Parts V – IX in the Bill deal with such issues as the auditors, inspections and the winding up procedures of the financial intermediaries. In Part IX, section 103 again re-emphasises the concept and intent of ensuring that there is deposit insurance. It states that the Central Bank may require companies listed under Part II, which are commercial banks, trust companies and finance companies, or Part IV, the other deposit-taking companies, to insure their deposits taken from the public.

In section 110 it tends to remove the conflict of interest potential by insisting that no officer nor employee of a licensee to whom Parts II or III apply shall (a) act as an agent for any insurance company; (b) exercise any undue influence upon a borrower to place insurance in any particular company as security for a loan granted by the licensee.

In section 122 there is immunity granted to the Governor and officers of the Central Bank that they shall not be liable for damages for anything done or omitted in the discharge or purported discharge of their respective functions under this Act, unless it is shown that the act

or omission was in bad faith. As I said earlier, Cap. 322, that is the Banking Act, is repealed by this measure now before us and section 125 addresses that problem. The Act, upon passage shall come into effect by proclamation.

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

SENATOR T. E. BARKER: Mr. Deputy President, everybody who is involved in banks and other such companies are extremely happy that at long last, after many, many years, the Government has now brought comprehensive legislation which deals with the activities of such companies because Trade Confirmers is still fresh in our minds and so is BCCI. The hurt that resulted from the collapse of these institutions is still being felt by many people in Barbados today. Even although the Government took a long time to bring it, we in this Honourable Chamber are extremely glad. In my year and a half in here, seeing the way in which Government operates, I cease to be amazed at the tardiness because I take it as their normal way of doing things. We are glad when things happen although we would like in future such important legislation be not left knocking around for 6 or 7 years before being brought to the 2 Houses of Parliament.

Sir, the banks, trust companies and other such financial institutions play a very important role, as the Minister was saying, in the whole economic affairs of this country. It is only fitting that they be brought under control and their operations are brought under public scrutiny by competent authorities. In the past, Sir, we have had almost a free-for-all in certain aspects of the financial system. This has led to all sorts of complications and difficulties.
12.05 p.m.

We think of the Foundry group of companies that, for one reason or another, went bankrupt a few years back. No one would have imagined that such a group of companies with such wide and diverse interests and operations could have folded up in the way that it had. I am sorry that I did not have the chance to read the article on it. An excellent article was done on it by a Lecturer in Accounts from the Cave Hill Campus on the whole subject of the collapse of the Foundry group. I hope the Government reads it and I hope I get a chance to read it in the near future.

This Bill seeks to make new provision for the regulation of the banking and finance business of trust and finance companies and the deposit business of commercial businesses in order to safeguard Barbados' strong financial system and to preserve the integrity of that system.

The banks in Barbados are with one or 2 exceptions foreign owned either by British, Canadian or Trinidadian interest. So most of the banks are local subsidiaries of larger corporations. That brings us now to look at the

whole banking system and to determine whether or not there is need in Barbados for more indigenous banks.

I was very happy when I came back to the island in late 1977 when I heard that the Barbados Government was then establishing its own commercial bank. I think that one of the most revolutionary acts with regard to the financial system was the establishment of the Barbados National Bank. I am sure that the Leader of the Senate would agree with me that it was revolutionary and far-sighted and indeed the choice of Chief Executive at that time was also revolutionary.

The foreign banks have a role to play in our financial system. But I am very disappointed that in our hour of need, in the last year or so, when the need for foreign exchange was so urgent and where the country was looking all over the place trying to get some foreign exchange that the foreign banks here with the resources at their disposal did not seek to help Barbados out in our darkest hour. Certainly that is a major disappointment because one would have felt that they make such a noise about being here for so many years. They have reaped the benefit of the stable and financial economic system and of course political system in the country for many years. They have made enormous profit and when we wanted them most they did not come to our rescue. That made me even more glad that we had the foresight to establish our own bank. It reinforced my decision to ensure that what little the university paid me was deposited in my own bank.

It distressed me to hear politicians, former Prime Ministers speak in very disparaging terms about our own indigenous bank. One former Prime Minister called it a piggy bank. That, Sir, is true. It is most unfortunate because we should be building up our own institutions. We should be making sure that Barbados can build something of which the whole nation could be proud. This is our achievement. We did not have to wait for Canada to support a head office down here. We started from scratch and we built an organization which has pride of place in the financial system of our country.

That is why I want to spend a minute or two with your permission talking about the Barbados National Bank and the whole banking system. I notice that the Bill that is before us in Section 119 part (2) says and I am reading:

"This Act, save where the Barbados National Bank Act otherwise provides, applies to the Barbados National Bank as it applies to any other bank."

I want to suggest, Sir, that after 14 years that the Barbados National Bank should have the confidence not to require any special provisions from Government. I believe that we in Barbados should be so proud of our institutions that we would not need any special dispensation with

regard to interest rates and so on to make us deposit our funds with our local bank. The fact that we have to do it speaks about us as a people, how we regard ourselves, what mirror image we have of ourselves, when it is going to take a special inducement to cause people to put their money with their own bank. I think that we should be at the stage now where after 14 years people should have such confidence in themselves and their institutions that such inducements would no longer be necessary.

But, Sir, I want to go further. I want to say that the Barbados National Bank needs freedom from the strictures that have been imposed on it by the civil service. If that institution is to achieve its maximum potential then it needs to be given its own mandate.

Mr. DEPUTY PRESIDENT: Senator Clarke, presumably you are on a point of order.

SENATOR THE HON. Dr. C. D. CLARKE: Yes, on a point of order, Sir. I really hate to interrupt my good friend Senator Barker who is really flowing today. I would like to remind the Honourable Chamber that the Barbados National Bank is controlled by a Board and not I repeat not, by the civil service.

Mr. DEPUTY PRESIDENT: Thank you.

SENATOR T. E. BARKER: Sir, I am grateful for that intervention. But when things like pay and salaries are being decided the civil service has such a tremendous input. My information is that they have input into that sort of decision-making with regard to salaries and such other...

SENATOR THE HON. L. V. H. LEWIS: On a point of elucidation, Sir. The Honourable Member must not believe everything he hears. There are 2 institutions which are exempt from any communication with the civil service regarding their affairs, there are 3 for that matter, the Central Bank of Barbados and the Barbados National Bank are certainly 2 of them who are not required in any way to communicate with any civil service. The Board aims its communications directly at the Minister of Finance and in neither of those 2 institutions is there any civil service involvement in determining any salaries or rates of pay. I should like to put that on the record, Sir.

SENATOR T. E. BARKER: Except, Sir, that the Minister with whom the Board communicates is advised by civil servants and indeed takes that advice with regards to certain matters. Sir, I don't want to get bogged down with that point. The point I want to make is that the Bank must be allowed to act in an independent way. Independent of all sorts of political or administrative concerns. It should go out there, get its own business and be able to attract the staff it desires. And remember, Sir, the bank industry is a highly competitive industry and good bank officials would not be attracted to our institution, unless the inducement by

way of salaries, was of such a high nature as to encourage them to leave another institution to come to ours. The Bank must be allowed to be able to attract the most competent managers and officials in order to push the bank forward. 12.15 p.m.

Mr. DEPUTY PRESIDENT: Senator Barker, are you saying that the Bank is not allowed to do that? You said it should be allowed to do that. Are you suggesting that the Bank is not presently allowed to do that?

SENATOR T. E. BARKER: I am suggesting, Sir, that there are structures which operate against the Bank's freedom in this respect. That the Bank is not always free to set their own salaries and that sort of thing. Sir, I am going to stay on that point firmly. I believe, Sir, that the Bank is not allowed.

Aside.

SENATOR T. E. BARKER: Well okay, I rest my case. No problem, cut mine in half tomorrow. I will find an alternative job. Not only that, Sir, what concerned me also is the fact that the Government uses the National Bank as its own private bank. Whenever they have a company that they want to set up and all of us know that this is true.

Mr. DEPUTY PRESIDENT: Will you address your debate to the Chair?

SENATOR T. E. BARKER: Sir, the history is clear and I could name endless corporations who, because of the special relationship between the Government and the bank were able to use the bank - I don't want to use it in the narrow sense - in order to further their own corporate affairs.

Sir, only this year, when the credit squeeze was at its highest, what do we notice? The oil industry could not get money to borrow to carry on its drilling programme but when the BMC wanted money to import sugar, in two twos...

Mr. DEPUTY PRESIDENT: In what, did you say?

SENATOR T. E. BARKER: Sir, in the twinkling of an eye.

Mr. DEPUTY PRESIDENT: Now I begin to understand your language.

SENATOR T. E. BARKER: In the twinkling of an eye the BMC had money to import this sugar, but when the Oil Company wanted money to carry on its drilling programme they were told (and I think they wanted less than \$1 000 000) - they were told there was no credit available. An activity which was saving us a tremendous

amount of foreign exchange, such as drilling oil, had to be suspended but when the BMC wanted money for sugar in the twinkling of an eye, Sir, they got it.

Sir, we have to be very careful with regard to the National Bank that it should not be seen as a political tool but rather it should be used as an instrument of development for the country.

Sir, this Bill gives the Central Bank wide powers in relation to these institutions and quite rightly so. The Central Bank must be there overseeing the whole financial system. I have no problem at all with that, but Sir, look at the record of the Central Bank. I am not sure, Sir, that the Central Bank may not have been a little bit negligent when it came to Trade Confirmers. I don't think they were on the ball, because if they were examining the balance sheets and the activities of Trade Confirmers then that collapse could have been averted.

Sir, with BCCI, when the head office of BCCI closed in London, why did it take us a few days, during which time I am told there was a run on the deposits of the BCCI. Why did it take two or three days before the local operation was closed? We should have known that whenever the Head Office closed in London, in those suspicious circumstances, that it would only be a matter of time before the local branch of BCCI had to follow suit. But, Sir, for 2 or 3 days ...

SENATOR THE HON. L. V. H. LEWIS: Mr. Acting President, on a point of order, the Honourable Member knows that it did not take any 3 days. He must not say things. If he wants to say that they did not act promptly, say so. Don't say 3 days when all of us know it did not take 3 days. Then that will be reported in the press that it took 3 days after Head Office closed for the local BCCI. We know that is not true. We knew there was a delay but it did not take 3 days. It did not even take 2 days before the run started.

SENATOR T. E. BARKER: I stand corrected, a day or 2. The point I want to make and the Honourable Member backed me up on this that there was a delay and the delay meant that those people who were in the know rushed to the Bank early.

Aside.

SENATOR T. E. BARKER: I don't care whose colleagues they are.

Mr. DEPUTY PRESIDENT: If you will not respond to asides I would appreciate that.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I rise on a point of order. I take strenuous objection to this notion about Barker's colleagues or my

colleagues going to the BCCI and withdrawing money. I take objection to it.

Mr. DEPUTY PRESIDENT: Thank you for the intervention. Please continue, Senator Barker.

SENATOR T. E. BARKER: Sir, the point must be made that the Central Bank was tardy in protecting the people of Barbados with regard to BCCI. Sir, it is the same Central Bank that we are giving enormous powers to under this new Bill. Sir, I want to here state that if the Central Bank is given the powers then we, the people of Barbados, should insist that the Central Bank act in a professional manner. We have to insist, Sir, that Banking Supervision Department of the Central Bank be beefed up and given the necessary equipment and personnel to carry out their functions properly. A lot is at stake. All of us in here have money in the banks or some place like that. Some more than others. I want to know, Sir, that I can go to sleep with my \$10 or whatever on whichever bank I choose and wake up in the morning with my same \$10. That is important. I believe, Sir, that the Central Bank must put its house in order. It is imperative. They must put their house in order because this Bill gives them a whole heap of new powers. They were calling for it for a long time. Okay, yes, they have it now. They have the responsibility now but they have the moral obligation to protect, yourself, Sir, and all of us in here and in the wider community and, Sir, they shall be judged according to how they carry out their responsibilities.

Sir, I hope the Central Bank does not regulate these companies like how they regulate Government. For the past 6 months, Sir, or more the ways and means which should only be 10 per cent of the Government's revenue ...

Mr. DEPUTY PRESIDENT: Senator Alleyne.

SENATOR Dr. F. W. ALLEYNE: On a point of order. Senator Barker knows there is no way the Central Bank has authority to regulate the Government. What outright nonsense is he talking? He knows the Central Bank, if you read the Act, it has no power to regulate the activities of the Government.

SENATOR T. E. BARKER: Sir, I made an error just now. It is 17½ per cent not 10 per cent. The ways and means should be 17½ per cent of Government's revenue and for the past 6 months the records will indicate that Government has been way in excess of that limit. I spoke about it, Sir, in here on many occasions. I am going to speak about it again because this same Central Bank that has the responsibility to ensure that Government keeps within this limit has allowed Government, for the last 6 months, to be in breach of this law. How do I know that they don't allow other institutions to fall foul of the regulations that are contained in this Bill? It is a serious

matter. If they are going to clamp down on the banks and deposit-taking houses, they have the same right to clamp down on Government. If Government gets away with side-stepping a law, who is to say that the others cannot get away with it too? We cannot have one law for Peter and another for Paul. Not only that, Sir, the Central Bank is given powers in relation to the foreign reserves and a component part of that foreign reserve is the Sinking Fund for external debt. The law requires that there should be a Sinking Fund for external debt. But for the past year and a half or so there has been no money in the Sinking Fund. Sir, that is a matter of record that there is no money in the Sinking Fund for external debt. At least, none was recorded in the Economic and Financial Statistics published by the Central Bank every month. What is the Central Bank doing about it? I remember the words of William Demas where only last week they were talking about the independence of the Central Bank. He said this, Sir. He said that a Central Bank Governor must be prepared to resign his job if his advice is not taken. He pointed to that as the ultimate weapon that the Governor of the Central Bank has. He is a man of international acclaim.

12.25 p.m.

Mr. DEPUTY PRESIDENT: All right, just let us continue with the subject matter here.

SENATOR T. E. BARKER: Sir, I was just making the point that a man of international repute...

Mr. DEPUTY PRESIDENT: Do not let us get involved with Mr. Demas. We are not supposed to do that.

SENATOR T. E. BARKER: Thank you, Mr. Deputy President. I apologize. But the point is that the Governor of the Central Bank must be prepared when the opportunity comes to tell Government that such an action is not in the best interest of the country according to my opinion. If you pursue such a line, I know you are the ultimate authority but I will resign my job. The Central Bank's Governor has got to be able to have the moral fortitude to tell the relevant Minister that such an action is not in the best interest of the country and that I cannot in all conscience remain as your Governor if you pursue a certain line. That is important, Sir. There is no doubt in my mind that part of our problem today is a result of the Central Bank not being as firm as it should have been in its dealings with the Government. I am saying, Sir, that there is urgent need for us to look again at that institution and ask it to put itself in order especially as they are given wider powers.

Sir, I noticed in the Act under Deposit Insurance in Section 103, I think the Minister alluded to this, which stated: "The Central Bank may require company licence under Parts II, III or IV to insure the deposits taken from the public." The Central Bank may. Sir, there may be reasons why this is not mandatory. My reading of it is that the Central Bank has the power to waive the regulations.

The Central Bank can tell a bank that it does not have to have its deposits insured.

Sir, I am not sure what the reasons are for this "may" as oppose to "shall". Probably, there are good reasons but I am not an expert in banking. But I would like to suggest that deposit insurance should be mandatory and I hope that the Central Bank uses its powers given to it under Section 103 to make sure that all banks, trust companies and deposit-taking institutions insure their deposits. Sir, I think the time has come given our recent history where this becomes mandatory.

Sir, there are other institutions which are not covered by this legislation. For example, Section 119 states that a society registered under the Industrial and Provident Societies Act and the Building Societies Act or the Co-operative Societies Act is not covered by this legislation. The whole idea of credit unions is a very touchy issue in Barbados. Some years ago there were moves afoot to bring some of the regulations of the credit unions under greater scrutiny.

Now a lot has been said on both sides about this. The credit unions are no longer any thousand dollar operations but they are million dollar operations. While in the past, there was this small and sort of intimacy among the members but it is not like that today. Some of them have thousands of members and some of them even invite people to come and join them. Now the thinking is that a credit union is like a family where everybody know everybody else and there is this degree of trust among one another. Sir, when they become so large and when they have thousands of members, one has got to look at them in a different way because the people who join these credit unions are no longer motivated by any sense of brotherhood or fraternity but it has become commercial. Joining a trade union is almost a commercial decision. You join a credit union to put in money so down the line you can borrow whatever times the amount of money you have put in.

Sir, the nature and character of the credit unions have changed over the years. I wonder if the time is not right that they be brought under some degree of control because they are taking people's money. I think the assets have gone over \$100 million, but it is indeed a large figure. I think, Sir, we have to look at that again. Not only that, Sir, when it comes to economic policy where you want to have a tighter control over credit and so on, to have a large amount of money out there which is unregulated can mitigate against the effectiveness of certain economic policies. While I am not advocating tight control, Sir, I believe the time has come where the activities of the credit union should be fully regulated because they have become less of a friendly society and more like a bank.

Sir, with these few remarks, I would like to support the Bill that is before us.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, this bit of legislation before the House today is very, very necessary for a number of reasons.
12.35 p.m.

Dr. Clarke, in introducing this Bill, made reference to the role of financial intermediation in the process of economic development. It is not my intention to retrace that ground. I think it is agreed by all and sundry that financial intermediation is essential to economic development, because the process of financial intermediation is like oil to an engine. Unless there is adequate financial intermediation, the transfer of resources between surplus units and deficit units will not take place at the desired rate. It is a pity that one has to be restricted to certain Ministers speaking on a Bill of such great magnitude.

Mr. Deputy President, something which is rather annoying in this debate, and I think this is not the first time I recall it, is what I detect in this Chamber to be an undercurrent having to do with university salaries. I am annoyed by it! We are not discussing our university salaries in this debate and I take great offence at it. If people have an axe to grind with the university, let them deal with the university. They must be sniping about the university. The university is bigger than me, it is bigger than Senator Barker. It is there for this generation and subsequent generations and to serve the entire Caribbean. Those who have little jealousies and want to act them out, they must not use these opportunities to do it. That is by way of an aside.

Senator Barker, in the course of his contribution, made some statements which need to be corrected. Senator Barker referred to the fact that Credit Unions tend to be unregulated. Mr. Deputy President, this is not so. The Government passed into law the Co-Operative Societies Act, 1990 which updates the regulatory regime of all the co-operative societies in Barbados. The Act has not yet been proclaimed because the Regulations have not been put through the required processes, and I believe this will be done in a short time.

I believe the single most backward step that could ever be made in Barbados is to bring the Credit Unions under the control of the Central Bank. Co-operative societies, by their very nature, require those people who have resources in them to be involved in the business of running them, and as soon as one is going to say remove that co-operative aspect from the Credit Unions, they will no longer be Credit Unions. I hope I will not live long enough to see a Government in Barbados to be stupid enough to put the Credit Unions under the ambit of the Central Bank. Overnight you would kill them. People will remove their money. Make no mistake about that. The very

rapid growth of the Credit Unions in Barbados after around 1984 was not accidental. As the Central Bank drew the noose on the commercial banking system, the Credit Unions grew and grew very rapidly.

I believe that the Government has made up its mind about how it is going to deal with Credit Unions. I seem to recall that in the last couple of years provisions were made for upgrading the office of Registrar of Co-operatives. That is where the regulatory body should be and there should be collaboration between the office of the Registrar and the secondary body of the co-operative societies. I am totally against bringing the co-operative societies, and particularly the Credit Unions, under the ambit of the Central Bank.

Implicit in what Senator Barker is saying is that the people in the Credit Union do not have the business acumen to manage their money, and that is to defeat the very argument which he was making about the Barbados National Bank.

SENATOR T. E. BARKER: Mr. Acting President, I do not think that that is a fair. . .

Mr. DEPUTY PRESIDENT: What are you speaking under?

SENATOR T. E. BARKER: I am sorry, Sir. On a point of order. I never hinted by any word whatsoever or even by any inflexion that the people in the Credit Unions are incapable of looking after their own affairs. I am just talking about regulation in the same way the banks have people who can look after their own affairs but are still regulated.

Mr. DEPUTY PRESIDENT: All right. Senator Alleyne, you may continue.

SENATOR Dr. F. W. ALLEYNE: Thank you, Mr. Deputy President. The whole thrust of my argument is that the co-operative societies, and particularly the Credit Unions, have to be treated differently from the traditional financial system.

Senator Barker referred, in the course of his contribution, to the Central Bank regulating the Government. I do not expect to hear these kinds of things in this Chamber. How can you have a Central Bank regulating a Government? You cannot have a Government and a Government in the same country. The Central Bank is answerable to the Minister of Finance, but it is a very curious relationship, because the Minister of Finance cannot have access to information in the Central Bank. A Board member has access to information that the Minister will never see and it is an infraction of the law for him to ask for it. It is a very curious relationship, so when I hear this talk about the independence of the Central Bank and insulating the Central Bank from the Minister I say it is

a lot of unadulterated nonsense. That is what it is, nothing more, nothing less, this notion about insulating a Central Bank from a Minister.

The Central Bank Act is crystal clear. On the relationship between the Central Bank and the Government of the day with respect to credit to Government, whether by the Ways and Means or advances, if you check section 48 of the Central Bank Act, you will see it sets out very clearly there what is the relationship.

What it says, Mr. Deputy President, is this:

"48. Whenever the total amount of credit being extended by the Bank to the Government, its institutions, agencies and statutory boards by advances under section 45, the acquisition of evidences of indebtedness under sections 32(b) and 46, and the acceptance of securities as collateral under section 32(c)(i)(D) threaten either –

- (a) to exceed the amount agreed under section 47(a); or
- (b) to endanger monetary stability, the Bank shall submit a report to the Minister drawing attention to the situation, analysing the causes which have led thereto, and recommending measures which it deems necessary to forestall or otherwise remedy the situation."

And it goes further in section 49:

"49. (1) If, after consultation with the Bank, the Minister is of the opinion that the policies being pursued by the Bank are not adequate for, or conducive to, the achievement of the purposes of the Bank as set out in section 5, the Minister may issue a written order to the Bank determining the policy to be adopted by the Bank, and the Bank shall thereupon give effect to that policy while the order remains in operation."

I hope, Mr. Deputy President, Senator Barker understands the difference between power and authority. A Minister of Finance has power. The Board of the Bank has authority and derives that authority from the Minister, so to speak of the Board of the Bank – because in essence you are speaking about the Board when you speak about the Bank – is to fail to understand the distinction between power and authority.

12.45 p.m.

A Board cannot regulate a Minister. It is as simple as that. I reject totally any imputation that the Board of the Central Bank acted irresponsibly in relation to the Minister. I reject it out of hand. To the best of my knowledge, certainly when I was a member of the Board, we acted

within the law. It is not my business and I have no intention of divulging to anyone what advice we gave to the Minister. If the Minister wishes to divulge it, that is his right but I feel constrained to set the record straight. Too many wild accusations have been flying up and down the country. People met me while I was a Director and abused me. It is a whole lot of maliciousness which has gone on with respect to the relationship between the Central Bank and the Minister of Finance. Thank God, I am out of it. You cannot point your finger at me again today and say I am a Director of the Bank. That is in my past.

The ways and means was referred to by Senator Barker. I believe that in Barbados no Government has faced the central issue of the ways and means. If we are serious as a people we have to get to the heart of the issues and stop circumventing them. When you hear certain public figures in Barbados talking about the ways and means you think it is a gun in the hand of a child. Basically what is the ways and means? It is a short-term facility which allows a Government to bridge timing difference between inflows of revenue and outflows of expenditures.

The Central Bank Act is clear on this. This is something you have not been pointing to. Three months after the end of the year any advances paid to the Government should be repaid. That, in my view, is not the fundamental issue. All the Governments have tied the quantum of ways and means – I know Senator Barker and his colleagues in the Opposition talk about the 10% and it was carried to 17.5%. That is not the issue. Barbados has been led to believe that the matter of raising the ceiling is the issue. I respectfully submit, Mr. Deputy President, that is not the issue. The real issue is, should you tie the projection on ways and means to projected revenue? I say, "No." I say "No" because the level of Government's projected revenue does not determine our capacity to pay for our imports. If we are looking for a solid base to link it to, link it to projected foreign exchange earnings. I understand why a lot of people run around and talk about raising it from 10% to 17.5%. I also remember a lesson I learned from Sir Frank Walcott that easy lessons are for dunces.

Mr. Deputy President, to get more directly to the Bill we have in hand, the cardinal issue about financial intermediation and financial institutions is that we are dealing with what I call dynamic organisms. The structure of financial institutions which are adequate for 1990 may be inadequate 20 years from now. The reason is that the requirements for financial intermediation change as the structure of the economy changes. This is why it is very important that the Government keep under constant review the issue of the adequacy of the regulatory framework. It is absolutely necessary. It is done in the developed countries and there is no reason why it should not be done in Barbados.

In a small country like Barbados, financial collapses die hard. From the time I was born I was hearing about the Symmonds Bank. I could risk a bet if I have grandchildren they will hear about the Trade Confirmers, the Foundry and the BCCI. The worst thing that can happen in small communities are these financial infelicities. You are talking about small communities. A large society in the United States has the capacity to absorb the fall-out of the S. & L. scandal but when in a small society like Barbados you have a financial collapse it erodes confidence in that system. For quite some time the society does not settle down. This is why it is absolutely important that Government continues to monitor the adequacy of the regulatory framework. Also too, those charged with the responsibility for implementing these regulations should do their work as serious professionals. It is not my job to indict anyone. I am not into that business.

What I would say is this that Barbados is fortunate because in the Central Bank of Barbados we have some of the most dedicated and competent officers you will find anywhere in a central bank in any part of the world. This Chamber is not a place for calling names. I can say that and I say that with assurance. Those who continue to talk about pulling down the Central Bank, restructuring the management of the Central Bank and firing people, those people have some partisan axe to grind and they are not speaking with the interest of this country at heart. When you succeed in destroying the image of the Central Bank, you have destroyed the apex of the financial system. When that is destroyed no self-respecting lender in the rest of the world will have any regard for anything coming out of that Central Bank or being said about Barbados. The sooner people stop using public fora to say bad things about the Central Bank of Barbados, the better it is.

Mr. Deputy President, I am very conscious that time is very limited. I want to turn to two particular sections, sections 21 and 56. Section 21 says "The Central Bank may require a licensee to show separately amounts of unsecured credit." I hope it is not too late to modify this particular clause...

Aside.

SENATOR Dr. F. W. ALLEYNE: It is modified already? I have no reason to believe that Senator Barker will mislead me.

Mr. DEPUTY PRESIDENT: Senator Barker is not on his feet. You will ignore his asides.

SENATOR Dr. F. W. ALLEYNE: I will ask Senator Dr. Clarke who introduced the Bill at some stage to assist me on it. Just bear with me one minute, Mr. Deputy President, while I search the amendments.

Mr. DEPUTY PRESIDENT: It is not here in the amendments.

SENATOR Dr. F. W. ALLEYNE: I feel quite strongly, on the basis of my experience, and I have some experience in this matter...

Aside.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I speak with some experience in this matter. I disagree with Senator Barker when he says the banking community is very competitive. I noticed Senator Dr. Clarke smiled when he said that because it is the opposite of competition.
12.55 p.m.

It is a very oligopolistic structure. You have a couple banks in the country. They do not compete with one another. It is a gentleman's profession and nowadays, a ladies profession. You know ladies and gentlemen do not compete.

Mr. Acting President, out of an abundance of caution I believe the Government would be well advised to change this "may" and say "shall". I will say no more. I am not speaking from a position of theory. I assure I have experience in this matter. My experience was gained in a privileged position so therefore I should say nothing about it. Suffice it to say, that to the extent that unsecured credit is not divulged to the Central Bank the Central Bank is not in a position to make any definitive judgement about the soundness of that particular institution.

On Section 56, Mr. Acting President, I wish to draw attention to this Section as well. This section says:

"Not later than 4 months after the close of its financial year, or such longer period as the Minister allows, a licensee shall"

and I shall not read the rest of it because you have the Bill. I would like again to suggest that these institutions, banks, all of them should be required to publish specific information on their local transactions. When a bank publishes a consolidated balance sheet which covers all parts of the world, I am no wiser. I do not worry to read them. The only bank I know something about is the Barbados National Bank. I know Senator Barker referred to it very fondly as our bank. But I have a different perspective on banking and financial institutions generally. Mine differs from Senator Barker. Banking is a lot of confidence. If I have a bank manager whether he is in Russia or Timbucktu and we have a good one to one relationship there is nothing that can destroy that. It is as simple as that.

I go further. What the country needs is the instruments and the management capacity to influence what the banks do with the resources they mobilize. You do not have to own a cow to get milk. It is the same thing with financial institutions. It is the same thing all over. Senator Barker apparently does not recognize these things.

I would say, Mr. Acting President, these Regulations are very necessary but after the Government has done its work by having these Regulations put in the law, it is very important that after this Bill is passed into law that those charged with the responsibility of implementing these provisions that they do their work faithfully.

I believe that it is fair to say that some of the difficulties which this country has faced with financial institutions running into difficulty cannot be laid at the foot of the Government. Any person who is fair minded and has access to the information will come to the conclusion that the difficulties cannot be attributed to the Government. If you delegate a responsibility to someone you expect that person to discharge that responsibility faithfully. Unlike Senator Barker who perhaps would like to see all the other commercial banks miniaturized in favour of the BNB I am not of that persuasion. I believe that the Barbados National Bank should be given a chance. I wrote an article to this effect I believe about 10 years ago or more than 10 years ago when the Bank was being established. Because the BNB is at a serious disadvantage.

The BNB is about 15 years old and is competing with institutions which are hundreds of years old which are well established. The BNB has to try to expand its portfolio by taking on a lot of marginal business. If at all there is a justification for Government to give a competitive edge to the BNB, it is precisely because it is late into the game and is taking on marginal business. What is more, Senator Barker has a different interpretation on it and I agree to disagree with him. One of the few financial institutions in this country which show commitment to the welfare of Barbadians is the Barbados National Bank.

You find if the Transport Board – I just mention that at a hypothetical level – is in difficulty with putting its buses on the route the institution which will lend it the money to put it on the route is the BNB. Some cynical persons will say the BNB is a pork barrel and this is because some people cannot see anything good, except it benefits them.

I say give the BNB a chance to function effectively, remove a lot of the constraints with which it is not hamstrung, but also let the people in the BNB understand that banking is a business and when you are in business you have to accept the rules of the game.

Mr. DEPUTY PRESIDENT: Senator Alleyne you have 3 more minutes.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I believe it would be remiss of me if I did not indicate, having studied that Trade Confirmers Report, that if it is one occasion on which I would have supported retroactive legislation it would be to deal with that Trade Confirmers Report. I would have supported retroactive removal of the ceiling on the interest rate, repeal that particular provision and do it retroactively so that those people who are hiding behind the fact that they borrowed money in excess of that particular interest rate, I would remove that veil and let them face the consequences of their action. I know some people will say that I am advocating bad law. But, Mr. Deputy President, my position is that law must not be seen in a vacuum. I believe that a lot of those innocent people who put their money in that institution did it in good faith. Today you have persons in Barbados who are not that badly off but who are able to take the money from those poor people through that scam which was Trade Confirmers Limited and get away scot free.

1.05 p.m.

Mr. Deputy President, in closing, I would like to suggest that before anyone is allowed to come and set up any financial service in this country, anyone, be he Barbadian or non Barbadian, that that person or persons be thoroughly investigated. All their business track record should be thoroughly investigated prior to the granting of a licence.

With those few remarks, Mr. Deputy President, I support this Bill.

Mr. DEPUTY PRESIDENT: Senator Clarke.

SENATOR THE HON. Dr. C. D. CLARKE: Thank you, Mr. Deputy President. I thought we had, for most of the time, a very enlightening and revealing debate. Unfortunately for Senator Barker, from the other side, I thought that at some stages he got carried away in a campaign speech. I would want to remind him there is no election on, that I know of, and he would have better served his cause had he remained faithful to the text before him.

I normally agree with most of the things that Senator Alleyne says in the Chamber. However, on the question of unsecured loans, I have always had a problem with unsecured loans and the security on loans for many reasons.

(1) A secured loan is more expensive to the borrower than an unsecured loan.

(2) In terms of security offered, invariably the security is indivisible.

Specifically, if you had a house worth \$150 000 and you wanted to buy a car worth \$20 000 and you produced the papers for the house for \$150 000 your security is eternally lost to you to engage in any further borrowing. I do think that within the provisions of the Bill before us that

- (1) since you are limiting the amount of loans made to any one person irrespective to whether that loan is secured or unsecured. I think, it is limited to 25 percent. This in itself acts as a break to the running of risk of letting anyone borrow too much money.
- (2) the banks have auditors whose responsibility it is to test the health, if you will, of the loan portfolio of the Bank by questioning people and making comments in their report. Furthermore there are bank examiners who go into the Bank and should look at these loans and determine the strength or health of the portfolio.

So, the unsecured loans, I know in Barbados, and it is something I have always found somewhat perplexing that everybody wants security, without taking time out to consider the cost to the would-be borrower. Once you have security you have to have lawyers involved and have the whole thing stored and recorded and what have you, whereby if the person's credit worthiness warrants it you will give them an unsecured loan, the person pays it off and off you go with a loan.

On the question of the Central Bank, I share Senator Alleyne's views on it that we, in Barbados, have reached a stage now where we are assaulting all of our institutions. I have talked on this in here before. If we keep pulling down all of our institutions the time will come when we have nothing and as a country we will be eternally lost.

I do think we must recognise the strengths of the institutions that we have functioning. We will recognise there are some weaknesses that will occur from time to time. Please do not let us throw out the baby in the bath water as we look at our institutions. Once we destroy them, we have nothing as a people, we have nothing as a country and for us as citizens, we are nobody at the end of the day.

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

The question that the Bill be read a second time was put to the Senate and agree 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.

Part I was called and passed.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Chairman, I beg to move that Part II stand part.

SENATOR C. E. BARKER: Mr. Chairman, section 21: I move, Sir, that the word "may" be omitted and replaced by "shall" so that given the fact that there is an amendment already in section 21, it should read:

"The Central Bank shall require a licensee to show separately in its audited financial statements amounts of unsecured credit".

SENATOR THE HON. L. V. H. LEWIS: Mr. Chairman, whereas I am quite prepared to speak with the Attorney General and get some clarification about the point raised during the second reading by Senator Alleyne, my understanding always is that in these Acts when you see the word "may" it really means "shall". I am not saying that it means that. What I am prepared to do is to raise the matter with the Attorney General because I think it is a matter of substance and it is raised by somebody who has had some experience in relation to affairs of financial intermediaries and their relationship with Central Banks. I am prepared to make that promise and go no further. I certainly don't support the amendment now.

Mr. CHAIRMAN: Senator Barker, you are seeking to move an amendment?

SENATOR T. E. BARKER: Mr. Chairman, with the assurance given by the Leader that he will seek further clarification from the Attorney General, I suggest that the motion be withdrawn.

Mr. CHAIRMAN: Yes, because I did not have a seconder for it.

The question that Part II stand part of the Bill was put to the Senate and agreed to.

Parts III, IV, V, VI, VII, VII, IX, were called and passed.

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

On the separate motions of SENATOR THE HON. Dr. C. D. CLARKE, the Bill was read a third time and was passed and cited as the Financial Intermediaries Regulatory Act, 1992.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, I beg to move that the sitting be now suspended until 2.20 p.m. today.

The question that the sitting be suspended until 2.20 p.m. today was put to the Senate and agreed to, and Mr. DEPUTY PRESIDENT suspended the sitting accordingly. 1.20 p.m.

RESUMPTION

Mr. DEPUTY PRESIDENT: This sitting is now resumed.

ORDER NO. 2 – PUBLIC ORDER (AMENDMENT) ACT, 1992

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, this Bill amends the Public Order Act in order to give statutory effect to the common law offence of affray and it creates new crimes of violent disorder, fear of violence and harassment, alarm or distress. These offences, Mr. Deputy President, are designed to deal with group violence where there is no evidence of a group having a common purpose. This particular Bill, Mr. Deputy President, is one of 6 pieces of legislation which have been introduced in the Other Place, 3 of which have been passed in the House of Assembly and, indeed, were read a first time today. They form part and parcel of the Government's approach to certain reforms which are proposed in the criminal law system in this country. In addition, there is a consequential amendment to the Constitution of Barbados resulting from these pieces of legislation.

I believe, Mr. Deputy President, that in the present day troubled times when some of the younger elements in this community are being misled into unusual paths which find them before the courts of law it is necessary and desirable that the system be tightened up and this amendment seeks to provide for these offences and to provide also the remedies which are available to the courts of law in this country.

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

Mr. DEPUTY PRESIDENT: The question is...

SENATOR T. E. BARKER: Just 1 or 2 comments on this Bill. The Public Order Act was a 1970 Act and it came out at a time when Barbados was threatened to some extent by the influence of the North American scene where the whole idea of black power had taken root. The Act came into power primarily to deal with gatherings and meetings of a political nature. The Act was to control and to regulate political behaviour. Now the Amendment, from what I have been able to gather, comes at a time where there is not political activity that is the problem but rather criminal

activity. Sir, I wonder why the authorities sought to control what essentially is a criminal situation by amending a Bill which is primarily political in nature. I have a little worry on that score because the Public Order Act is political and it seeks to regulate basically how you must hold meetings and what you can and cannot say at a meeting. The question that has not been answered is: Why are we seeking to control activities in the gangs? Basically, from what I know, this is to control gang behaviour. So that if 2 or more persons came together and used threatening or insulting behaviour, it is an offence which can be heard before a magistrate and the penalties are given herein. My fear is that when we put something on the statute book we are not sure who is going to be in power 5 years or 10 years from now and whether or not they are going to use the particular law in order to control what is legitimate activity. That is my fear.

Sir, I well remember the Biblical story of Haman. He built a lovely gallows for somebody else but the story ended with him being the first man to be hanged on the gallows. We must be careful how we are building proverbial gallows because we may very well be the first person to hang on the gallows. Sir, the point I am making is that this Amendment introduces new offences. In my view, I have no problem of making it an offence to use threatening and abusive behaviour. But who says that it is not going to be used in a political way? Very often on a political platform you hear things which could be considered insulting. It happens on both sides. What happens if, Sir, a fellow who is at a political meeting says that I have been disturbed by a comment? Somebody called another politician a fool or the biggest imbecile on this side of heaven. So he can say I was incited to behave in a certain manner. According to the Amendment, he is guilty of an offence if he uses language in such a way that a person of sane mind who is at the scene and is in fear of his safety. Sir, you are making then potential criminals of our politicians. Sometimes we use language which may be construed to be insulting. If the Bill is designed to do that, then say that. But do not come under the guise of criminal activity and bring in Bills which could have adverse political reactions later down the line.

There are other ways of dealing with crime. I am not sure, Sir, that we do not have enough legislation on our books to deal with crime. What is lacking is firstly the will to give full effect to the legislation that is already on the statute books and, secondly, the resources are not always given to the authorities in order to make them carry out their job effectively. We have enough laws but somewhere along the line we lack the will to confront the criminals and make them pay for their actions. The laws are there. What is needed now is better policing. We need a better society and better home training. All these things are needed in order to combat the criminal situation. I am not sure that putting another amendment on the statute book is necessarily going to see next year or the year after any

serious reduction in crime. We can bring as many Bills to Parliament as we like because there are about 3 or 4 Bills which are coming to this Chamber shortly dealing with criminal legislation. Yes, we need to have the legislation but we also need the will. That is what is lacking in this society, that is the will to combat crime. Events within the past couple of weeks have convinced me that we as a society are not sure how we stand with regard to crime. Because we have heroes who many years ago we never thought would be heroes today. I hear so much sympathy for well known criminals in the land and I wonder is this what we are coming to. The will to fight crime is not there. I want to make the point, Sir, that Government alone cannot control crime in this country. Crime will only be controlled when every citizen in the country decide that we must do something about the situation in this country. Legislation cannot do it. The people themselves must be motivated that they respond positively to what is happening in their midst.

Sir, I am positive that criminals could not be on the run in Barbados unless other Barbadians were looking after them in some way or the other. We are a small society and people cannot run about in Barbados and be well fed and looked after unless the people out there get involved in solving the crime situation. Sir, it annoys me to think that the people out there are calling on the Police to do something. They are calling on the Government to do something.
2.40 p.m.

They want to have convenient scapegoats. They themselves do not want to get involved in both the prevention and the solution of crimes. We have it in our power, Sir, to solve the crimes, to alleviate the harsh conditions that are in our society as a result of criminal activity. Legislation cannot do it, because if the gangs know that this is on the Statute Book, when they are on the street corners they will not be using violent or abusive language, they will be like lambs, but they can still be plotting murder and mayhem. They know the legislation is there, so they are not going to run foul of it in that way, but they can still inflict tremendous damage on the society.

We have to look at the root of the problem and this is what everybody seems to be avoiding. People feel that if you put 2 000 more policemen on the roads, have the most draconian laws, have the harshest penalties, that will solve the problem. We have to send a message to them to let them know that cannot solve the problem. The answer lies within the society itself, in the home, at school and in the churches. Everybody must come together in a firm effort, with all the determination at our disposal, with all the will that we Barbadians are known for in order to fight this problem.

Sir, I want to suggest that the problems of crime are very deep rooted and a lot of it lies in what is happening

to the males in our society. We have to look and see what is happening to them. All of us at some time or another have been in churches and we notice that at an early age, from about 9 to 11, there are many more girls in our churches than boys. The older you get, the difference is more marked. There are many more girls than boys. This was so for a long time, it is not a new phenomenon and we have not yet as a nation come to grips with this. Why is it that our young boys do not attend church as they should? They are not interested. Even in education the drop out rate for boys far exceeds that of girls. At the university now our intake is a ratio of about 2 to 1 in favour of girls. In almost all the faculties you will notice that there are many more girls, either seeking admission or being admitted, than boys. It leads me to come to the view that there is something fundamentally wrong with the way we raise our children and we have to tackle the problem at a very early age.

If we read the newspapers we see that our men are becoming involved in crime at an earlier age. When I was a boy, Sir, and that was not very long ago, you would hardly hear of a teenager getting involved in crime. Once in a while that happened, but very seldom, but now if you read reports in the newspapers you see that from 16 or 17 they are becoming hardened criminals.

I want to suggest, Sir, that the male influence in our society is sadly lacking. Too many of our homes lack the male influence. In too many of our homes the male is only a visiting figure who comes occasionally to give the mother a few dollars when he feels like it. In too many of our homes this is a common occurrence. I was making the point but I was not allowed to make it on another occasion, that the absence of male teachers in the primary schools is, in my view, a serious problem. Our young boys do not have the male influence in the home, and when they come to the school the male influence is lacking, because 90% or more of our primary school teachers are females. Some of our males have never known what it is to be flogged by a male and I would go on record as saying that I support corporal punishment any day. It did not kill me nor did it kill Senator Clarke, but we both benefited from the punishment we received.

The new-fashioned way is not to beat a child, but, Sir, as the Good Book says, foolishness is bound up in the heart of a child but the rod of correction will drive it far from him. Until we get to these principles, until we bring back discipline both in the home and in the school, we will end up with generations of boys who are allowed to do as they like, uncontrolled. A child is like a weapon. Handle it properly and it is useful. Do not handle it properly and it is an instrument of destruction. That is why I am a strong believer in the Bible. In the old Jewish society when a fellow misbehaves and will not be controlled, he is

outside the city and stoned to death. It may sound extreme, but what they were trying to do was to prevent that boy from influencing others.

Mr. DEPUTY PRESIDENT: Are you advocating a similar method in Barbados, Senator Barker? I don't quite understand.

SENATOR T. E. BARKER: Sir, I am just pointing out the fact that some societies felt so strongly about punishment that they went to an extreme. I may consider it to be an extreme, but I was not living in those days and I do not know the reason why such forms of punishment were instituted, but they had their reasons. We have gone to the other extreme and we know the saying: "Too far east is west," so we have gone too far in the other direction. What you sow you will reap. I am advocating that we bring back discipline in our society at all levels, from the highest in our society to the lowest. That is why I am very annoyed, and I will speak about this every time I get the opportunity, to see anybody, be it the Crown - I do not care who they are - trying to get around the laws in this country. I am clear on this. All the laws are there and they are meant to be kept by everybody in the society.
2.50 p.m.

No person nor agency should break the laws of the land because we are sending the wrong signal. In our society what we find is that certain people are free to do what they like basically. They break the law. Some people in our society drive their cars at a speed in excess of the speed limit. When they are caught and charged, they call up their friend in high places, and he will ensure that the person who has committed the crime does not pay for it. When this happens in a society, you are sending dangerous signals. Antennae are up and people receive these signals. If we are to be a law abiding society, the example must be set from the top down to the bottom. We expect the fellow at the bottom must obey the law but the higher up you go in the social and economic ladder, it seems as though the less controlled you are.

Mr. DEPUTY PRESIDENT: All right, Senator Barker. Let us get back to the subject of the debate now.

SENATOR T. E. BARKER: Sir, I thought I was on the subject but I will bow to your ruling. The point I want to make is that these laws, as good as they are, are not the solution to the crime problem. We have to look at the root of the problem. It lies in the home, the school and the wider society. Until we get there we can have a million laws on the statute book, they are going to be of no avail. All that will happen is you are making extra work for the lawyers.

Sir, I have reservations about this amendment because I am not sure that criminalising certain activity is necessarily the way to go. I shall read section 27D. It says -

"A person is guilty of an offence if he

- (a) uses towards another person threatening, abusive or insulting words or behaviour, or
- (b) distributes or displays to another person any writing, sign or other visible representation that is threatening, abusive or insulting."

Sir, I was in a march with many other thousands of persons last October. Some of us were holding signs which were not flattering. Some of the signs were insulting. Under this new Act I would be committing an offence.

Mr. DEPUTY PRESIDENT: Senator Barker, I am not your Father confessor.

SENATOR T. E. BARKER: Precisely, Sir. I am making the point that if this amendment was in force then people walking along with just a sign it could be construed to be insulting. We could find ourselves before the law courts and the punishment is a term of 2 years. I could have 2 years in jail or a fine of \$5 000 or both. I think it is a little bit too extreme. I do not find it funny at all.

Aside.

SENATOR T. E. BARKER: Sir, I am being told that it has been amended but I have not been given the amendments. I am glad it is amended because in its present form I do not think it is necessarily acceptable. I wish that I was given the amendment so I would have been in a better position to make my presentation. I am suggesting, Sir, that in future the Leader of Government Business give us the necessary amendments so we do not come in here and make fools of ourselves.

Mr. DEPUTY PRESIDENT: The Leader of Government Business?

SENATOR T. E. BARKER: In the Senate. I meant in the Senate, Sir. I should really say the Leader of the Senate. In future, Sir, I wish that enough information will be given to us.

I hope, Sir, my point has been made on the harshness of this section which offended me because all of us at some time or another, fortunately or unfortunately, may say things which could be construed a certain way. Remember what I said earlier that sometimes the gallows might be built for somebody else and you end up the first one to use it. That is also very true in political life because the people of Barbados do not elect a government for too long. The

people are wise and may just be waiting for the opportunity to remove the Members on the other side.

Sir, I must express my reservations on this Bill. I am glad that Government is, at least, on the right track in trying to tighten up the legislation. As I said before, what is needed now is the will, not only by the Government, but by the people to do something to alleviate the crime situation.

Thank you.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, there are just 2 points I want to make on this Bill. I know Senator Barker expressed a reservation about the necessity to amend the Public Order Act to make way for this. He made the point that he viewed the Public Order Act as essentially political. My understanding of the Public Order Act is that it sets out to regulate public behaviour which might result in criminal action. If you follow through the other part of your story, you would find that at the time there was a lot of agitation in Barbados about black power and people were walking around here at public meetings talking about cutting off people's heads. Do not forget that. Some were talking about driving a truck loaded with gasoline and lighting it at the top of Broad Street. That is criminal activity. That is not political activity. The Public Order Act was introduced to outlaw that kind of wild conduct in the country, criminal conduct, not political.

What I would say in response to one of the fears Senator Barker raised is that this Bill in the hands of an unscrupulous government can be used to terrorise its opponents. That can only happen to the extent that there is a fundamental change in the character of our system because there is a separation between the legislative branch, the executive branch and the judiciary. It is the police who would have to terrorise people. The Minister in our system cannot give orders to the police. There is a particular routing it has to go.

I am saying the foundation for the kind of argument which you have led can only come about if there is a fundamental change in the character of our system of Government. It is more befitting Central America and South America. This is not to say it could not happen in Barbados. What I would say is I am very concerned about the trend in crime in Barbados. It is very disconcerting that hardly a week passes in Barbados that somebody is not murdered.
3.00 p.m.

Fifteen years ago about 90% of the murders in Barbados were committed after September. Check out and you will see it. I have always tried to understand why. But 90% of the murders committed in Barbados used to be committed between September and December.

Mr. DEPUTY PRESIDENT: What was the rationale for that.

SENATOR Dr. F. W. ALLEYNE: I do not understand the rationale for it but you check it out and you will see it. I do not know if it is hard times. I do not know what it is. But you check it and you will see it.

But nowadays every week you have a murder. Almost every week nowadays you get somebody killing somebody. If it is not murder, it is a violent attack with a sword or something like that. Fellows walk around with swords like if a sword is a pen or plough shear. You cannot tolerate that. None of us is safe.

If it means that putting this bit of legislation on the statute books is going to plug the loophole which gives the police the authority to manhandle some of these people who have no respect for God nor man, I have no difficulty with it. I had the experience of going to a fair to collect one of my daughters last year and lo and behold a youngster with his crowd right in Bridgetown – it was not night yet – and he said to me if I drove my car in the school yard he would knock out every glass in my car. This is what you have to outlaw in the country. Do not blame anybody for it. Every man has to take responsibility for his actions. I always say that to my children, take responsibility for your actions. Do not tell me about your mother. Do not tell me about your father. Learn to take responsibility for your actions.

So all the people in Barbados who are saying these young boys have gone astray because of this, the church and because of that and so on, I do not agree with that. Too many people in Barbados are off-loading and putting the responsibility on other people. I am saying that if you are a law-abiding person you have no fear of this Bill. Learn to walk behind the law. The only people who are afraid of this Bill is the lawless people.

I go further and say that, if perchance in Barbados, you should ever get a Government which will try to use its position to influence the police to use this bit of legislation or other types of legislation to harass its opponents that Government will not last very long. The people of Barbados have a sense of right and wrong. They are not going to get up and burn down people's houses to get out a Government. But quietly they will wait on the Government and they will turn them out of office in the most unceremonious fashion.

I do not have a problem as far as Senator Barker is concerned. I understand why Senator Barker is saying that people in Barbados do not keep Governments in office for very long because I know what it is to be on the outside looking in and that is now your present predicament. But do not worry, God will take care of you.

Mr. Deputy President, I would like to believe that the young people in Barbados, particularly the young men would come to their senses. They have had and they continue to have opportunities for advancement that their parents have never had. That is a fact. I recall, and this is several years ago when I was at primary school – that there were fellows way times brighter than me who could not go to secondary school because their parents could not afford to buy a pair of pumps. There were many fellows who were embarrassed after the end of the fourth week of term because their parents could not find the \$4 to pay and your name would be called out on Monday morning. The fellows had to stay away from school. All that belongs to the past. Nobody now has to pay school fees when they go to secondary school. You have systems in place where the Poor Law thing has been outlawed and you can go and get help and maintain your dignity. You have secondary school places in Barbados for everybody.

This business of talking about fellows out there getting on like that because nobody cares about them is not true. A lot of them have had life too easy for too long. You see some of these people are not working and they are wearing expensive shoes for \$200 and \$300. I have never in my whole life been able to buy shoes that expensive. And a chain for \$2 000 and \$3 000. If I am going to spend that kind of money on a chain it has to be a cow chain where I can get back some money from what I am spending. A \$2 000, \$3 000 chain to put around my neck?

I am saying that we have got to stop apologizing and fooling these youngsters and let them understand that they have opportunities.

Aside.

SENATOR Dr. F. W. ALLEYNE: That is a different thing. I can understand that too. I am quite serious, Mr. Deputy President. We have got to let these young people understand that the vast majority of their fathers and mothers never had the opportunities which are going a-begging and the taxpayers are paying for them.

I believe that some of the changes which are taking place in this country today, changes by way of the structural adjustment which is yet to come might help to bring people to their senses. When you and I start to talk to a lot of young people about what life was like when I was a boy growing up in Barbados they listen and then they laugh and ask, "Is that true?" Lots of the young people do not know hardship. They have been spoiled.

I reiterate the position I started from. I think we have got to say to the young people in the country "Take responsibility for your actions". If ever at all any one of us doubted that this position was necessary, we would have had a rude awakening last weekend when you saw the headlines in those papers, THE LAST WALK. On that last

walk there is nobody to blame. You are on your own. All I would say to the young fellows is take heed before the time arrives.

Mr. Deputy President, I have pleasure in supporting this Bill. Thank you.

Mr. DEPUTY PRESIDENT: Senator Lewis.

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, the comments made by the two previous Senators helped to bring into focus the fact that the Public Order Act which came into force in 1970 and may have been targetted initially at public order and may have been targetted at political meetings, marches, processions and public meetings cannot be dealt with in isolation because they are the concomitant offences which were not provided for at the time in 1970 which obviously have surfaced over time. The opportunity, as I said in the introduction, is taken at a time when Government is seeking to respond to other matters of criminal conduct to put in place provisions which are considered necessary in the light of what has taken place over the past 20 years. I think that the Amendments have to be seen in that light whereas 20 years ago voices may have been somewhat muted, they are far more clamorous now than they would have been 20 years ago.

3.10 p.m.

Just as the world changes I think we have to respond to the changes which have taken place over time and these provisions are absolutely necessary now.

Over and above that, Mr. President, there was an amendment I believe which one of the Senators referred to and probably was not aware that the amendment which took place in the other House would in fact be before us and if he does not have a copy I believe that can be made available to him.

I think that the comments, few as they have been were to the point and I beg to move that this Bill be now read a second time.

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

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, I crave the indulgence of the Honourable the Senate and I beg to move that Senator A. Straughn serve as Chairman of Committees, Acting Deputy President for this particular measure.

The question that SENATOR STRAUGHN act as Chairman of Committees and perform the functions of Deputy President at this time, was put to the Senate and agreed to.

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR Mrs. A. STRAUGHN in the Chair.

MADAM CHAIRMAN: The Senate is now in Committee.

*Clauses 1 and 2 were called and passed.
3.15 p.m.*

On the motion of SENATOR THE HON. L. V. H. LEWIS, MADAM CHAIRMAN reported the passing of one Bill in Committee without amendment and Mr. DEPUTY PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time and passed.

ORDER NO. 3 – RESOLUTION TO APPROVE
THE VESTING IN THE NATIONAL HOUSING
CORPORATION OF LAND AT
PILGRIM PLACE B,
CHRIST CHURCH

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, this Resolution seeks to vest 2 342 square metres of land at Pilgrim Place B, Christ Church in the National Housing Corporation. The parcel of land in question was formerly the site of the St. Bartholomew Boys School and it became vacant when the school was constructed on another site. The pupils were relocated and the building was abandoned and afterwards it was pulled down. The land has not been in use since that time. There is an urgent need for house spots to permit the National Housing Corporation to provide services for citizens of this country. When this parcel of land was surveyed, it was realised that it could be used for housing purposes. There is no objection of the Town and Country Planning Department to the use of the site for that purpose. It is Government property but it is necessary if the Housing Corporation is to use the land that it be vested in the National Housing Corporation. That is the precise purpose why this Resolution is before us to vest these lands under Section V of the Crown Lands (Vesting and Disposal) Act in the National Housing Corporation.

I beg to move that the Resolution be passed.

The question that the Resolution be passed was put to the Senate and agreed to.

ORDER NO. 4 – BILL TO AMEND THE
DISTRICT AUCTIONEERS ACT,
CAP. 114

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President, the District Auctioneers Act is an ancient piece

of legislation. It provides for the appointment of District Auctioneers by the Governor General. It also provides that an auctioneer may be appointed for each individual district in this country. However, an examination of the facts will show that there is and has been for sometime a single District Auctioneer appointed in this country. Apparently, difficulties have surfaced because of a build-up of actions required in the several districts which require action to be taken by a District Auctioneer. There are a number of magisterial districts "A" to "F" in this country all served by a single auctioneer.

Around 1986 there was a problem which surfaced and, when that problem was examined and it was about to be resolved, a decision was taken that the time was right to seek to have the Act amended so that the power to appoint would also have the power to disappoint. This would be reflected in the legislation as distinct from having to rely on the Interpretation Act. In addition, the long title of the Act proclaims that the enactment relates to the sale of goods distrained or taken under execution issuing from the inferior Courts. The Act itself does not appear to make any provision for determination of appointments and it was necessary to look at the Interpretation Act for the answer. The Minister responsible happens to be the Minister of Justice and Public Safety at the present time. Formerly, it was the responsibility of a Minister of Home Affairs. But the Minister of Justice and Public Safety considers that 3 auctioneers should be appointed, one to serve District "A", one to serve District "B" and "C", and a third to serve Districts "D", "E" and "F".

The Act dates back, as I said earlier, to 1904 and the Amendment which is before us also seeks to amend the Schedule relating to the fees which the District Auctioneer might charge. Apparently, the provision in the Act authorises the collection of commission of 7½ per cent. But the custom is for auctioneers to charge at least 15 per cent for these types of transactions relating to the sale of goods and chattels and the opportunity is therefore taken. It provides for the transfer of power of appointment of District Auctioneers from the Governor-General to the Minister. Secondly, it provides for the appointment of more than one auctioneer per district. It empowers the Minister to specify the terms and conditions of auctioneers so appointed and it also provides for a revision of the fees which can be charged as commission.

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

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

On the motion of SENATOR THE HON. L. V. H. LEWIS, Mr. DEPUTY PRESIDENT left the Chair and the Senate went into Committee on the Bill, SENATOR Mrs. A. STRAUGHN in the Chair.

Clauses 1 – 4 inclusive were called and passed.

On the motion of SENATOR THE HON. L. V. H. LEWIS, MADAM CHAIRMAN reported the passing of one Bill in Committee without amendment, and Mr. DEPUTY PRESIDENT resumed the Chair and reported accordingly.

On the separate motions of SENATOR THE HON. L. V. H. LEWIS, the Bill was read a third time and passed.

ORDER NO. 6 – EDUCATION (AMENDMENT) REGULATIONS, 1992

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, these regulations seek to amend the Education Regulations, 1982 in order to bring them in line with the parent Act which was assented to by the Governor-General on August 6, 1990. These amendments became necessary in order to remove certain anomalies and difficulties relating to (1) interpretation, (2) uniformity of treatment and parity of functions, and (3) rationalisation of the management structure of tertiary level institutions. These amendments, as presented to us today, were discussed and approved after consultation with a number of educational and educational related organisations and also with the Ministry of Legal Affairs.

In order to ensure that there is no conflict between the Education Act and the Regulations, it is now necessary to amend the regulations which are now before us in order to bring them in line with the parent Act.

Sir, just some of the highlights of the amendments.
3.30 p.m.

These amendments clarify the role of Principal *vis-a-vis* that of the Chairman of the Board of Management in terms of the day-to-day management of the school and, among other things, they make provision for the Principal to keep a health record of every pupil. In addition, provision is also made for streamlining the regulations regarding the award of scholarships and exhibitions. Scholarships here refer to Barbados Scholarships. Barbados Scholars will now be required to attain passes in the examination in at least 3 subjects with the grade A. Exhibitioners will now be required to attain passes in at least 2 subjects with the grade of A and at least one subject with the grade of B. Provision is also made to encourage exhibitioners to study at the University of the West Indies and to improve the quality of students studying at the University of the West Indies.

In 1988–89 there was a provision for higher education awards of \$2.7 million and the expenditure in that year was \$2 413 770. In 1989–90 the sum of \$3 million was provided, expenditure was \$2 969 816. In 1990–91 financial year again the sum of \$3 million was provided and expenditure equalled the \$3 million provided. In

1991–92 there was provision for \$3 500 000 and the expenditure was \$3½ million. In this fiscal year 1992–93 we have the sum of \$5 821 311, so the rising cost is at least one factor requiring the change here.

I would just like to touch on some of the highlights in the regulations before us. The principal regulations are amended by deleting paragraph (1) of regulation 2 and substituting the following:

"(1) A Board of Management in these regulations referred to as the "Board", is, in respect of any school that it is appointed to administer, responsible to the Minister for

- (a) the general supervision and efficient maintenance of the school;
- (b) the expenditure of grants to the school;
- (c) dealing with charges of serious breaches of discipline brought against a pupil of the school;
- (d) submitting to the Minister such reports, statements and other documents relating to the management of the school, as the Minister requires; and
- (e) reporting to the Minister any contravention of the Act or of these regulations."

Regulation 5 of the principal regulations is also amended by deleting paragraph (a) and substituting the following:

- "(a) supervise the buildings and premises of the school and shall be responsible for their use for community activities and other activities that are not under the control of the school."

Again, regulation 25 of the principal regulations is amended by deleting the words "as provided for by the Minister under section 4(a) of the Act" and also by deleting paragraph (3) and substituting the following:

- "(3) A pupil who during the school year preceding his attaining the age of 12 years obtains the requisite marks or grades in the Secondary Schools Entrance Examination for admission to a public secondary school shall, subject to the availability of space, be admitted to the school for which he qualifies."

Regulation 54 of the principal regulations is amended by deleting the word "and" appearing at the end of the paragraph and inserting in paragraph (1) the following:

- "(d) a cumulative record of every pupil of the school."

Again, Regulation 73 of the principal regulations is amended by deleting the word "must" appearing in the first line of paragraph (1) and substituting the word "may"; and in regulation 75 of the principal regulations there is an amendment with the deletion of the definition of "University" and substituting the following:

""university" includes any institution for higher learning approved by the Minister."

In short, Mr. Deputy President, what is being attempted here is to place more authority within the hands of the respective School Boards so that we can again have more and more discipline within our schools and that those who are closest to the scene of action, that is, the Principal of the school and the School Board, can take effective and immediate action in case there are problems arising within the various institutions.

These regulations are not only addressing the matter of cost for education, but also of placing within the respective School Boards the power and the authority necessary to run their respective institutions.

With these few comments, I beg to move that this Resolution do now pass.

SENATOR Mrs. A. STRAUGHN: Mr. Deputy President, I rise to make a few observations, which I consider vital observations, on this particular issue and I want to consider, above everything else, three main areas.

The first one is about the powers of the Boards, albeit the Boards are responsible to the Minister. I think we have to look very seriously at this power. Because of the nature of the functions of these Boards, I submit that great consideration must be given to the selection of the personnel who are on these Boards, the whole body of people that constitute these Boards. The day-to-day running of any school is a tremendous task, and I speak from personal experience. It is a responsibility of the Principal and all the staff of these schools. With the above increasing powers of Boards of Management I think we must be very careful that we are not creating a situation where Principals and their staff have serious responsibility without authority. That can be an extremely serious situation.
3.40 p.m.

I do not have to go into all the details of the responsibilities of the Principal and staff of any school. I could just name a few of the things in their caring situation. They are surrogate parents. They are toilet trainers. They are nurse maids. They have strong accountability to society and we know how irate the parents are nowadays, inconsiderate and ungrateful in many cases. I have seen some primary school teachers almost making the proverbial bricks out of straw when there is no money to provide the things for their handwork and things like

that. They are mediators in fights. They are supervisors. In short, Mr. Deputy President, they are almost everything to every child, a total responsibility and accountability they carry.

It is also of paramount importance that relationships and communication between Boards and school personnel, especially the Principal and all concerned via the Principal are maintained. We know that has to be in order that the whole climate should be conducive to the proper running of the affairs of the school. It is public knowledge that this is not always the case. When the situation is like that, it does little to enhance the image of our educational system. So much for the Board. I need not go into all the various things that the presenter, Senator Dr. Clarke gave about their powers although he did not use the words "increased powers", I used them.

Looking at section 6 coming on page 2, Regulation 25 of the principal regulations at (b) it says:-

" by deleting paragraph (3) and substituting the following:

"A pupil who during the school year preceding his attaining the age of 12 years obtains the requisite marks or grades in the Secondary Schools Entrance Examination for admission to a public secondary school shall, subject to the availability of space, be admitted to the school for which he qualifies".

I will stand corrected, Mr. Deputy President, but I think that there is an omission in that paragraph and it may have been much earlier in the subsidiary legislation for the year 1982. Looking at that as it is which says "a pupil who during the school year" those have been corrected because at first it did say "a new school year" instead of the other thing which is quite right. But if you look at this as it is, it would appear as though in order to be admitted into a school a child needs only the requisite marks and there need only be availability of space. No provision is made there for choice. Each student has a very large number of choices. As this is, it could be interpreted to mean that it is mandatory that the child is put into the school for which he or she qualifies. By putting in "she", that does not mean I am a sexist. If we look at that carefully, as I have already said, I am still wondering if it is not an omission to leave out the choice. I think that should be considered.

As far as I remember, Mr. Deputy President, the parents' choice or the choice of the significant adults in the child's life had a lot to do with the placement because it is possible, as I know, and again I stand corrected, that there could be a case where the child qualifies where there is a space and this school for which the child qualifies is not among the choices.

The next area I should like to look at is section 79 in this document. I am really very pleased with this section, especially the area which says "sign a bond with 2 sureties to work." I am happy that the word "work" is used rather than "to be employed" or "to hold position" because I do not think that holding a position, or being employed are synonymous terms with "to work". "Work" there, to my mind, connotes productivity. I should also like to submit that I would hope work would be available. Too often people who break their bond, or who do not come back rationalise their "delinquency" in this regard by stating that there is no work available.

Mr. Deputy President, as an educator, and I still think I am, however simple that might be, and a past Principal, I do express the hope that future amendments to the Education Act would be very, very carefully considered because this Act is an instrument that is vital for all times and seasons of the nation. Unless it is very carefully looked at and implemented, it cannot be truly effective. We cannot afford to have an Education Act that is questionable.

Mr. Deputy President, I support the Regulations.

SENATOR Dr. F. W. ALLEYNE: Mr. Deputy President, I want to endorse fully everything Senator Straughn has said. There is just one or two other points I wish to make. I recall Senator Dr. Clarke spoke of the rising cost of tertiary education. He also gave figures which indicated that the nominal bill for tertiary education for the scholarship and exhibition winners was rising. I want to say something about this.

I believe there is a certain background to this Resolution as it pertains to the adjustment in the criteria for the awards to scholars which is missing. I am aware that for some years in Barbados there has been a public clamour which suggests that because several students have been winning Barbados Scholarships, you have been cheapening the social value of a Barbados Scholarship. I have challenged that view elsewhere and I reject it again today.

The fact that so many of our young people can reach the standards to qualify for Barbados Scholarships is a tribute to successive Governments of Barbados who have spent a lot of time and money upgrading our educational system. Also it is a tribute to their families. You show me a scholar and I can tell you that scholar comes from a supporting family environment, be he rich or poor. When I say "he" the masculine habitually embraces the feminine so I do not have to specify "she".

I think particularly at a time like this in Barbados when hardly any good things are being said about young people, this is a time when we should lift up these young people who have shown by their dedication and hard work that they can set goals and achieve them. What do we find?

We find a perverse response. People are saying there are too many scholarships. Mr. Deputy President, I am sorry there are not more. We must not only find time for the outlandish and those who just know about destruction and who have lost their way. We hardly hear about these young people who have worked hard and disciplined themselves. You hear about them once. You see their picture in the paper and hardly anybody says anything about them again. 3.50 p.m.

The thing about Barbados is this: unless you are a trouble maker the Press does not worry with you because the only news is bad news. But I am saying that particularly at this time we need to highlight the achievements of these young people more. People are saying you do not have role models. But every year you see this large number of young people's pictures in the papers. It is a tribute to the teachers as well.

I say and I say it without boasting, today in the English-speaking Caribbean Barbados is the only country, to the best of my knowledge, which sets criteria for the attainment of a Scholarship or an Exhibition and says once you achieve those standards you would get a Scholarship, you will get an Exhibition. Jamaica does not do it, not Trinidad, not Guyana. The only English-speaking country in the Caribbean that I know of which is still showing that commitment to its young people and still committed to employing education as an instrument of social and economic mobility is Barbados. I hope I would not live long enough to see any Government in Barbados move away from that commitment to its young people. Just look around Barbados. The major contributing factor to social mobility in Barbados has been education. That is the liberating force in this country.

I believe some people are thinking that because you have tightened up the minimum criteria for awards that this is necessarily going to reduce the number. I believe people have some surprises coming. If the young people are able enough and they are committed enough, you will find if you set it at 3 As they will work and they will get the 3 As. People are very rational. You tell me to get 2As and a B and I am going to work it out. I am going to make sure I have the 2 As – and I am sure Senator Straughn, a retired Principal understands how these students operate – and I am going to take the B in that subject. If you tell them 3 As they have that capacity to put their heads to the wheel and win the 3 As. I am not fearful for the young people.

However, Mr. Deputy President, I want to raise some queries about Regulation 10(4) the Amendment there and 10(5), page 4. I cannot understand the logic which requires a scholar by November of the year in which he has received that award to submit to the Minister the name of the university the scholar proposes to attend, the particulars of the course of study and a certificate of health from a registered practitioner. I cannot understand that logic at all.

I am sure Senator Straughn who has had tremendous experience with students knows that sometimes students do not have a clue about what they want to study. They just go and write the examinations. Some surprise themselves. They have not applied to a university. If by the August you get back the examination results and then you realize, look, I have got an award and you had not had plans to go into university, tell me how, in three months' time you would be able to tell the Minister you have admission to a university. Some people make a conscious decision that I am going to stay on for a year before I proceed to the university, as well as some people need time to look at the options, look at the careers and then make up their minds, "Oh this is what I wish to do." I suggest that this be looked at again.

Also too why do you need a certificate of health to qualify for an award? In my view the critical thing is that you get the 3 As or the 2 As and the B. There are few universities – I do not know of any university – which admit a student to a course of study unless you provide those medicals. If you do not provide them at the start of the academic year, you have to submit them at some time. I do not understand the logic for these requirements. I would be happy if when he winds up Senator Clarke could help me to understand why these requirements appear on page 4.

Mr. Deputy President, in closing I wish to reiterate something I said earlier and that is no praise can be too great for the teachers and that is the principal and staff of these schools, for the parents because very often people forget the parents of these young people. No praise can be too high for them. There is a time in Barbados when we seem to forget the good things and we only look on those things of ill repute and we highlight those. I wish to make one plea in closing and that is that with respect to any further review of the Education Act – and I submit that on the basis of my knowledge of the Act it needs comprehensive review. That main Act removes substantial areas of authority from the principal and carried it to Jemmott's Lane. With the best of will in the world, you cannot run a school from Jemmott's Lane. If you, certainly up to 3 years ago, were a principal of a secondary school in Barbados and the water mains were burst in that area and there was no water in that area, as a principal you could not take the decision to close that school and send home the children. You first had to seek the permission of the Ministry of Education. I say that is ridiculous. If you appoint someone as a manager of a school – and that is what a principal is, a school manager – give the principal the authority to manage. That principal should not have to search for the Chairman or search for somebody in Jemmott's Lane to find out if they can close the school. We have to be sensible about management of these schools.

I would make one plea that in any further review – experienced not necessarily retired but we have some very

good retired principals in the country – you set up a committee and you draw on the wisdom of these people. These people have been operating the system. They have some wisdom about the shortcomings of the system. Let us draw upon the experience of these people and make a comprehensive review of this Education Act.

Mr. Acting President I have raised some queries which I am not sure the Minister at this time will be in a position to respond to since this is not his substantive portfolio. But I hope not today but at some later date he would be in a position to enlighten us on the logic for the changes which I queried on pages 4 and 5.

With those comments, I support this Bill.
4.00 p.m.

Mr. DEPUTY PRESIDENT: Senator Fraser.

SENATOR V. C. FRASER: Thank you very much, Mr. Deputy President. I like former Senators that have spoken wholeheartedly agree with a number of the areas. Like Senator Alleyne I am a little bit concerned about the aspect of the requirements for the scholarship winners and I would query them in another place because I don't feel that is giving the students or the teachers who have worked so hard, the degree of fairness that is really required.

However, I am very interested in the fact that, more or less, much authority is going to be restored to the Principal of the school. We have seen many people who have felt that they could walk into schools and do whatever they pleased. Parents and other people, and even some boards where we have seen and read about some of the Board Members and some of the Chairmen behaving in a way which was really unseemly. I think this augurs very badly for the development of young minds when you get people going into the schools. I have heard of an incident where somebody from a Board went in to correct the teacher of what the teacher was writing up on the board.

I think people misunderstand their functions and I believe that the Principal of the Board should continue to advise the Board Members, if he is not one of the Board Members who condones that he or she is running the school. I think people misunderstand the difference between a Board and a Principal. They want to be Board Members and they want to do the day-to-day running of the school. That is not their role. That is the role of the head teacher who is now addressed as Principal.

I am also very happy about the whole question of parents not misunderstanding teachers and what they need to do to be helpful. This whole question of health matters: we have seen some incidences in Barbados where children were taken to receive treatment, children who were asthmatic and so on, and parents got very annoyed with the teachers, reporting matters to the higher bodies. Then

they went even further reporting matters to Government officials. I think this is terribly wrong and I think we should always try to ask people to desist from going further with a matter when you can settle it at home. I think that the parents who have children they know are suffering from special diseases should talk to the Principals of the schools, let them know what is the position with the children, the possibilities of what might trigger off some sort of problem. I think the class teacher and the principal would be willing to accept protecting that child from certain things that may trigger off an attack of asthma or what have you.

There has been a case in point where a child had been taken to hospital, very, very ill and the parents came and they even brought a lawyer wanting to sue the teacher, saying the child had worsened because of removing the child from the school.

We are happy to have some very nationalistic doctors who let the woman know in no uncertain terms, this teacher saved your child's life. Had the child not been brought to hospital almost immediately, your child would have died because the child needed to be taken to the intensive care unit immediately.

I believe that there is a bit of interference, as you can see from some of the things that are published, in some schools as far as the difference between the principal and the boards is concerned.

I am happy that I don't have any problems like that where I serve. There has to be a clear understanding by the parent, the board and the principal and the teachers of what the roles are. Unless and until we get this clear understanding there will always be some people who believe that you are appointed to a Board and therefore it gives you the right to walk into the school and behave as you like.

I would like to say that anybody who does not support a head teacher where people walk into the school and want to do as they like and she has to ask them to go outside, that those parents then are either silly or whoever else that does not want to support her is also silly. You have people who want to go into the schools after their children have not worked hard. They have not assisted the children with their homework. They have not seen to it that they know where the children are. When the child does not get the grade that they want them to get they find themselves into the schools to abuse people or to tell the children what to do with the head teacher and what not to do. We cannot have cooperation in a community if we have this type of behaviour.

I am happy about all of the changes because I know they underwent a lot of soul searching and study. There is always room for improvement. Sometimes you study

something for a year or two and then one evening somebody picks up something that is really going to be important. Nothing in the world can you find that will not have something that you can do to help to redress a situation. In the case of the Principal I wholeheartedly believe that the authority that has been restored to the Principal is very necessary. I hope, in the future, we will see the Boards acting as Boards and allowing the Principal to make earnest and honest decisions, unafraid, without some Chairman questioning. I would never back a Chairman who wants to feel that he or she is in charge of the school and not the Principal.

I hope, that in the future, we are going to have more collaboration and more cooperation because one of the problems that we have had is the case of people who like to run to Ministers.
4.10 p.m.

I am not always a happy person when people try to involve politicians in things that could be settled otherwise. I do not support that kind of attitude that, as soon as something is wrong with somebody's child, they want to take them to see the Minister and the Minister is to settle the problem. The Minister has other things to do which are very important. I do not believe that any serious Minister would want his time taken up in seeing a pupil from every school in Barbados as often as some of the parents would like to refer things to a Minister for which they do not want to accept responsibility.

Sir, on another aspect of the Regulations regarding the expulsion and a Minister coming in and making the decision, perhaps the Senator who is going to deal with the matter afterwards may wish to explain to me a little bit about the rationale for that. I wonder if a Minister really wants to do that. This is in the Education (Amendment) Regulations where a child is expelled from school and the Minister can make the decision as to whether the child is replaced in the school or not. I would like to query that. I wonder if a Minister really wants to be involved. I personally feel that can affect a Minister's political life. You may laugh but the Minister may go and take a decision and then some people may decide what right did he have in that and he is unfair. I think that should be left to the school and the board to determine what is the best action to take. I am not saying that is what will happen but I feel this could be reviewed. Perhaps we can get a little lobby from various schools, principals and boards and see how people feel about this. The principal of the school may feel that you are moving into his or her premise.

Mr. Deputy President, without any further say on this matter, those were the things I was interested in discussing. I am very happy about the Bill generally and I hope that we will review certain things in light of how it may or may not affect the principal, board, school and children. Thank you very much.

Mr. DEPUTY PRESIDENT: Senator Barker.

SENATOR T. E. BARKER: Thank you, Mr. Deputy President. Sir, we are here discussing the Resolution which seeks to change the Education Regulations, 1982. The main area of change is the fact that the requirements for obtaining the Barbados Scholarship and the Government Exhibition have been tightened where now a student is required to get at least 3 A's for a Barbados Scholarship or 2 A's and a B for an Exhibition.

Sir, I will never be one to condone declining standards. I believe that we must always ensure that standards are not just maintained but improved upon. I was a bit heartened over the years when I saw the number of people who were able to get the 2 A's and the B and obtain a Barbados Scholarship. I am sure there were over a dozen of them last year. Sir, the change came about as a result, in my view, of the people in secondary schools extending themselves and meeting the requirement. Okay, you said 2 A's and a B and the boys and girls worked very hard and got their A's and the B. As a result of their success and the strain that was put on the Treasury, we have now tightened the regulations and I do not think that is totally fair. I understand that money is involved and that Government is concerned about the amount of money it has to spend on scholarships. But the youngsters worked hard and they made sacrifices. In my view, Sir, they should not be penalized because they have done extraordinarily well. I was never a scholar and I do not think that I ever will be.

Aside.

SENATOR T. E. BARKER: Neither, Sir, was Senator Clarke and I do not think that he will ever be either.

Mr. DEPUTY PRESIDENT: Speak for yourself. Thank you.

SENATOR T. E. BARKER: Sir, it is a matter of record. The point I want to make and it is a serious point...

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Sir. For a matter of record, I want the record to show that I was never a scholar. Okay.

SENATOR T. E. BARKER: Sir, the point I am making is that we must not penalize our young people for being successful. I am clear on that. They worked hard, they sacrificed and they got their grades. Do not come and say now that because too many of them did well that you are going to tighten the regulation to ensure that less of them will succeed. That is the only reason for tightening the regulation because as far as I am concerned 2 A's and a B is very good going. The main reason for tightening the regulation is to decrease the number of Barbados Scholars. I am saying, Sir, that should not be the criterion.

We know that we are in a terrible financial bind. We have argued about that for the past year so we will not get into that now. But our young people are our men and women of tomorrow and we must make the sacrifice to invest in our young people. If this country is ever to regain its former glory, the young people must be highly motivated to produce more and become more diligent. This could be interpreted as: "Look, the system is against us. We worked hard and now look what happened. They are going to make life harder for us everywhere we turn now."

Sir, this regulation is very unfortunate because there is a certain amount of prestige attached to the Barbados Scholarship and I hope that it always remain so. Our young people must have something to aim at. I take the Senator's point that they are going to go for the 3 A's. Yes, I take that point wholeheartedly. They are going to try for the 3 A's but at the same time some of them may interpret that in this way: "Look, the system is out to get us." This is coupled with the fact that the rental of textbooks have gone up from \$25.00 to \$75.00. This is coupled with the fact that bus fares have risen in the last year and petty fees have increased in the last year. This must be coupled with the fact that the students at the University are convinced that within a year or two they are going to be made to pay for at least part of the cost of their education.
4.20 p.m.

Sir, there is a feeling around the country that free education is under attack. I want to reinforce what a Senator on the other side said, that education is the main vehicle for social mobility in this country. Many of us in here today benefited from the subsidised education before 1961 and the free education after 1961. Many people out there have benefited from it and when free education is now systematically eroded by the imposition of increased fees and by a reduction in scholarships, one has got to ask serious questions. Are we allowing the economic situation to blind us to the fact that down the line if our country is to develop the way we want it, we have to invest in our human resources. We have done it in the past and it has been a fillip to our development. If we allow the economic constraints to cause us to cut back in this vital area, we also will reap the adverse benefits of such a move.

We do not like talking shop, so to speak, but the fact that the University of the West Indies has been reported in the Press and other places as being in severe financial difficulties cannot be very heartening for our young people, especially if we are going to insist that they pay some sort of fee in a year or two, because it would mean that a lot of people from poor backgrounds would not be able to get university education. The country cannot afford that, because everybody knows that in this part of the world we have too few people in tertiary education.

The Asian countries, Singapore and others, have increased their enrolment into universities and colleges,

because they know that if they are going to develop they must have the human resources to push their countries forward. We in this country cannot afford any reduction in the amount of money we spend on education. We have to be more efficient in the use of the resources in education, because there are areas where we could be more efficient. I will not gainsay that, but in my view we need to be spending more on education and not less. Do not say we cannot afford it, because if we do not afford it we will end up in a vicious circle, we will forever be spiralling downward. The few hundred that we save by reducing the number of Barbados Scholarships, the money we are going to save because we increase the requirements, may help balance a budget in this year or the next year, but we are going to feel the effects of it way down the line.

I caution Government that in spite of the difficult circumstances they find other ways of reducing their budget. I see no reason why you are going to reduce the money you spend on scholarships and keep a hospital in the north open only to see out patients. I do not understand the priorities.

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Sir. I think it is highly irresponsible for Senator Barker to suggest that the reason for the new qualifications for scholarships is based on financial matters. It is purely by chance that I spelt out what was spent over the years, but nowhere did I say that this was the resulting causality. Furthermore, if we are to be consistent, we discussed the Estimates in here and Education is still the largest item of expenditure in the Estimates which were presented before this Chamber.

SENATOR T. E. BARKER: Sir, I repeat that the increase in the requirement is primarily to reduce the number of scholarships available and as a consequence reduce the amount of money that is spent on scholarships.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Chairman, I take strong objection to this, because nowhere has this been stated, nowhere has this been implied. I think that Senator Barker is deliberately setting out to mislead this Chamber and I will not accept it.

SENATOR T. E. BARKER: Sir, I reiterate my position. I believe that the type of requirements will reduce the number of scholarships and as a consequence Government will spend less money on scholarships. That is the only reason, as far as I am concerned, for the reduction.

Mr. DEPUTY PRESIDENT: Will you make that quite clear, for the purpose of the record, that this is just your belief?

SENATOR T. E. BARKER: Sir, it has to be my belief, because I am not a Government officer.

Mr. DEPUTY PRESIDENT: Thank you.

SENATOR T. E. BARKER: Anyhow, Sir, the point I was making before the Minister intervened was that we can find other ways to save money. I mentioned the hospital for one, and there are lots of other areas in which we can effect savings and leave our young people alone. We can allow our young people to develop their maximum potential; do not put stumbling blocks at every turn. They are working hard, they are under enough pressure already; do not put any more stumbling blocks in their way all because Government wants to save a few hundred thousand dollars here and there. We know it is expensive to maintain the scholars, but we must invest in our young people. All of us in here have achieved something in our lives. Our young people have yet to achieve. We should be making the way smoother, not more difficult. At the same time we must maintain standards, I am not saying that we must not maintain high standards, but do not put obstacles in the way of our young people.

Another thing which bothers me a lot, Sir, is that most of the scholarships and exhibitions are now in the same area, Mathematics, Further Mathematics, Chemistry and Physics. Occasionally, but very rarely, you get something in Languages. It is worrying me. I know we need people in technology and related areas, but we still need people in the humanities and modern studies. We still need our youngsters to study History, French, English and these subjects. I contend that the reason why a lot of our bright young people go to study the sciences at "A" Level is because it is easier to get scholarships in the sciences than in the humanities.

4.30 p.m.

The fact that you are now going to insist on 3 A's will further aggravate the situation because we know it is more difficult to get 3 A's in Languages, English and History than it is to get in the Sciences. That is a fact. I would like us to go back to the system where we ensure that there is a scholarship for languages so that the best person in the Island, the best performer in Languages will get a scholarship and the best performer in Modern Studies will get a scholarship. It is important that some of our young people also study in these areas.

What is happening is that in a lot of the schools some of the brightest children who would prefer to study Languages, *et cetera*, the teachers seeing the ability they have, push them in certain directions because they know that at the end of the day, and as I have said before, it is easier to get 3 A's in the Sciences than it is to get in the Humanities so the teachers push them along certain areas whereas the child may have been better off for his own development studying Languages or something like that. This move will further aggravate that situation.

Sir, I am a scientist by training but the older I get the more I appreciate the value of the humanities and languages in the society. It is, in my view, distressing when at most of the Sixth Forms the numbers in Humanities have dwindled to only a few whereas everybody wants to go and study in the Sciences. I believe, Sir, that we will be a poorer society as a result of that. This move will not help in this direction. I wish we would go back to the system where we ensure that the best in every discipline is also given a chance to further their study in their fields.

Sir, some years ago there were some National Development Scholarships. They seemed to have gone out by the wayside. I have not heard anything about National Development Scholarships in recent years. These scholarships were different from the Barbados Scholarships in that, as the name implies, they were scholarships given in areas for which there was a great need in the country and from which the country could benefit. We had fellows doing things like Petroleum Engineering, areas which were considered to be particular areas but we have not heard about National Development Scholarships in the past few years. I wonder if the Minister can advise us what has happened to the National Development Scholarships and if they are still in operation when he seeks to sum up.

Sir, we will have a chance at some other time to talk about education in general but I just wanted to highlight those few points. As I said before, we have to be very careful about what signals we are sending to our young people. I want to see our young people progress. We should be helping them. I would encourage Government because I know, especially the Prime Minister, being a former teacher and interested in education, I would like the Ministers here to pass on to him our concern. Our main concern is that spending in education, even although it is the largest single item in the budget, we want to ensure that in spite of the economic constraints, we maintain a high level of spending in education.

Thank you.

SENATOR A. MORRISON: Mr. Deputy President, I would just like to make a few remarks in contra-distinction to what Senator Barker was trying to say. He made the point that we are trying to put hardships on the children in this country again by these amendments to the Regulations. He forgot that it was the Democratic Labour Party which introduced into this country free education and was...

Asides.

Mr. DEPUTY PRESIDENT: Will you address the Chair Senator Morrison. Senator Barker keep your asides much lower than that.

Aside.

SENATOR A. MORRISON: It was the Democratic Labour Party...

Mr. DEPUTY PRESIDENT: Ignore the asides, Senator Morrison.

SENATOR A. MORRISON: I cannot ignore them if they are asides which tend to...

Mr. DEPUTY PRESIDENT: The asides do not form part of the debate. You may continue with your debate.

SENATOR A. MORRISON: I cannot help hearing, Sir. I will reply to them when I hear them if they are false statements.

Mr. DEPUTY PRESIDENT: You cannot reply to something which does not form part of the debate.

SENATOR A. MORRISON: Sir, I am not replying to something that does not form part of the debate. I am saying that if I hear asides which tend to invalidate what I am saying about my party's policy I am going to reply to it. I am not deaf, Sir.

The point I was making is it was the Democratic Labour Party which introduced free education in this country thereby making it possible for a lot of the poor people's children to enjoy secondary education up to tertiary level. We have not done anything since then to interfere with that policy.

Senator Barker was very faulty also in analysis when he talked about the Government reducing the number of Barbados Scholarships. No such thing is happening in these regulations. We have not reduced any Barbados Scholarships. He is saying because the standard has been raised to 3 "A" levels you are going to get less scholarships. That need not be so, to my mind. You might end up with more scholarships too. The Government has not said it is reducing Barbados Scholarships.

Aside.

SENATOR A. MORRISON: You are a mathematician, as you say. How can you, from saying that we have put the level to 3 A's, assume we are going to get less Barbados Scholarships. How do you know that? Then you accuse the Government by inference that it is spending less money on Barbados scholars. You cannot do that. That is giving a false impression to the public. There is nowhere in these regulations where we are saying we are giving less Barbados scholarships. As many as qualify under the system will receive Barbados Scholarships. We have not limited any to 4, 5 or 6. As many people as qualified under the system have been given Barbados Scholarships every year. The same thing will apply. As many as qualify again will also get the same amount of Barbados Scholarships

so you cannot accuse the Government of reducing Barbados Scholarships. If 40 people qualify with 2 "A"s and one "B", 40 people will get Barbados Scholarships. This has always been the system with the Democratic Labour Party. If it happens again with the 3 "A"s, as many as qualify under this system as many will also get Barbados Scholarships. Do not give people the impression that we are reducing Barbados scholarships. We have not done that.

All the enlightenment to the people has been done by the Democratic Labour Party in the last 30 years in this country. We only suffered a setback in this country when we lost office in 1976 when all we had gained and achieved for the poor people of this country was taken away by the Barbados Labour Party. It is on record. Now things have got a bit tough in the financial sector we are trying to keep things going. If we make a little amendment here and there, it does not mean we are trying to do things to hurt the small people in this country because without the Democratic Labour Party in office I do not know what would happen to the poor people in this country. When the time comes that we should demit office because of the hard position now and you all should get back in power you would know what will happen to the poor people of this country.

Mr. DEPUTY PRESIDENT: Not you all, Senator Morrison. Address the Chair, please.

SENATOR A. MORRISON: Sir, I am addressing the Chair. You allowed me to speak and I am addressing the Chair. I am not addressing anybody else.

Mr. DEPUTY PRESIDENT: Thank you. Well then, not "you all".
4.40 p.m.

SENATOR A. MORRISON: Mr. Deputy President, I am trying to make a contribution to this debate in the only way I know. I am using my words carefully, Sir, when I use particular words and they are not unparliamentary. If they are unparliamentary you should rule them so, Sir.

I am making the point that the Democratic Labour Party has, by its very policies, over the years tried to create a climate in this country which is conducive to the small man to try to rise above his birth and to become a useful citizen in this community. We have done that very effectively in the field of education and also in the field of health. If we look at the various Budgets over the last 6 years and even when we were in power before 1976 we have always put aside a very large amount of our Budget to education and health. They have been carrying the major plank of the whole economic Budget in this country. It is because we believe that it is in those 2 areas that we can make the greatest thrust for our young people in this

society. We take care of our young children. They do not have to pay any fees at the hospital, up to 16. We also have the young people that we take care of.

Aside.

Mr. DEPUTY PRESIDENT: Senator Barker will you keep your asides quieter than that.

SENATOR A. MORRISON: We also have made sure that we were the ones who introduced free school meals because we care for our children and we believe that as far as our young people in this community are concerned we should not spare any effort at all – that is our philosophy – in providing money for the use of the young people in this society. I would not be part of a government which did not go out of its way in order to assist the young and the poor and indigent in this society. I think that we have tried over the years in our various policies to demonstrate that point beyond reasonable doubt. It has been said that we have been too generous sometimes in our allocation of resources to various different organizations in this country. We believe that you can never spend too much money on the young people of your society. All the wall you built up, all the big buildings and all the big structures cannot compensate for what you spend on your young people. Forget your edifices. But we should always be able, as long as the money is available to spend that money on our young people. I believe that this Government... Do not mind that things are tight now we would never abandon the idea that we owe a duty to our young people to educate them and to feed them and to house them in a way which is benefiting to mankind and that they would live in an environment that they can make themselves nice men and women and become very good citizens of this community.

Thank you, Sir.

Mr. DEPUTY PRESIDENT: Senator Clarke.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, there are just a few misconceptions which I would like to clear up. I do believe that intellectual honesty demanded of us that we place the debate within its full context.

We address the question of Scholarships and Exhibitions as though these were the only avenues available to our young people for a tertiary education. I think it should be made abundantly clear because we know it to be true and some of us are involved in the university setting. Those of us who are deliberately setting out to spread outside there, outside these Chambers, beyond the walls of these Chambers that there is some systematic attempt to deprive young people of an opportunity for tertiary education should really hang their heads in shame. These are some of the problems that we have to deal with within the society today. We as leaders in our own right should,

at least, rather than trying to seek narrow political advantage, we should look at the issue quite honestly and say it does not affect our young people if they want to go to a university there is a University, the University of the West Indies with free tertiary education and this has not been assaulted at all.

Secondly, during the debate in this Chamber, during the Appropriation Bill we talked about all the expenditures and runaway expenditures. Yet you will find that in the Schedule Appropriation Bill that is the Estimates for 1992-93 that Education is still the largest single item within that budget. And yet we sit here and we listen. Nobody has set out to limit the amount of Barbados Scholarships or Exhibitions either for that matter. Standards have changed and it says to anyone who wants to qualify "These are the standards that you must meet". Within our lifetime things have been changing and this is what life is all about. It is characterized by constant change. If the standards are changed they are not changed after people have taken the exam. The students know before they take the exam what the standards are. The onus is on them now to prepare themselves to satisfy that. I think it is downright dishonest to state that someone is attempting to limit scholarships; there is nowhere that this was indicated. If we were talking about...

Aside.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Deputy President, I do not think I should spend any more time on that.

I think there were some other questions raised. I think Senator Alleyne raised some questions I believe on page 4 and he talked about the time period and the medicals. Those were the two major ones. I do believe that the Estimates are prepared for consideration as early as September or October in one year and if we have to make provision for Scholarship cost, if people are going outside of the University of the West Indies, that at that period so that they could have adequate funding... Because I have also heard in this Chamber, since I have been a Member, of Barbados Scholars not getting their allowances on time and if we are to provide for them and make sure that funds are available in the Estimates we should know in good time. We are sympathetic to those young people who go in and take the exams and have not clearly made up their minds. I do not believe that they will lose their scholarship but for that one year. You cannot have it both ways. If they want to get their stipends on time then of course we all have to plan. This is what life is all about planning so that adequate financial provision could be made to take care of them. I strongly suspect that this is what it is all about.

On the question of medicals all institutions of tertiary education require medical exams and if you cannot satisfy

the medical requirement then, of course, your ability to go to the school... Again it will tie in to make the necessary provision for you as in the period.

Senator Alleyne and also Senator Straughn requested that any future changes which might be contemplated *vis-a-vis* the Education Act should be considered in as wide a public forum as possible and I think that even with these Regulations this accommodation was already granted. The point will be noted and I will inform the Minister accordingly.

Senator Straughn also raised the question under section 6 page 2 about "be admitted to the school for which he qualified". My reading of this, Senator Straughn, is that if he qualifies for the school with the highest cut off point he also, by virtue of that satisfies the requirements for the schools with the lower cut off point. He still has the choice of which one he has to go to. I will raise this but I do not think it is intended to vitiate the individual's choice, selection. His choice is still available to him.
4.50 p.m.

On the question that Senator Fraser raised, *vis-a-vis* the expulsion of the student, I believe the Minister at the end of the day is ultimately responsible and because this is written in I don't think he intends to use it as a first step. Certainly any Minister would want to ensure that all the other avenues have first been exhausted. But, at the end of the day, whether it is written or not you still have the responsibility for it as long as he is Minister. It is just recorded to reflect this fact but certainly there is a process for dealing with such matters and this is no attempt to circumvent this.

I beg to move, Mr. Deputy President, that this Resolution do now pass.

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

Mr. DEPUTY PRESIDENT: Senator Lewis.

ADJOURNMENT

SENATOR THE HON. L. V. H. LEWIS: Mr. Deputy President I think that this is an opportune time for me to seek permission to adjourn this Senate and I therefore move that this Senate be now adjourned until Wednesday June 10, 1992 at 11.00 o'clock in the morning.

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

CONTENTS

MESSAGES FROM HER EXCELLENCY THE GOVERNOR-GENERAL

Mr. DEPUTY PRESIDENT..... 720

1. Letter notifying the Senate of her absence from the island from 7th to 8th May, 1992.
2. Message No. 1/1992 informing the Senate of her absence from the country during the period 1st to 9th June, 1992 on a visit to Rio de Janeiro as an "Eminent Guest" of the Secretary General of the United Nations Conference on Environment and Development and the appointment of The Honourable Sir Denys Williams, GCM as Governor-General's Deputy during both periods.

PRESENTATION OF PAPERS

SENATOR THE HON. L. V. H. LEWIS..... 721

1. Annual Report of the Barbados Broadcasting Authority.
2. Annual Report of the Barbados Export Promotion Corporation for the year ended March 31, 1991.
3. Thirty-second Annual Report and Financial Statements of the Barbados Board of Tourism for the year 1990-91.
4. The Education (Amendment) Regulations, 1992.
5. The Education (Amendment) (No. 2) Regulations, 1992.

MOTIONS RELATING TO THE BUSINESS OR SITTINGS

SUSPENSION OF STANDING ORDERS

SENATOR THE HON. L. V. H. LEWIS..... 721

APPOINTMENT OF ACTING DEPUTY PRESIDENT

SENATOR THE HON. L. V. H. LEWIS..... 721

INTRODUCTION OF BILLS

SENATOR THE HON. L. V. H. LEWIS..... 721

1. The Financial Intermediaries Regulatory Bill, 1992.
2. The Public Order (Amendment) Bill, 1992.
3. The District Auctioneers (Amendment) Bill, 1992.
4. The Criminal Law (Arrestable Offences) Bill, 1992.
5. The Criminal Damage Bill, 1992.

PUBLIC BUSINESS

THE FINANCIAL INTERMEDIARIES

REGULATORY BILL, 1992 721

Senator the Hon. Dr. C. D. Clarke, 721, 732;
Senator T. E. Barker, 725, 726, 727, 728;
Senator the Hon. L. V. H. Lewis, 733; Senator
Dr. F. W. Alleyne, 729, 731.

PUBLIC ORDER (AMENDMENT) BILL, 1992 734

Senator the Hon. L. V. H. Lewis, 734, 738;
Senator T. E. Barker, 734, 736; Senator Dr. F.
W. Alleyne, 737, 738.

RESOLUTION TO APPROVE THE VEST- ING IN THE NATIONAL HOUSING CORPORATION OF LAND AT PILGRIM PLACE B, CHRIST CHURCH..... 739

Senator the Hon. L. V. H. Lewis, 739.

DISTRICT AUCTIONEERS (AMENDMENT) BILL, 1992 739

Senator the Hon. L. V. H. Lewis, 739.

RESOLUTION TO APPROVE THE EDUCATION (AMENDMENT) REGULATIONS, 1992 740

Senator the Hon. Dr. C. D. Clarke, 740, 749;
Senator Mrs. A. Straughn, 741; Senator Dr. F.
W. Alleyne, 742; Senator Mrs. V. C. Fraser,
743; Senator T. E. Barker, 745, 746; Senator A.
Morrison, 747, 748.

SUSPENSION 734

Senator the Hon. L. V. H. Lewis, 734.

ADJOURNMENT 749

Senator the Hon. L. V. H. Lewis, 749.

SPEAKERS IN THIS ISSUE

ALLEYNE, Senator Dr. F. W.
BARKER, Senator T. E.
CLARKE, Senator the Hon. Dr. C. D.
FRASER, Senator Mrs. V. C.
LEWIS, Senator the Hon. L. V. H.
MORRISON, Senator A.
STRAUGHN, Senator Mrs. A.