
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1991 – 96

HOUSE OF ASSEMBLY

Tuesday, November 3, 1992

Pursuant to the adjournment, the House of Assembly met at 12.20 p.m.

PRESENT

His Honour L. A. WEEKES, G.C.M., J.P., (Speaker)
His Honour T. C. ESTWICK, **B.Sc.**, LL.B., (Deputy Speaker)

Rt. Hon. L. E. SANDIFORD, B.A., M.A., (Econ.), J.P., (Prime Minister, Minister of Finance and Economic Affairs and Minister for the Civil Service)

Mr. H. **deB.** FORDE, **Q.C.**, M.A., **LL.B.**, (Leader of the Opposition)

Hon. B. M. **TAITT**, B.A. (Hons.), M.P.A., **LL.B.** (Hons.), (Minister of Health)

Hon. M. A. KING, **Q.C.**, **LL.B.**, (Attorney General and Minister of Foreign Affairs)

Hon. W. **O.** FRANKLIN, A.I.C., M.I.A.S., J.P., (Minister of Trade, Industry and Commerce)

Hon. N. K. SIMMONS, (Minister of Justice and Public Safety)

Mr. H. A. BLACKMAN, **B.Sc.** (Econ.)

Mr. **O. S.** ARTHUR, **M.Sc.** (Econ.)

Mr. D. A. C. SIMMONS, **Q.C.**, **LL.M.**

Hon. C. V. WALKER, (Minister of Education)

Hon. E. E. GREAVES, G.C.M., B.A., **Ed.M.**, (Minister of Housing and Lands)

Hon. W. W. HALL, G.C.M., H.B.M., (Minister of **Tourism and Sports**)

Hon. D. J. H. THOMPSON, **LL.B.** (Hons.), (Minister of State, Ministry of Finance and Economic Affairs)

Hon. H. B. St. JOHN, **Q.C.**, **LL.B.**

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

Miss B. A. MILLER

Mr. **DeL. O.** BRADSHAW

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

Mr. J. **O.** TUDOR

Mr. D. W. BOWEN, (Minister of Community Development and Culture)

Mr. G. W. **PAYNE**

Mr. R. C. EASTMOND, B.A., **LL.B.**

Prayers were led by Rev. Father Ivan Harewood.

Mr. SPEAKER: The House is in session.

MINUTES

Hon. B. M. **TAITT**: Mr. Speaker, the Minutes of proceedings of the Honourable House for Tuesday, October 27, 1992 have been circulated and presumed to have been read. I therefore beg to move that these Minutes be adopted.

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

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

ANNOUNCEMENTS BY YOUR HONOUR

Mr. SPEAKER: I am to announce that I am in receipt of the Accounts and Statements for the month of August, 1992 as prepared by the Accountant General.

PAPERS

Rt. Hon. L. E. SANDIFORD: Mr. Speaker, I am commanded to lay the following:—

1. The Duties, Taxes and Other Payments (Exemption) (No. 7) Order, 1992.

2. The Duties, Taxes and Other Payments (Exemption) (No. 8) Order, 1992.

SUSPENSION OF STANDING ORDERS

Hon. B. M. **TAITT**: Mr. Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20, 42 (S), 43 and 44 be suspended for the remainder of this sitting.

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

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

ORDER NO. 10 - THE BARBADOS INVESTMENT AND DEVELOPMENT CORPORATION BILL, 1992

Hon. W. O. **FRANKLIN**: Mr. Speaker, in moving the second reading of a Bill for a Barbados Investment and Development Act, 1992, that has the following Objects and Reasons for the establishment of the Barbados Investment and Development Corporation, for the transfer of the functions of the Barbados Industrial Development Corporation and **the** Barbados Export **Promotion** Corporation, for the promotion of off-shore financial services and for the repeal of the Barbados Export Promotion Corporation Act and the Barbados Industrial Development Corporation Act, let me start by saying that this Bill is not to bring about the merger of the Industrial Development Corporation and the Export Promotion Corporation but establishing instead a new organisation called the Barbados Investment and Development Corporation. Quite naturally, Mr. Speaker, like any person with **human** concern, when coming around to the area of staffing of the new organisation, pride of place would obviously, and has been given to the staff of the two organisations.

Mr. Speaker, what we have done in the Bill is to exercise the rationalisation of **the** policies, functions, and structure of the **IDC** and the EPC to ensure that the formulation, development and implementation of policies and programmes for **the** promotion of investment, the improvement of industrialisation, the further improvement and performance of our services sector, the enabling of a vibrant small business sector and a new enterprise organisation and to establish the nerve centre of this organization, the Research and Planning section of the organization. The Act of Parliament in April 1992 made provision for the establishment of the Barbados Investment Development Corporation which had responsibility for promoting and implementing the provisions of the Fiscal Incentives Act, 1974 and until recently section 33 of Part 2B of the Customs **Tariff** (Amendment) Act. In this context the Barbados Investment Development Corporation has

been a major instrument of the Government's strategy of promoting economic diversification through import substitution.

12.30 **p.m.**

The Export Promotion Corporation was established by an Act of Parliament in 1979 as a separate agency of Government to focus exclusively on promoting export of services and goods. During the first 5 years of its existence the Export Promotion Corporation sought to provide a wide range of services mainly to the indigenous manufacturing sector. These services included market research in marketing advice and promotion of products, the provision of assistance for research in marketing as well as the attendance of these parties to trade fairs and exhibitions and to provide some **financial** incentive to allow them for training.

Despite the establishment of the EPC since 1986 there has been a diminution of exports and therefore as a policy instrument the Government decided to have a look at the merger of these two organizations. Prior to the establishment of the new organization the co-ordination of these two was done more or less by general policy directives by the Minister by having a member of the EPC Board to sit on the BIDC and consequentially BIDC a BIDC member sit on the EPC in order to bring about some type of co-ordination of the functions of these two organizations. But there were still gaps and overlaps and we did not have as vigorous a promotion and industrialization as one would have thought and therefore the decision was made to bring **about** a new organization that would focus more on the object and aims of these two organizations.

The functions of the new Barbados Industrial Development Corporation would be:

to enable to stimulate, facilitate and undertake the development of industry in this country;

to assist with the promotion of investment in the offshore industry, informatics and financial services;

and to harness the indigenous manufacturing sector.

Government set up a Committee of some members of the Board of IDC and members of the Board of EPC together with top management to have a look at the structure of this new organization and they ultimately came down with the proposal to have the new organization focus in 6 particular areas. These areas as we go through them, the **first** one that we figured that we should have a look at is export development promotion. Export and Promotion division. I would propose, as I go along, to give the House some indication of what is expected of the individual

units that we have under this one. First of all, as I said I would deal with the Export Promotion and Development Division. Mr. Speaker, it is very well realized now that in order to **solve some** of the problems of Barbados whose main problems can be **classified** as a shortage of foreign exchange, and the need to generate additional employment, one must look at the key **area** of exports. Therefore any new organization, of necessity, would have to focus exclusively on this area in order for it to be meaningful.

Therefore what is the **proposal** for this section? As I go along, Mr. Speaker, I propose to give some indication of the human resource that is expected to support the individual sections of this organization and therefore I will **first of all** look at the human resource behind the export and promotional section. I want to be able to give it to you fully so let me just make sure I have the full notes here for it

Let me start with the financial and offshore services division. The objective of this division is:

to foster and promote the development of Barbados as a responsible and competitive, dynamic, financial, offshore centre;

to develop promotional strategies for the **financial** and offshore sectors;

and to work closely with the private sector to **optimize** the contribution of the offshore sector.

The human resource given to this section is a Director, a Legal officer, 2 Business Development Specialists, 1 Secretary, 1 Stenographer and 1 **Clerk/Typist**. That is the Financial and Offshore Services Division. **The** new Enterprises and Small Business Division which would have the objective of:

identifying new areas of activity which would increase Barbados' foreign exchange earning capacity to develop entrepreneurial ideas;

to promote the development of new viable enterprises;

to improve and enhance the capability of the Small Business sector;

and to seek out and identify potential sources of capital.

It is going to be headed by a Director, 5 Business Development Specialists, 2 Handicraft **Development** Specialists, 1 Secretary, 1 Stenographer and 1 **Clerk/Typist**.

Mr. Speaker, the Research and Planning Division. This is expected to be the nerve centre of the new organization because we believe that in order for businesses to move forward there must be extensive research and development and the structure of the Research and Development Department would be in 3 sections. One section to undertake studies, the statistics and information section, and the planning and evaluation of the information section. Some of the studies that we would undertake in order to assist the business would be trade analysis where they would be tracking trends in the export of Barbados goods and services, there would be market research, company profiles and publication of technical manuals.

In the other section, in Information and Statistics, there would be quarterly employment surveys in manufacturing, data basis on the Manufacturing, Trade and Information sector, Information Centre including a research library, data base on clients contact, **annual** publication. We hope to provide a credit rating **service** and the production of fact sheets of interest to Barbadian businessmen and a published directory of exports. In the critical section of planning and evaluation there will be coordination or preparation of the Corporation's action plan, the preparation of Annual Reports which will be a statutory requirement and the evaluation of application for fiscal and other incentives as well as maintaining a link with trade investment in the service sector and the evaluation of bilateral and multi-lateral trade and investment agreement.
12.40 p.m.

I believe, Mr. Speaker, that this is going to be a critical section of this new organisation since the availability of data information, researching, seeking out niche markets, being able to provide the necessary information and data base for them is critical for any new business getting into the situation. To coordinate the personnel division there will be a section of administration and personnel services which will have the duties of personnel management and the accounting sections, Mr. Speaker.

Very quickly, Mr. Speaker, those are the 6 areas of the new organisation and I think I will spend some time since it is a very controversial area, to show how the organisation went about selecting and deciding on determination of persons in this section. Let me start by saying that no one **likes** the idea or cherish the idea of severing people or retrenching people. Let me start by putting on record my personal appreciation for the work that the persons who have worked with **IDC** and were severed have done for the Corporation over the years and as I did on a previous occasion and hope that very soon the economic climate in Barbados will be of such that they would be absorbed into some other organisation or into the private sector.

The rationale for the merger did a few essential things which one must appreciate in order to understand why we had the situation and we were faced with what could be considered relatively big retrenchment in the area. While the rationalisation behind the new structure is that the structure should be a mean and lean structure and that it should buy in services wherever possible and therefore as a result the permanent structure would be a very small structure.

The second one was that there was a decision made that the estate management services of the organisation would be contracted out and that the maintenance programme in the building would also be contracted out and therefore against that background a decision was then made to close what is called the building section of IDC. I need to spend a little time on this, Mr. Speaker, because this is the area that has caused me most concern and an area in which we have to be careful and be **certain** that we are moving in the right direction.

Now, Mr. Speaker, over the last years it **has** been customary for the IDC to contract out quite large **portions** of its services. Traditionally the IDC has contracted out the **airconditioning** servicing of all of its units. It has traditionally contracted out **the** sewer services, as well, **Mr. Speaker**, as the mechanical doors and lifts. The IDC accounting section has always paid and serviced the bills for electricity, water and insurance. The IDC has also always contracted out construction of new factories and they have always contracted until very recent times, any major renovations of partitioning for new space. So technically, Mr. Speaker, within recent years the **IDC's** direct labour force was more or less taken up in **emergency** maintenance and routine and preventative maintenance. So this in reality is what we have had over the last couple of years that was contracted out by the IDC.

For arguments sake, Mr. Speaker, I will give you some indication of the contracts that have been done over the last couple of months by the IDC. Airconditioning, as I said, mechanical doors, fire **alarm** servicing, the servicing of lifts, the servicing of radio equipment, as well as pumping of septic tanks and wells, insurance of buildings, specialists roof repairs, electrical maintenance work, utilities servicing of electricity, water and telephone and external decoration.

As I said before, Mr. Speaker, that left you really technically with emergency and routine and preventive maintenance so the decision was therefore made that you should consider the contracting out of that together with the estate management. I want to take them slowly. Emergency and preventive maintenance. I, Mr. Speaker, have adopted

the position that I was not going to place this in the proposed structure but I am of the view that maybe as we **see** it **operational** there may be a case for a very **small** emergency maintenance section. I classify emergency as burst pipes overnight, toilet failures, and if for instance there has been a robbery in the night, **the** replacement of doors. So you can see that it is what is classified as emergency **and** that, in my opinion may justify the retaining of a very small maintenance section.

As far as preventive or routine **maintenance** is concerned, this is maintenance that is planned, ahead and therefore as long as this maintenance is planned provision could be made for the contracting out of the services because it is planned maintenance. Therefore, in my view, there is no need for an in-house capability of that and if we have to look to **see** **the** kind of **expense** and staff that we carry at **IDC** in the past for that kind of planned maintenance you will **see** the reason that we say that **this** can be justified.

Mr. Speaker, up to October 18, there were some 68 persons employed in that aspect of the **IDC** work, comprising **13** general workers, **13** gardeners, **6** **maids**, **2** masons, **7** carpenters, **4** painters, **and** then we had an area of maids, tractor operators, drivers, et cetera. **IDC**, in an effort to carry out this aspect of the work did invite, Mr. Chairman, over the last couple of months, tender documents for the carrying out of the **estate** management and emergency and preventive maintenance programme. There were numerous responses to the tender document. As a result there was a short list and finally a recommendation was made to the Cabinet for the award of these tenders. The cabinet has made a final decision that they would not award any tender for two main reasons –

- (1) with the coming into force of the new organisation it was figured that we should allow the new organisation to make that decision, and
- (2) Mr. Speaker, in my opinion, that the tender document included things that were not necessary.

The tender document included the payment of insurance, electricity and water. The tender document had in it a provisional sum of \$800 000. Therefore, I feel that these things should not be included in the tender document and, as a result, it was recommended that was not an area that was needed. In other words, these were routine things that could be done by the Corporation and there was no need for these things to be included in a tender document. Therefore, the scope of the work was unnecessary and in this respect the Cabinet decided that we would not make any recommendations or make any decisions on that.
12.50 p.m.

Aside.

Hon. W. O. FRANKLIN: A recommendation was made for the award and it was decided that no award would be granted at this time since the new organisation was coming into force. So we have a temporary arrangement that will see that emergency services will be done by a small staff until the new organisation goes into place.

Secondly, the upkeep of the grounds. In this one, Mr. Speaker, tenders were also received and the best quote was from the N.C.C. and they are being considered for the award for the upkeep of the grounds. This was not carried out because the existing staff expressed an interest in forming themselves into a company to provide the services. Therefore, the existing staff was given the opportunity to apply and we are waiting on that and the N.C.C. is carrying out the services until the award is granted.

Mr. Speaker, this brings me now to the area of retrenchment. When the committee which comprises some members of the IDC Board and the members of the EPC and Management met for retrenchment, obviously against that policy decision there was retrenchment of the maintenance staff, gardening staff and others as well.

Another area of major retrenchment at the IDC was in the Accounts and Personnel Departments. The rationale behind that can be explained quite easily. The salaries in the IDC in that section are higher than the Government salaries in its accounting sections and IDC over the years had built up a series of specialist accountants, bookkeepers, accounts receivables and they are all above the salary scale of Government. Therefore, in keeping with the number of positions available in the accounting section, it was found that the accounting person of the EPC whose salary almost fitted into the Government's salary scale made it appropriate for the accounting section to come from the EPC. Unfortunately, we had to retrench most of the accounting section at the IDC because their salary scale would not allow them to fit into the new salary scale of the new organisation. Therefore, we found that for the new organisation the majority of the people in the accounting section would be past employees of the EPC.

The same thing has happened in Personnel Management. It is a much smaller Personnel Management than what the two organisations had and, therefore, the Advisory Committee selected the Personnel Managers.

In summary, Mr. Speaker, all of the posts that could have been filled from either of the two organisations have been filled and the ones that have been advertised for which BIMAP will be doing the selection would be the Chief Executive Officer, Deputy Chief Executive Officer,

Corporate Secretary, Financial Controller as well as the business development officers. I believe there are some thirteen or so business development officers in the various sections. But that is going to be the core of the organisation.

Now one has been crying why BIMAP and it is a very simple operation in that you have the EPC and IDC Boards operating. Both are coming to an end and, therefore, despite the fact that there is an Advisory Committee which is recruiting for the new organisation, the Advisory Committee recommended that we employ the services of BIMAP which has some specialty in this, to Q the necessary work in recruiting those persons. Mr. Speaker, that in reality is what is happening.

Sir, let me react to a few statements which disturbed me. These statements alleged political victimisation or political reasoning behind it. I refer to one that was alleged to have been made by the Leader of the Opposition. It was concerning the laying off of two maids at EPC and the supposedly re-employment of an additional maid. I was advised that the position is that there is a full-time maid who was severed and there was a part-time maid who was on sick leave and, therefore, could not have been severed. While the part-time maid was on sick leave, a substitute for a week only was brought in to allow the part-time maid to come back in and resume her position. That is what I found out about that one.

Aside.

Hon. W. O. FRANKLIN: I do not understand that myself. I had nothing to do with it. I thought that was such a routine thing but the explanation was that, since you had severed them and it was only a temporary arrangement for a week, you brought back that person.

Mr. Speaker, the other one is this. I am advised that no such person from the Maintenance Division has been laid off and brought back in at a salary above what it was. I am advised that in the interim management have been advised to recruit a temporary staff to maintain the maintenance of the work at the IDC until such time that the new organisation is in place and make definitive decisions on that.

Sir, in summary, I will say that every precaution was taken and every opportunity was done to employ as many of the employees of the two organisations that the present structure will accommodate. As I said before, the new organisation calls for a staff complement of 77 persons.

Now I need to spend some time on the Handicraft Division because that is the one that we have to give special consideration. The Handicraft Division has

remained intact but it is the Government's intention to privatise that section. What has happened is that the existing workers of the Handicraft Division' have put a proposal to **Government** that **they** will form themselves into a company and **would** therefore **carry out** the functions. The Government is doing **everything** to facilitate this and we **are** looking at leasing them the existing building from which they will operate. We will be selling them at nominal cost, the stock and **equipment** and providing them with some management capability to assist them. Ultimately, when this is brought about, we **are** exploring with the Training Board **the** possibility of transferring the training for the future handicraft development in Barbados to them. But we can be sure that this section which **will** come under the Small Business Division will **not** hand over those functions until we are absolutely sure that provision is well in place for the continuation of training in the Handicraft Division, since we **are** of the view that handicraft is one area where there can be tremendous expansion and earning of foreign exchange that will generate **as** well self employment among **small** businesses and will allow for small business development. Therefore, we would **make** sure, Mr. **Speaker**, that we have the arrangements in place before any decision is made **on** the Handicraft Division, so the handicraft workers are still very much in the organisation and no decision will **be made** on them until we **are** satisfied that a satisfactory alternative arrangement is in place for the continuation and development of handicraft in Barbados.

1.00 p.m.

Looking more **specifically**, Mr. Speaker, at the provisions of **the** Bill, it is to **provide** for the establishment of a Corporation for the **purpose** of developing Barbados' industrial, off-shore financial, **export** and other related activities. The Short Title of the Bill is the Barbados Investment and Development **Corporation** Act, 1992. **You** can **see** the aims and objects are to develop and expand those services. The functions of the **Corporation** are set out in clause 4 -

- (a) to advise on, promote and facilitate the development, of **export** trade;
- (b) to conduct and **facilitate** research....
- (c) engage in the export of **products**....
- (d) establish and **expand** the enterprises...
- (e) provide **financial**, **technical** or other assistance to **enterprises**....
- (f) encourage the development of the indigenous **manufacturing** sector; et cetera.

At clause 5(1) there will **be** a Board of nine persons, a Board of Directors of **the Corporation**. At clause 6 the

Directors of the Corporation are entitled to such remuneration **as** the Minister determines. Clause 7(1) deals with the disclosure of the directors' interest. At clause 8(2) you will see that the Board, with the approval of the Minister, shall appoint a Chief Executive Officer and a Deputy Chief Executive Officer. The functions of the Chief Executive Officer **are** also pointed out.

Clause 9 of the Bill shows how appointments are made to the organisation and it makes provision for the transfer of services from the public sector, on secondment or temporary transfer, from a pensionable office within the meaning of section 2(1) of the Pensions Act. It also shows **that** the Pension Act applies to such persons.

Clause 10 of the Bill **states** **that** the Minister may, after consultation with the Chairman of the Board, give directions of a general nature in respect of the policy.

Clause 11 deals with the funds of the Corporation, which shall consist of moneys voted by Parliament, moneys accruing from the operations of the Corporation and moneys that **are** available from other sources.

I should like to draw attention to Clause 13 which allows the Minister of Finance to determine the limit of any borrowing **the** organisation might be taking **part** in.

In clause 14 Government may guarantee such loans as Parliament thinks fit for the satisfaction of any loan to the Corporation.

Clause 16 deals with the auditing of the Corporation's books. The year of the Corporation is the calendar year, January to December and the Auditor General has certain authority to come in on that one.

Clause 21 gives the Minister **authority** to make certain regulations.

Clause 22 repeals the Barbados Export Promotion Corporation Act and the Barbados **Industrial** Development Corporation Act.

Clause 23 stated that the Act will come into operation by proclamation.

The Schedule outlines the composition of the Board and the conditions under which the Board will serve, giving the number of persons to make a quorum, et cetera. Minutes of each meeting **are** to be kept and the usual procedure outlining the functions of the Board.

Mr. Speaker, as I said before, the **main** rationale for the size of the organisation is that the IDC will bring in

expertise whenever the occasion arises and when it is needed, hence the lean staff of between 77 to 80 persons. The accounting system of **the** new organisation will be headed up by a Chief Accountant, there will be supportive senior **accounting** staff – a Senior Accounts Clerk and Accounts Clerks – and these will carry out the functions of the accounting section of the organisation.

It is my view **that** the work of the accounting section will not be as onerous as before, since **unlike** previously where you would have to account for materials brought in, making a series of pay sheets for **day to day** staff, **et cetera**, **the** accounting work should be considerably reduced with **the** new structure and therefore **the** size of the organisation will be reduced accordingly.

Therefore, Mr. Speaker, that is the proposed structure of **the organisation**. Let us have a look at some of the things we hope to do. The goals of this new organisation **can** be summarised as follows:

to ensure the successful implementation of Government's economic policy in **the** area of **industrial development**;

support all business activities suitable for providing jobs and increasing foreign exchange;

hopefully overcome bureaucratic **&lays** and support **local** entrepreneurs and foreign investors;

to follow global **trends**;

to understand the local business environment in relation to competing destinations and market Barbados as a desirable domicile for the target industry;

organise financial affairs with a view to becoming self-sufficient and foster **the** development of an efficient service organisation with a result oriented management and a highly productive and professional staff.

Mr. **Speaker**, the main area, as I **said**, would be to bolster exports, to increase foreign exchange and to provide additional jobs. In this respect, we have to have a look at some of the **areas that** have been given priority for promotion for additional jobs. **As** is known by now, the IDC in the past has been concentrating fairly heavily on the promotion of the information sector, which is commonly known as the informatics sector, and it is because from 1980 where this sector employed about 132 people, within recent times, 1992, this sector has now grown to 1600 persons bringing into Barbados some \$50 million in foreign exchange. It is seen as an attractive area to pursue

vigorously, because it allows us to employ that section of the work force which has had the **opportunity** of secondary education that can provide the title, **et cetera**, and it **has** a relatively highly skilled level which generates the type of employment that is desirable, **as well as** the salary range we have.

In this whole area, Mr. Speaker, it is now well acknowledged **that** Barbados is not a low cost destination. Therefore, if Barbados is not a low cost destination, Barbados will have to move up the technology ladder in order to get into **those** areas where it will benefit more **from** higher technology.

1.10 p.m.

In the **area** of pure data input, Mr. **Speaker**, our wages are sometimes 6 times higher than those of Jamaica. They are much higher than those of the Dominican Republic and much higher than those of Mexico. Therefore, we find that we cannot concentrate on it. In this sector, what are we looking at? We are **looking** at **the areas** of electronic publishing. Let me say **first** that the main problems that we have in this **area** is the competition from low cost industries as well as new technology in the whole informatics area where **data** inputting is very fast becoming a thing of the past due to scanning, character **recognition** and imaging. So we have to keep abreast and make sure we do not concentrate **too** much on the timely **data** input that we sell and put in because with the technology moving so fast this whole area of informatics is technology driven. Therefore, if it is technology driven, the only way we can keep apace is to keep abreast of technology and make sure **that** we do not get caught in it.

Very important, Mr. Speaker, this whole area of informatics, is to have a variable – export good telecommunications at a good cost. If Barbados is at a disadvantage in this area, **as** I am advised it is in the **area** of cost of dedicated lines, therefore, the future development of Barbados must be hinged against 1 or 2 scenarios, either BET that has the license for the external communications reduces dramatically the price of dedicated lines or the establishment of teleports in association with free zone **areas**.

The establishment of **teleports** would necessitate the tactical agreement of BET since BET **has** the licence for external communications. At the moment there is a teleport that is not in use on OKC variables. Negotiations are continuing with BET to allow **the** use of that teleport because CDS is likely to use that teleport if it can be available. The beauty of the teleport is that it would prevent these high-speed people from having to go through the domestic telephone lines and make it a lot cheaper than it is.

My view on this, Mr. Speaker, is that Government would have by persuasion or otherwise to persuade BET to lower their rates or to come to some conclusions with the persons who are interested in establishing **teleports** because this is very feasible. The cost of a teleport could be as small as **US\$150 000**. To show the movement of the technology, 4 years ago a teleport would have cost **US\$8 million** to establish and now you can establish a teleport for **US\$150 000 to US\$200 000**. As I said, this is what we are **looking** at.

Let me say that the Ministry of International Transport has been **talking** to several people. Another view that we received is the possibility that as part of **the** Fiscal Incentives Act – and this is how I believe we **can** get around it – if the Government identifies those investors in the informatic **area** that are generating jobs but need a high speed dedicated line, and extends under a revised Fiscal Incentives Act the provisions for a reduced cost of external rent it would allow BET to keep those sections in a little pocket and not having to reduce generally the cost of a lease line. It has been **observed** that every time BET reduces the cost of a leased dedicated line some companies are now passing their telephones through the lease line and therefore, the revenue gains to BET are reduced considerably. Therefore, we might have to look at some legislation to prevent this type of going around the cost budget, possibly revise the Fiscal Incentives Act to provide a package of cheap telecommunications to those companies that are generating employment as a result of informatics and therefore make Barbados very competitive in that area.

If we can make Barbados competitive in that area, Mr. Speaker, the way forward in this area **that** we will have to look at is establishing Barbados as a premier **centre** for a voice centre. With a voice centre we **can** sell telemarketing and catalogue **selling**. Already in Barbados we have all the processing and we now have a company operating from Barbados that is preparing lottery tickets for sale outside. That is because it has a dedicated line.

We **can** have a look **at** electronic publishing. It is interesting to know that the publication and printing industry in America alone is worth about **\$170 billion**. The **informatics** industry in North America is worth **\$100 billion** and the printing **\$170 billion**. In those **2** areas there is business of **\$270 billion** on the North American continent. You **can** well imagine that you don't even want 1% of that. If you take 1% of **\$270 billion**, you will **see** the **kind** of money that can be generated from the informatics area.

In electronic publishing we can look at pre-press work and **Donnelly** is a good example of this area of pre-press work. Donnelly is doing top-class pre-press work here and by way of a dedicated line sending the finished product to any part of the world. **What** is coming through is that in

the modern era now location is not important. As long as you have good **telecommunication**, high speed telephone lines and a good **fax**, you can have the structure in any **place**.

An area that we **are looking** at, Mr. **Speaker**, is image processing and we already have this going on in Barbados. Let me tell you something that might not be well known. Barbados is right up there with the latest technology. There is a direct link at CDS which is doing a very important job in that in the American Airlines **reservations** system, in their **Sabre** reservation line, which is acknowledged to be one of the best reservation systems in the world, when a reservation **cannot** be handled by the Sabre system that reservation is immediately put in the reject and sent through a high speed line direct to CDS in Barbados and Barbados processes that reservation and sends it back by dedicated line to American Airlines Headquarters. That is top of the line technology where **American** Airlines when there is a situation where a **reservation** because of its complication cannot be handled by the cable system it goes into a reject file to Barbados where it is **processed** and sent back to **headquarters** immediately and therefore that is an **area** that CDS is working on **as** well as their health services and, **as** you know, CDS now employs about 900 persons. **1.20 p.m.**

In the area of imaging OKC has **been** doing quite good work which calls for time. **This** is one of the concerns why we must move up the ladder and **not** depend on the primary data input **because** with the development of scanning, there is now relatively cheap equipment to scan both numeric and literature inputs directly into the computer that make a nonsense of now having to **Q** it so.

We have to be careful with scanning as well **as** character **recognition**. These are two areas of technology we have to be careful of. We are still having some great difficulty. The British scanning technique, I am advised, can scan as fast as 1 000 times the speed anybody **can** do with an input, **therefore**, we have to move up. We are not daunted by this because we believe with the educational levels of Barbadians, we still would need people to **operate as well as** repair this **type** of equipment, and, therefore if Barbados moves up and keeps abreast of the technology what would **happen** is there would be movement of pbs and there would be a **gradual improvement** of the technology being **used** in **Barbados** for **that** type.

A next area we have to look at is software development. There is already a company that has done some private work here, a pilot project, on software development. It has been successful. I believe this is an area and with the level of educational attainment in Barbados where we have at **the** University of the

West **Indies** and the Community College persons doing courses in computer technology that we *can* develop an industry in software development. As I said, it has already started and this is the next **area** we **are** following.

The last area in this high technology that we have to look at is multi media services which would allow us to look at things like formatting, design and indexing. It is in that area of promotion which the IDC has concentrated on in the past and will continue to concentrate on because it is the area of rapid expansion which is most likely to generate jobs in that sector. We have to make sure we keep abreast of the technology. We have to make sure that our dedicated lines are competitive in price. We **are** in negotiations which should presently allow people like Confederation Health Services through a direct control link by their **IBM**, going through a dedicated line through BET to be picked up by Transglobe in Canada and **transmitted** from Transglobe in Canada into Confederation Life main computers in Canada and back to Barbados with the transaction completed in 2 seconds. This is the way we are going. That, Mr. Speaker, is part of the situation.

In summary, what are we aiming at? We are aiming to provide an organisation that is efficient. We are aiming at providing an organisation that would keep pace with technology in the informatic area, providing an organisation that would assist us to continue our offshore promotion and financial services and captive insurance as well as one that would **turn** its attention to the indigenous small business.

Let me spend some time on the indigenous small business. I believe this should be a critical part of this new organisation, that is the development of the indigenous small business because, let us be practical. CDS that employs 900 persons at the moment *can* close down tomorrow if the bottom line or the trend so dictates. We all know the problems when INTEL and **PLAYTEX** closed down. It is a risk you have to take but, as I said, let us have a two-pronged attack. We encourage those big corporations by way of subcontracting in joint ventures and licensing but we also develop our indigenous small business sector and we have problems in that.

The main problem in the small business sector is shortage of capital and such like. There is also a shortage, in most cases, of knowledge-base of the industry they are **getting** into. There is a shortage of good management appeal. We have a problem with product quality and product design, marketing and layout of plans. Therefore, the small business sector of this organisation must find itself having the capability to assist the small business sector of Barbados in those critical areas.

I believe any person going into a business or hoping to go into a business enterprise should be able first of all

to go to this organisation and be given a project profile because I believe this organisation should develop certain project profiles that they could use and these would be developed against your research which would illustrate the **areas** we believe in Barbados we can get into where there are market **potentials** and we should develop a project profile. In a project profile you should be able to have a manual or a chip that lets you have things to tell you how to set about your business, how to look for financing, how to look for markets, what assistance you *can* have in labour design, packaging design, what assistance you can have in documentation for exports and accounting. This should be available to all entrepreneurs who would like to get into business. Therefore, this is a critical area of **this** new organisation.

Another **area** of this organisation is to develop promotional strategy. I think what is happening now is the trend in Europe is towards joint ventures. This is one of the reasons why we have developed over 50 profiles and **are** hoping to build up a section of industrialists and business people in Barbados that are interested in promoting some of these profiles as a joint venture with the Europeans or out of Denmark. This is one of the **areas** towards which we are going to have an investment forum in 1993 at **Heywoods** Resort in which we would invite and target people because the promotion now must be targeted promotion as well it should be company specific promotion.

I believe that having selected a **company** in North America it should be possible for this new organisation to provide the documentation that would say to a company in North America, here are the reasons why you should set up in Barbados because **at** the bottom line you would have a more profitable operation. That whole operation you would show everything that is available to him by way of incentives, availability of staff, infrastructure, technical and professional back-up and therefore, that is really the way we should go.

In summary, Mr. Speaker, this Bill that is before Parliament, as I said, aims to create a new organisation called the Barbados Investment Development Corporation. This new organisation having been established will see the demise of the IDC and the **EPC**. The new organisation will take on board most of the policies of those two organisations and additional policies. As I said before, wherever possible it **took** on board personnel associated with those 2 organisations.
1.30 p.m.

That could be a mistake. But you see you cannot please. If we had cleaned the slate by firing everybody you would hear everybody saying now that the Government is the worst person in the world. I am one of those persons

who believe it might not because it would allow the new organization to recruit the best persons available to it. It would allow the new organization to start with a clean slate and therefore not bringing on board any bad habits that anybody might have. As long as you are operating where the human consideration is taken into account you have to have, in my opinion, a compromise situation. Right or wrong we have taken on board **all** of the persons that we could have taken on board. I sincerely hope that those persons who come on board will realize it is not and cannot be business as usual. I sincerely hope that we **are able** to recruit a CEO and Deputy with the **kind** of calibre, drive and enthusiasm to whip the organization into place. We **are** being given the opportunity to recruit what I call the nerve centre of the organization in the Building Development Officers to look for vigorous, enthusiastic young people and we will move **from** there.

Mr. Speaker, as I said **it** has not been an easy assignment. No assignment like this is easy. It has had signs of being traumatic for the express purpose that despite the fact that we kept the retrenchment down to what we consider minimal we had to do some retrenchment. The policies have been laid out in the document. I can only hope that when we have appointed a new **CEO** that, together with his management team, that we would evolve a strategy that would see the promotion of services, the expansion of the industrial sector, the development of the small business to take up that lead in the earning of foreign exchange that is so badly needed in Barbados. I hope that with goodwill on all sides that this new organization will accept the challenge that has been **thrown** to it and move forward to assist Barbados in earning the foreign exchange that it so badly needs and promoting Barbados as a premier centre for high technology work, premier centre for financial, offshore businesses and develop a good, strong, sustainable, indigenous small centre.

Thank you.

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

Hon. D. J. H. THOMPSON: Mr. Speaker, I beg to second that and reserve my right to speak.

Hon. H. B. St. JOHN: Mr. Speaker, Sir, I have listened now to **the** Honourable Minister in introducing this Bill for well over an hour. I am convinced in my mind that when we are finished this exercise and we change the law and we abolish two institutions and appoint a successor institution that we would be no better off. We would be absolutely no better off. Because in this area of activity what is needed **is** a clear and decisive policy on the part of the Government in office which will then be implemented by the institutional framework which is in existence.

The fact of the matter is that this Government has no policy in relation to **the** areas of activities that these institutions are going to carry on. I stood in here and listened with a great deal of attention to the former Honourable Member for St. John and I well recall one of his perhaps more profound observations in relation to these matters. He said, what Barbados needs is not new institutions, what we need too is for the existing ones we have to function properly. That was after his 20 odd years or 25 years of experience in the workings of a number of institutions in Barbados. The **truth** of the matter is that we have had export promotion efforts, we have had industrial winning institutions in the form of the **IDC** for a long period of time. We ought by now to know that without a clear and definite policy which in turn is translated into a certain regime enshrined in law and in established practice within which the businessmen can operate with confidence, nothing that we do will propel us forward.

I have not heard – and I have asked my colleagues because I came in here a little late today – from the Honourable Minister the background to this major decision. Is it as a result of a profound study that took place internally? **Or** is it as a result of work of a consulting agency in the private sector? **Or** is it as a result of the dictates of those multilateral institutions who now govern Barbados and prescribe policy for it?

The Honourable Minister has not told us the origin of this. I know one thing that the manner in which this exercise has taken place illustrates an essential characteristic of the Government. They dithered over this exercise for well over 3 years. For well over 3 years the Government dithered over this exercise. The consequences of that has been devastating. This is the same Government that is going to be responsible for the policy directives to the successor institution. There cannot be any doubt about it that this Government is fully responsible for the devastation of employment of industry in Barbados. The stupidity of the policies that it pursued despite the fact that many people repeatedly told them that if you **carried** on the regime of the abolition of duty free entry into inputs for industry, if you **carried** on with your policy of putting increased stamp duties and consumption taxes on inputs that you will make Barbados totally uncompetitive. Everybody told them that. I believe even the **IDC** told them that. If they did not I would be very surprised.

So that when we talk of this new institutional framework and we listen to the Minister and setting out the objectives of what it is going to do, every objective the Minister talked about was well known and was in the course of execution by the previous institutions. Every one. As a matter of fact perhaps the Minister had not been fully aware that it used to be the habit of successive Governments of periodically having an outside look by

hiring some of the best consultants available in particular **areas** of activity to do comparative studies of Barbados' industrial regime and the institutions and how they **are** operating with a view to charting a course of action for the existing staff. There have been many of them. I believe Sir Arthur Lewis did one once.

1.40 p.m.

There are other people who did. Certainly I remember the Boos Alleyne Reports. I saw recently one by Maxwell Stamp and some were certainly in relation to export promotion when that was started we had a special consultancy with the Irish Export Promotion Authority and they actually used to send a very high official here to Barbados in order to ensure that we had the benefit of relevant outside experience. So why is it, Sir, that the Minister is not able to tell us of the specific need for this exercise.

Now, I also want to point out something. There is no doubt about it that this Government is sending conflicting signals to the functionaries who **are** responsible for the implementation of Government policy. They **are** sending confused **signals** with respect to the institutional machinery. There is one man masquerading around here now as a special ambassador, some special trade commissioner, walking up and down this place at a lot of functions saying this and saying **that** as though he is a one man government. What is the role to be performed by these so-called special trade commissioners? Because if you have these people walking around doing these exercises I want to know what is going to be the role of this new chief executive officer of these merged institutions. They say now that the promotion of financial services and the promotion of the off shore regime must come within this exercise so **therefore** the trade commissioner is now, I take it, going to be an integral part of this. You had better start early and let it be clearly understood what is the agency that is going to be recognised abroad as the principal instrument of **Government** promotion. You must stop sending these confused signals. Sir, for the promotion and the development of an industry and services in Barbados you need to have, in addition to your institutional framework, you need to have, as I said before a clear and definite policy framework to operate.

Let us go, Sir, to another area. The Government says that they expect that this new **institutional** framework will be active in all of these specific areas that they have chartered. Now, these institutions have no means of self financing. They are utterly dependent upon Government. Now, what is the record of the Government? What is the record of the Government in this area? I am indebted to my friend who shadows finance here, Sir. He has given me in respect of export promotion, some figures. In 1984-85 in a total budget of \$595 million, \$1.5 million was voted for

export promotion. In 1985-86, \$1.8 million in a total budget of \$663 million. In 1986-87, \$2.5 million in a budget of \$685 million. In 1987-88, \$1.9 million so the decline started. The importance of export promotion is mirrored in the **first** budget **that** was produced by that side. In 1988-89 \$1.6 million so you cut \$800 000 from the subvention of your export promotion corporation in 2 years. In 1988-89, \$1.8 million. In 1990, \$2 million. In 1991-92, \$2.1 million and in 1992-93, \$1.9 million.

Sir the budget increased from \$685 million in 1986-87 to \$1.1 billion in 1991-92. So that you have an increasing expenditure generally and you are reducing the amount that you are spending in export promotion and you will come in here now and say that we need and we are so dependent upon this **area** of activity. I don't care what institution you create. I don't care how you staff it, if you don't give them the tools to do the job they will not be able to do the job. There is no doubt about that. This is a very manifest and clear signal to everybody involved in this area, that the Government regards it as an area of not great importance because the appropriations have been reduced. That is one of the points that we have been trying to get across, that part of the difficulty that we find ourselves in, in the industrial development area and in industry in Barbados, that the Government has given a clear and definite signal by a multiplicity of actions on its part, that it regards this area of being of little consequence. You cut the people's subvention all the time.

There is no doubt, Sir, that the pattern of industrial promotion and export promotion has changed and continues to change. The interesting thing is that there are still many, many countries in the world that have taken the decision that the two areas of activity are best carried on by separate institutions. It was always a debate in connection to this. At the inception of the export promotion corporation one who studies this will recall that it was only as a result of the deliberate decision of the Government, bearing in mind the best available information and advice it had at its disposal, a separate institution was created. IDC had a section dealing specifically with export promotion and that section complained bitterly that within the budget of IDC sufficient importance was not placed upon that area of export promotion. That is the same thing that is going to happen now. All you are doing is going back to the stage prior to the creation of the export promotion corporation as a separate institution and saying that you are going to have one umbrella institution but unless you decide in **your** mind, as I pointed out before, you are going to give it the tools, that in this case means also that within the corporate **structure** that you set up, a clear and definite hierarchy has to be created in which the export promotion and industry winning as it is called are going to be on a **co-equal** basis. You are going to land yourselves right back in the position as you were when IDC was responsible for all of the

activities. These are important factors, very important factors because we passed this road already. Singapore, Ireland, and many other successful exporters, have decided in their minds that the skills that are required for export promotion are not necessarily the same skills that are required for people who have to induce people to come here. These are matters that we have passed. But there are other areas that the Government has got to make up its mind own. This is also going to be very, very important. 1.50 p.m.

The services that **are** going to be provided by these institutions to manufacturers, small businessmen and to others are equally important. Now I hear a lot of talk about the desirability of contracting these services out instead of doing them in-house. Well, I **am** yet to be convinced that it is desirable for Cabinet to have to decide who is going to clean the toilets in the IDC estates. But make no doubt about it at all because the Honourable Minister in here has already given us an indication of how Cabinet regards these matters when he said that Cabinet decided that they were not going to allow IDC to contract out the estates at this time and that they had to wait until later.

When this body is formed so long as people like the Honourable Member for St. Michael West is in the Cabinet, people will know that every buying of a pen has got to come to the Minister. That is his style. That is his understanding. This will be no different from St. Joseph Hospital. You will create a Board and the Ministry will run it. That is the position. That is the pattern of behaviour and the Honourable Member in here has already started off with that. He has decided what will be contracted out and you will decide who is going to get the contracts **too**. Do not be foolish about it. Do not fool ourselves. The yardfowls of the Democratic Labour Party are going to get all of these contracts.

Aside.

Hon. H. B. St. JOHN: Sir, this is a very serious thing because you can dress up a lot of people with new clothes but their character is going to come to fore. The Democratic Labour Party will use this new institution as an instrument for political patronage. It will use this new institution to reward the faithfuls. There is no question or doubt about that.

Sir, I am shocked that the Minister could come into this House and say that already Cabinet has indicated its attitude to this institution. I am real sorry because you cannot tell me that as a result of this institution being created that you intend to create a Board and allow it to operate within the framework of a general policy guideline. No, if you told me that, I would ask you which one does it. Which one under your Administration does it? As a

matter of fact, in **looking** at the legislation a little later on, you will see that that tremendous amount of difficulty is going to arise with the staff.

I do not accept this talk about retrenchment. Once you merge institutions there will be retrenchment. But the point is that the pattern in which this is done, it is quite clear that every individual officer will have a choice as to whether they want to be employed or not, because the terms and conditions under which they **are** going to be employed now will be radically different than what they were before. Well, if there is no merger, therefore it is a new institution so everybody is not employed. I am perfectly correct because the Honourable Minister spent a lot of time **talking** of the hard decisions regarding retrenchment and that only a small number will be retrenched.

Sir, the point is that on the passage of this legislation nobody has a job there. Everybody has been retrenched. You have to start fresh. So prepare in your mind that you have to pay everybody who does **not** want to work with you. People will legitimately say that, bearing in mind the pattern of behaviour of this Government with the powers ascribed to the Minister and bearing in mind that already the Barbados Industrial Development Corporation in pursuance of carrying out the policy of the Government advertised for a large amount of work to be **sub-contracted** out and the Cabinet put its mouth in it and wanted to say and did in fact say who was to get what and when they were to get it from, if at all, and on what terms.

Hon. W. O. FRANKLIN: On a point of order, Sir. Just to set the record straight, **the** only decision was that with the coming into being of a new organisation it would be very short term to allow an old organisation to put out a contract which would bind **the** new organisation.

Hon. H. B. St. JOHN: What are you telling me? Your left hand does not know what your right hand is doing. You sat down and allowed **the** people to advertise these things not once but twice. They were invitations for building on more than one occasion. The only reason why the **first** bids were not accepted was because the wrong people would have won the bids. That is the only reason why the bids for the maintenance of the estates was because the wrong people won the bid. If the Honourable Minister is saying that I **am** accusing wrongly, let him tell the House who the bidders were and how much did they bid and we will **see** for ourselves.

The **truth** of the matter is, and I am speaking as a parliamentarian with many years of experience, that we have a glaring defect in the Laws of Barbados. There are no regulations dealing with the conduct of Statutory Boards in relation to the expenditure of money that is derived

from Government funds. This is a very, very important point and it is time that the Financial Administration and Audit Act is amended to ensure that the Government bodies that derive their revenue solely from Government grants in the legislature must be subjected to the same discipline and procedures under the Financial Administration and Audit Act as if you are dealing with the matter under the Central Government.

SUSPENSION OF SITTING

Hon. B. M. TAITT: Mr. Speaker, the Honourable Member indicated that he will be going well beyond time. I am suggesting that we suspend now until 3:00 o'clock.

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

The question that the House suspends until 3.00 o'clock was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the House accordingly.
2.00 p.m.

RESUMPTION

Mr. SPEAKER: This sitting is resumed.

Hon. H. B. St. JOHN: Mr. Speaker, just one or two other points I would like to make on this matter, because I think it is very important that the impression does not go abroad that the mere changing of the institutional arrangements would automatically **result** in an increase in jobs in the industrial, in the service sector and an amelioration of the conditions which are in existence at the present moment. I also want to emphasise that the agency will still have to be dependent for its success upon a high level of co-operation **from** a number of other agencies.

There is a popular concept in the minds only of some servants of international institutions, who obviously have no experience of running **governments** and the machinery of government, **that** you can create such a thing as a one-stop agency. I have always cautioned those with lesser experience that for the creation of a one-stop agency in a country such as Barbados, you will need to abolish exchange control, you will need also to have a clear policy with respect to immigration.

There is obliged to be dependence upon a great degree of co-operation from other agencies. If, of course, what is meant by a one-stop agency is that an institution should have officers responsible for liaising with other government agencies to ensure that there is a smooth transition of the relevant decision-making process within the other Ministries outside of its own competence, then I

can understand that. But I must caution on these things, because I hear very often people critical of the functioning of **the** institutions in this part of the world and **attempting** to give the impression that in other parts of the world institutions function much more quickly, but in **truth and** in fact when one probes deeper one **recognises** that it is only in countries where one has what one calls absolute governments that these ideal conditions operate. I am doubtful whether, even in countries with absolute governments, the bureaucracy is not such that it does take a **certain** degree of time.

Our problem, in my opinion, Sir, at the present moment in Barbados is more to do with the uncertainty of the regime under which you have to operate. It is my firm belief that until we settle our policies in Barbados and in the Eastern Caribbean on such matters as the **harmonisation** of fiscal incentives, the duty **free** entry of raw materials, the exemption of all inputs from these taxes, such problems as the areas of the Common External Tariff and the removal of trade restrictions within the CARICOM **area**, we will continue, notwithstanding our institutional relationships, to be bedevilled by the difficulties we have.

There is also a popular theory – and this is the last point I will make on this – that it is easy and it is necessary to concentrate only on export to third **Countries** of goods and services. I am one of those who believe that we can learn a little lesson in some areas from other areas of activity. The practice wicket of the Caribbean is very useful in many a r e . of activity. There is no question or doubt about that, Sir. There is not that number of brilliant entrepreneurs, or **entrepreneurs** at all, in **these countries** who will be able to go out there without the help of governmental institutions. It is a myth, and I do not care whether it is the **IMF**, the World Bank, the Inter-American Development Bank, or whoever it is, it is a myth to believe that it is going to be possible to subcontract from consultants the services in areas of market identification on a **permanent** basis of holding **the** hands and helping these manufacturers through the large maze of regulations in foreign countries. You have to help these people **with** shipping, you have to help these people in all **kinds** of activities, and that is an important role. It is nothing new to say that you have to help manufacturers with information, with trade publications and all of that, all of that has been going along. One of the best information services you have for manufacturers in the whole Eastern Caribbean you **find** at **the** Export Promotion Corporation, built up over a number of years, so this new institution is only a rehashing of a lot of activities you are bringing together here. It may be that you will run it in such a manner that you need some degree of co-ordination, but that is not going to come unless in your own mind you have clear ideas..

The Government has the power to pass the law, Sir. I only just want to make it abundantly clear that this

model of institutional framework is not any universal model **that** has been proved to be successful in a number of countries. This is only one of the models. There **are** many countries in the world which have carried on successfully industry winning **and** export promotion services **that** have recognised that it is better to have separate institutions. In some parts of the world they feel that the best model for them is to have a single institution. Barbados' history is that you had a single institution, you went to separate institutions and now we **are** going back to a single institution. There will be no guarantee of success. There **are** many other things which in a country you need to have in place and in existence to ensure that this **type** of activity is successful.

Dr. R. L. CHELTENHAM: Mr. Speaker, with the passage of this Bill, according to the provisions of Clause 22, the Barbados Export Promotion Corporation and the Barbados Industrial Development Corporation will no longer exist. In the case of the Barbados Industrial Development **Corporation**, we **are** in effect witnessing the death of one of the premier institutions in the country, and certainly one of **the** most important ones in relation to **industrial** and manufacturing activity in the **country**. The Export Promotion Corporation has had a shorter life. I think it **has** been just about 12 or so years ago **that that** institution was set up, but it has had its successes. We do not know of any good reason, and indeed the Minister has not given any, why is it that these two institutions should now be buried and a new institution established in their place. In fact, if I may say **so**, Mr. Speaker, the performance of the Minister, new boy as he is to trade and industry, is a very disappointing one. This is an important debate. Unfortunately, we have not had a Minister of substance of Trade and Industry in this House for many years. We have only had shadows here.
3.15 p.m.

Asides.

Dr. R. L. CHELTENHAM: I do not go back as far as the time when my good friend from St. **Michael** West was Minister. I **speak** of more recent years.

Asides.

Dr. R. L. **CHELTENHAM**: Trade matters only came up in here and gingerly. It was important now **that** we have an opportunity to address Trade and Industry matters directly that the Minister should have told us more about policy and matters of direction rather than enter into the **marginalia** of dealing with the building section and, to a lesser extent, with the handicraft division. At the end of the **day**, the building section is only a marginal part of **IDC** activity and so too is handicraft although there is much potential for export purposes and for exchange earning in

the development of handicraft. I was disappointed that the Minister spent so much time dealing with tender documents and why a tender has not **been** awarded and so in. In truth and in fact, what we want to know about is what can be done to rescue manufacturing activity in Barbados.

I make that statement against the **background** of the fact that less than 10 years ago we used to export and earn over **BD\$5½ billion** as a result of manufacturing activity in this country. We **are** now down to below \$250 million and that itself tells the story of the extent to which our manufacturing sector is in decline. There was a time in 1979-80 when the Industrial Development Corporation used to boast of being responsible directly and indirectly for 15 000 jobs in this country. Now, I believe that figure is down to 7 000 or **thereabouts** although I still hear some people talk of 10 000 people being employed in industry. I do not believe that and I would challenge any figure in excess of 7 500 people, today, November 1992.

So we are left to speculate as to the reasons why these 2 institutions **that** were established after much thought and which in many respects did not **perform** badly though I must **confess** that in recent years the Barbados Industrial Development Corporation has lost its way. We are given no explanation as to why we are now burying those 2 institutions and establishing a new merger institution that will still bear the acronym BIDC but which will be **slightly** differently styled.

We want to know, Mr. Speaker, where in the world are we expected to get some capital to fuel our **industrial** development activity. In the past, we used to have some local capital **and** we relied for the **most** part on overseas capital, what is referred to in the jargon of the field as mobile capital. We want to know where are **the** areas of new emphasis with respect to industrial activity and industrial promotion in Barbados. **There** was a time, Mr. Speaker, when we used to emphasise **garments**, to a lesser extent, chemicals, electronic assembly operations, furniture and, in more recent years, information processing.

In several of those **areas** we have lost our competitive advantage. We have certainly lost it in relation to garments. We have lost it in relation to furniture for the export market and in a lot of the electronics processing we have also lost our competitive advantage. Even though the infrastructure of Barbados lends itself quite readily to the promotion of the **informatics** sector which the Honourable Minister spoke about, I was disturbed that so much emphasis is being placed on that alone. I am not saying that we should not exploit it to **the** hilt. I would like to see 5 000 more jobs coming from that sector. What concerns me is that we need to have 3 or 4 areas of emphasis with respect to industrial manufacturing promotion activities. Where are these other **areas**?

Five or 6 years ago, perhaps, 7 years ago, Boos Allen, a firm of consultants, did a study and they were able to identify about 4 areas for us in Barbados, including health services or as they were called, hospital disposables. We do not seem to have got off the ground in relation to that for reasons I am not too sure about but this whole information processing areas was emphasised as an area of strength. Since then, a lot has happened. Newly industrialising in this region, in the Pacific and elsewhere have come to the fore and bypassed us in terms of being more competitive and more attractive to mobile capital than we in Barbados have been.

I think the Minister needs to address the question of what are the 3 or 4 areas – it must not be 1. We cannot put all our eggs in the information processing area. We need to have 3 or 4 areas in which we still retain some competitive advantage which we seek to develop simultaneously. I think it is wrong for the Government as a matter of policy to be emphasising informatics only and to the exclusion of 3 or 4 other areas where we may still retain some competitive advantage. We need to find out what are these 3 or 4 areas and we need to get out there and promote those areas assiduously.

That leads to the question of staff. It goes without saying that a new institution by itself will not guarantee results and guarantee manufacturing and industrial efficiency in this country. Indeed if we may paraphrase Pope who once said with forms of Government – and for "Government" we can read institutional arrangements – let fools contend. "Whate'er is best administered is best." It matters not whether you have at the end of the day 2 institutions or 1 the important thing is having the institution run efficiently and effectively – "whate'er is best administered is best".

Apart from having a clear and transparent policy – and I am not sure that we have had a clear and transparent policy for many years in that sector. We need to have effective staff. An industrial and export promotion organisation cannot be recruiting people who look forward to putting in 400 months, the magical 33 1/3 years. It is not the mainstream bureaucracy. It is not a job for people to enter in the early days of their working life and leave at 60 or 65 at the end of their working life. It is not a place for that at all.

It is an area in which you come full of energy and dynamic. You walk off the soles of your feet, as it were, knocking on doors in offshore areas of mobile capital, whether it be in California, Massachusetts, Japan or Germany or wherever. You give your best for 6 or 7 years and you go. If you do well you are snapped up by other agencies. Other than that, you just disappear. The idea of having people in the Indusmal Corporation who have been there for 25 years and who are looking forward to putting

in some magical 400 months, 33 1/3 years, and retiring is not the way that these dynamic agencies should be populated.

Mr. Speaker, if I may be permitted to give a word of warning to the Minister it would be this. With respect to the future, persons should be on contract and on contract only. Except at the level of clerks, typists and so on, those who have the promotional responsibility on their backs should be on contract. Their performance should be monitored on a regular and critical basis. More than that, I would suggest to you, Mr. Speaker, if I may, that with the opportunity to start afresh, except for the retention of perhaps upward to 6 persons who constituted a link with the past and who still have years of energy in them that we pay out the rest and start afresh. That is my sincere and honest advice, if I may, to the Honourable Minister. That brings me to a point about promotional techniques.

3.25 p.m.

The Minister delivered himself with some energy on this particular point when he said that the time had come for the concentrated approach, not the scatter-shot approach as it were, my words not his, as though that time had not long since come. That was the approach of the Honourable Member for St. Michael West. He understood the necessity for that years ago when he had some close relationship with that organisation. That was certainly the emphasis which I sought to move the Corporation towards when I was the Chairman of the Industrial Development Corporation so that is nothing new.

You do not do that by having people remaining in New York and writing letters all around the world expecting responses. That has been an old-fashioned technique of the IDC that has to come to an end. A man must be at his desk for no more than 2 or 3 months in a year. Other than that he has to be walking as though he is contesting for the American Presidency, through sand, sleet and snow. He has to be out there knocking on doors trying to reach critical decision-makers within the organisation, trying to get Barbados' name on the agenda so that when they come to make a decision with respect to an offshore location, they will have Barbados foremost on the agenda. You do not achieve that by remaining in New York or wherever you are writing letters and expecting to get serious responses by that alone.

Many years ago, Mr. Speaker, I had the opportunity of doing a sabbatical at Trinity College in Ireland. It was financed by the European Economic Community. It was a high level course in industrial promotion organised by the Irish Development Authority. That is the comparable organisation. In those days the Irish Development Authority had the reputation of being the foremost in the sky in

the world. I was greatly flattered to learn there that the Barbados **Industrial Development Corporation** was regarded as the premier institution in the developing world. Because of the high regard in which we were held I had the opportunity to be close to their Chairman and Executive Officer. He made the point that there would be no person on their staff who was there for more than 7 years. It cannot be the policy of a dynamic institution such as a promotion organisation to have people there who are 20 and 25 years in the same job. That is not it.

The Minister has told us nothing about where we are going to have these offshore centres of promotion established. There was time when we had an office in Central Europe located in Brussels, when we had one in Canada for a short while, one in New York and we also had a desk, as it were, in the Barbados High Commission in London. As I understand it now, we are down to a single desk virtually in New York in which there is no funding to support the officers there, or that desk as it were, and except for that we have no presence in Europe. We have no presence in Canada and I am told that for the first time in many, many years Canada is proving to be productive as a source of international mobile capital that we in Barbados have been attracting. Now, if that is so, Mr. Speaker, we have to decide in our minds from which centres in the world are we going to be located and operating, and what is going to be our target bearing in mind we would be ill-advised to target on one area, the **informatics** areas, and not on 3 or 4 other areas simultaneously.

Now, I was very careful and I want to make this point very emphatically. When I was the Chairman of the Industrial Development Corporation, I used to make it clear that my first responsibility was to defend the integrity of the constitution of the organisation. It is a very important point. I do not know whether Mr. Rawle Brancker will end up as Chairman of this new organisation but I am sorry he is not listening here. Members of staff who are present there will tell you...

Aside.

Dr. R. L. CHELTENHAM: You did not hear that, Mr. Speaker. You were very wise not to have heard that.

It is a matter of fact that I did not allow any form of interference from any source. The reason why that is important to be emphasised is that the organisation cannot prosper if it is going to be subjected from week to week to interference, Prime Ministerial or otherwise. The organisation will not realise its objectives if the Minister of the day, whoever he is, is going to be interfering and interrupting on a weekly and monthly basis on matters that are matters of administration, including interference with contracts.

My Board, Mr. Speaker, dealt with those matters without reference to anyone. It was not a matter for Cabinet either. Cabinet only knew about it when the monthly Minutes went on to Cabinet. Sometimes, in our case, they would receive that two or three months after for information by which point the contracts would long have been awarded. I hope that the staff of this new institution will have the courage to insist that is the way in which the organisation will have to run. There is too much **weakness** at the administrative level in these organisations and **men** have to express themselves in their minutes on the file and say what is the position.

Now, Mr. Speaker, there is a lot that needs to be said at a very critical level about the manner in which the demise of these 2 institutions is taking place and this new institution, a merger institution, is being created. The Government must bear heavy responsibility for paralysing these 2 institutions over the last 3 years. Nothing short of paralysis existed at **IDC** and the **EPC** over the last 3 years as the sword of Damocles literally was held over the heads of both institutions. Men on a daily basis came to **work** enquiring of other men within "the organisation" "have you heard if I am on that list to go?"

Hon. B. M. **TAITT**: On a point of order, Sir. I do not wish to interrupt the Honourable Member, far be it from me but I do not think it is fair to the professionals who have worked in those organisations for the last 3 years to be portraying them as little puny men running around worrying about their jobs.

Dr. R. L. CHELTENHAM: I **never** spoke of puny men. They are your words, not mine. I spoke of often consulting with other men on a daily basis, fellow workers, as to what was likely to be their plight as members of staff because at one point they had 2 and 3 lists in circulation. The organisation could not function. That is my point. There were at least 2 or 3 lists in circulation **from** time to time and this is **one, which** could be made a document of this House if necessary.

The Government must bear heavy responsibility for standing in the way of the proper functioning of those organisations over the last 3 years by announcing a long time ago that there would be a merger of **the** 2 institutions with obvious loss of jobs at the administrative level and taking 3 years to carry through the plan.
3.35 p.m.

I am concerned, Mr. Speaker, because Barbados **can-** not prosper as a **monocultural** economy. We cannot have one base of the economy. Many years ago it was sugar and its bi-products. It cannot be any one area of activity. Barbados is at its strongest economically when we

have several bases of economic activity. Even though we have lost a lot of our competitive advantage to Mexico for reasons of devaluation, to Jamaica in the Caribbean, to some of our brothers in the Eastern Caribbean, to the Dominican Republic, to Thailand, even though we have lost some of our competitive advantages there are still areas in which we can operate successfully. We need to find them and we need to pursue the capital local and overseas with vigour. We cannot allow our manufacturing activity or industrial base to collapse. We have gone a far way towards the collapse of that **base** and we cannot allow it to continue.

A point of great importance with respect to the functioning of the organization and the appeal to likely manufacturers and industrialists particularly from abroad is the fact that we need to have more effective co-ordination.

The Honourable Member for Christ Church South has made the point that he does not believe that we could ever realize a one-stop agency where all the services needed by an offshore manufacturer for example can be delivered, immigration, Central Bank exchange control permission, the permission needed from the Ministry of Finance from time to time with respect to waiver of duty and so on. But in the absence of that one-stop agency, it is going to be necessary to have an effective co-ordination system and a commitment to manufacturing by the Government from the Prime Minister down permeating the whole bureaucracy. So that when you send an application to the Ministry of Finance it does not remain there, as currently happens for upwards to 4 months and the Immigration **Department** does not take 6 months to give a man not short-term stay but to give him long-term stay in Barbados. They say that they have to receive the information **from** his home country and that they have no control over the speed with which that is received and that sometimes it takes upwards of 6 months. It gives the impression, Mr. Speaker, when these things happen that Barbados is not serious about being a centre for manufacturing and industrial activity through internally mobile capital. We must always **bear** in mind that there are competitors around the corner as it were. Here in the Caribbean our brothers in other countries and in Central and Latin America and in many countries farther afield that are prepared to offer more speed and more efficiency in the processing of those matters. Many years ago a co-ordinating agency was established called COCID with officers of the agencies involved Immigration, the Development Bank, the **Central** Bank and so on coming together **from** time to time perhaps on a quarterly basis exchanging thoughts on how best an effective system can be put in place and kept in place. But for reasons which I am not **too** sure about, that system does not seem to have worked well. In fact – and this might very well be one of the reasons why the Minister felt it necessary, we can only speculate, in the absence of his having spoken to us on this

matter – it might be one of the reasons why it was felt necessary to collapse these institutions and bring a single merge institution that in recent years there has been a lot of overlapping **too** of the functions between the Export Promotion Corporation and the Industrial Development Corporation. That should not have happened. But what it reflects is the absence of a clear policy demarcating lines of operation. Arguably what should have been done rather than come to Parliament for a new institution was really to have ensured, by way of a clear policy position that there is no overlap between the two institutions and **that** their two areas of operation, though related, remain separate and distinct.

How that came about I find it hard to understand when there was always the Chairman of the Industrial Development Corporation sitting on the Board of the Export Promotion Corporation. How is it that those **two** institutions began to stand in one another's way and began to carry out functions that were identical in their nature, I do not understand. But that in my view reflects, Mr. Speaker, the extent to which there was confusion at policy level, at Government level, at Ministerial level, at the level of direction in the whole manufacturing and industrial sector within the last 6 years during the life of the Democratic Labour Party Government. Within the organization with two distinct duties it may still be necessary to ensure that officers do not overlap with one another's duties. The Minister has not given us the organizational structure as it is intended to be in this new organization but I have been advised that we are expecting to have at least 6 divisions, one dealing with small business, one dealing with industrial development, another with export and investment, one concerning itself with business services and one dealing with new enterprise development. All of these notions, these ideas here, these areas are really offshoots of the **same** idea, export activity and manufacturing activity, industrial activity. I am concerned that if we are not careful the organization starts off with several areas of divisional overlap which is likely to lead to confusion and lame its efficiency.

So that we on this side feel that **the** Government has a responsibility to put new energy and new effort behind industrial development activity and export promotion in Barbados. We feel that from the **Prime** Minister down – and he is not exempt, it is very important that your Prime Minister be seen as committed to industrial development and industrial activity. When that is so it is reflected in the attitude of the Ministry of Finance and it permeates the entire bureaucracy. The **Prime** Minister needs to state afresh his commitment to manufacturing and industrial activities in Barbados. Beyond that all **the** taxation policies that have constituted such a severe bias to **export** in this country and manufacturing activity too should be removed. That is perhaps the only point that the Stamp Report

made that was worthwhile. In fact that Report should have been rejected by the Industrial Development Corporation, by the Government and by the Minister. Were I the Minister I would have called the author and rejected the Report. It was written in the language of a first year social science student who was intoxicated with the jargon of his discipline and the report is almost totally impossible to read and understand. I have not met any person who has been able to get through the 6 volumes. I have not met any person who has been able to get through a single volume and I hope that some international agency funded that report and that the Minister of Finance, as it were, does not have to write a cheque and really pay for that effort. It was important that it be written in language that ordinary men and women can understand and it has not been written in such a way and that Report should have been rejected by the Government.

3.45 p.m.

One important point was made and that is that there **are** several biases in Barbados against export and that if we **are** to improve our **infrastructure**, the involvement in which industrial activity and export takes place in Barbados we have to remove those biases. One of the most important of those biases, if I may say so, is the question of taxation and I think that if the Honourable Minister of Finance and **Prime** Minister is serious in respect to the promotion of manufacturing and export activity in Barbados that even in these difficult **days** we must find a way in which we make it attractive through the removal of a lot of the taxes for would be manufacturers and existing manufacturers to get into the business or continuing the business with new energies and new hope. I **am** much obliged, Mr. Speaker.

Hon. E. E. GREAVES: Mr. Speaker, I just want to make a short intervention on this matter which relates to the Bill for the establishment of the Barbados Investment and Development Corporation. Now, Sir, the Honourable Member for Christ Church South in his intervention indicated that the model which this administration is **seeking** to provide through this legislation, that is, which will see the export promotional aspect and the investment aspect being merged into one organisation. It is not necessarily the only model which is in existence and it would not guarantee success. The fact of the matter is that we admit there is more than one model. One model in which you have the two organisation functioning separate and independently and another model where the emphases **are** merged into one organisation and that is what we are seeking to do here by the introduction of this particular legislation. I take the point that you **can** build any kind of institutional model you would want, conforming to **all** of the classical ideas of institution building but if the persons who people the institutions do not give the kind of direction, do not have the **kind** of outlook and indeed

cannot perform in the way in which they are expected to perform so as to deliver the services which are required then that institution will not realise the ultimate in its performance. So that what I **am** saying is that here it is we are going to rebuild an organisation with a merger and I am sure that the strictures and the comments which have been made by Honourable Members who have spoken on that are well taken, that is, that we should **seek** in the establishment of this new organisation to ensure that it will be staffed with people who have the dynamism and the **kind** of outlook that will enable them to perform effectively the job which they are required to perform. I believe that the persons who presently staff the organisation who may very well care to continue an association with the organisation will be able to rise to the occasion of having the **kind** of motivation that will enable the organisation to function in an effective manner.

Now, Sir, I think that the whole question of attitudes is a very important aspect and I recall some time ago, I think it was in a Budget speech of 1991 where, when I spoke, I paid particular attention to that and made reference to an attitude which I see developing or has developed within the public service which worries me and which ought to **worry** people who are concerned about the development of this country and about the direction in which this country is going.

The Honourable Member for St. Joseph made some criticisms about certain aspects of the public service which ought to be taken into consideration. The Immigration Department, I too have heard about difficulties in processing applications at the Immigration Department. I am having concerns about the undue length of time applications take to go through that particular system. The way in which, sometimes, other public servants seem to think that Barbados is the centre of Universe and that everything that happens in the world must centre around Barbados and the world is waiting on Barbados. If they do not recognise, as the Honourable Member for St. Joseph has said, that there are literally dozens of countries in the World who are seeking to attract investors whether they are investors in the industrial sector, the sector relating to informatics, in the tourism sector, whatever sector it is, there are many countries in the world which are also out to get that particular piece of the pie and I would even dare say, even in North America, **from** which we are attempting to attract most of our investment – I am not saying this is the only place where we **can** attract investment – that even within that continent there are States and areas which offer incentives to industries to move and indeed to relocate to their particular areas, So the competition is a very tight one and therefore our people who have to make decisions and who must be involved in pushing our investment promotion and our export promotion must understand very clearly

the kind of competition which there is. If we can get over this particular hurdle in this new arrangement I am satisfied that we would have solved a very important problem which still confronts this country. Indeed this particular organisation could become a model, setting the example as it were, for other public sector workers to follow. I would certainly hope so.

The Honourable Member for St. Joseph referred to the halcyon days when exports, he said, from the manufacturing sector topped \$½ billion. What of course he did not indicate was that this was skewed very, very far in favour of one sector and indeed one major company within that particular sector. I am referring specifically to the contribution which a company like INTEL made towards the export earnings of Barbados. The reasons have been debated and they are well known to everyone why INTEL pulled out of Barbados. It had nothing to do with the Government but because of the fact that they were re-organising and there was a down-turn in the electronics sector they took a decision to close down the Barbados operation. When that happened, that took out a considerable chunk in the export earnings of Barbados. It demonstrated very clearly that even although there was a lot of boast about the diversification of the industrial sector, it showed how weak that sector was and the fact that one major company was the foremost earner of foreign exchange in Barbados.

3.55 p.m.

We are still very much in a situation where we need to diversify investment opportunities. We need to diversify the kinds of activities which we are seeking to bring into the country that will earn us foreign exchange. This brings me to the point made by the Honourable Member for St. Joseph where he indicated that the Minister in his introduction seemed to have dwelled almost exclusively on the drive for developing the informatics sector here in Barbados.

I am sure that the Minister did not intend for this particular impression to be created because the Government recognises that it has to continue in the efforts to attempt to broaden the industrial base. It is true we have lost our competitive edge for a number of years. The garment industry which in the 1960's and 1970's employed a large number of people and earned some foreign exchange for Barbados will never ever be able to employ the number of people that it employed before.

Aside.

Hon. E. E. GREAVES: In those days, we concentrated on bringing in operations which did not require any particular skill and where wages were low and

the conditions were not the proper kind of conditions which after a time people began to accept because there were other opportunities,

The manufacturing sector also encountered a number of difficulties and the Barbados Labour Party set up the Barbados Furniture Trading Company. A study which was done, commissioned by the Barbados Labour Party, indicated that up to I think it was 1988 that the Barbados Furniture Corporation had lost over \$2 million and if it had continued on that trend by 1994 the losses would have been in excess of \$12 million or \$13 million.

The fact of the matter is that one of the major problems relating to furniture manufacturing in Barbados has to do with the availability of raw materials. We do not have in Barbados the raw materials in the quantities and the varieties which would be required for this particular sector for making the kind of impact which it could make. Because to a large extent the mahogany and the other materials basically have to be imported and we have no control over the cost of that.

Let us face it. We have our competitive advantage in these particular areas mainly because of the fact that our standard of living in Barbados has changed. We cannot have our cake and eat it too. That is, on the one hand we boast about the quality of life which we experience here in Barbados. Of course, if we are attempting to maintain this, it can only be maintained if people earn the kind of wages that would enable them to maintain this quality of life.

Sir, I am not saying this to defuse my mind or impress upon anybody that all that is required is for us to pay high wages. It is my view that wages at any level and certainly in a situation where we are in a high wage area that productivity is very important and must be one of the very important objectives which we set ourselves. If we continue in a situation where no attention is paid to productivity and wages are looked at to the exclusion of productivity, then we would find ourselves continuing in the kind of situation that we are in. Even though making the point about garments, furniture manufacturing and the other sector raised in relation to electronic processing where again we have lost some advantage there, it is the Government's belief and I am sure that the Honourable Minister when he replies would emphasize this point that there are still opportunities available to us in this particular area and the niche market on the upper end. This has to be very carefully selected so that we would still be able to utilise some of the skills which we have. I have no doubt that there are designers in Barbados whose designs can hold their own internationally and in the regional market. Therefore, one would hope that this Corporation will see as one of its major responsibilities to identify these producers and try to ensure that they get the kind of exposure and promotion which is very important.

The same thing goes for our furniture. I have seen some pieces which have been produced by furniture manufacturers in Barbados which again are remarkable. But we have to recognise that we may very well have to change the whole process of furniture manufacturing and having people believe that they must produce an entire piece of furniture. In Denmark and in Europe generally speaking where lots of furniture is produced, you find that people produce **furniture** for export and different people produce sometimes different parts of the furniture and then they are assembled on the other end.

Sir, I am saying that we have to look at different ways of doing things. I am sure that with the new organisation coming on stream they will be able to do a number of these things.

The other aspect is the whole question of the organisation in the areas at which it is looking. I am sure that the Minister will mention the thrust in the area of food processing which this administration is **seeking** to encourage and indeed we have dedicated a particular building which will be for that purpose. My information is that that is doing extremely well. It is these kinds of areas that ought to be encouraged because they give encouragement to indigenous people to become involved in this particular area. When one looks at the functions of the Corporation, it is true that a number of these functions are already included in the Industrial Development Corporation Act but they are repeated here for a particular purpose. I think that greater emphasis must be placed on Section 4 (f), that is the development of the indigenous **manufacturing** sector. There is a feeling in Barbados and I think, Sir, that it is a misguided feeling. But there is a feeling among the manufacturing sector in Barbados that the Industrial Development Corporation, as it is presently constituted and operates, seems to be interested only in promoting investments from outside of Barbados and encouraging investments from outside of Barbados and do little or nothing to encourage the indigenous manufacturing or to encourage investment in this particular area. I am saying, Sir, that this new organisation must **see** as one of its very important thrusts the encouragement of the development of the indigenous manufacturing sector. It is something which we have to pay considerable attention to.

4.05 p.m.

It brings me to my final point, the question of entrepreneurship. Over the years, unfortunately, when one examines the history of manufacturing in Barbados, one **gets** the impression that there is a feeling that people have to be helped and guided at every step of the way. One really wonders, in truth and in fact, whether they are entrepreneurs in the true sense of the word or whether they could only function when there is support from the

Government, when the Government is there at every twist and turn holding their hands and leading them from stage to stage. When do we move beyond that particular point? When do we move beyond a point where the manufacturers feel that they should only be concentrating on producing for a protected market in Barbados or within the CARICOM region? I am saying we have to move beyond that point. We have to develop, as I said in that same speech to which I referred, a new cadre of entrepreneurs, a new cadre of people who will try to carve out opportunities, **see** opportunities and try to develop them **and** not just wait for the Government to hold their hands **and** take them every step of the way.

The Industrial Development Corporation, as the Minister has indicated, has developed a number of project profiles and it is common knowledge that these project profiles are there, but I wonder how many local people, how many "indigenous entrepreneurs" have gone to the IDC to seek out these project profiles to **see** what opportunities there are. I doubt very much anyone has gone. Maybe the Industrial Development Corporation has to do a lot more in **terms** of promoting these kinds of activities and in terms of promoting its services. I would hope that no effort will be spared when the new organisation comes into being in trying to make people in Barbados – entrepreneurs, **workers** and the general public – recognise that their efforts are to be designed for the improvement of the quality of life in Barbados, for the provision of jobs, for the broadening of our skills base and for the earning of foreign exchange.

I have no difficulty, Mr. Speaker, in supporting this Bill. I thank you.

Mr. H. A. BLACKMAN: Mr. Speaker, I will make a short intervention on this Bill.

What has been coming through to me recently is that there seems to be general recommendations either to close down or to amalgamate institutions. Recently I have heard about the closing down of **BADC**, now you are closing down the IDC and EPC, and if in closing down these institutions the motive and the reason would be efficiency, one would tend to agree. I seem to get the impression, Mr. Speaker, that the **idea** of amalgamating or closing down is done in an effort to cut costs or to save revenue. That is how it appears to me.

Mr. Speaker, I need to be told, with regard to the present Bill, if this recommendation to close the IDC and the **EPC** was discussed with senior persons in the Ministry of Trade, Industry and Commerce and with senior persons in IDC and EPC. If so, what were the views of these senior persons? Did they agree it would be better with regard

to efficiency to close down these two institutions and set up a new one? I would like to hear the differing views that have been put out by these senior persons in this Ministry of Trade, Industry and Commerce so that I *can* have at least some idea of how the persons who are connected with these things on a day to day basis feel about closing down the IDC and the EPC.

I have heard nothing, Mr. Speaker, so far today as to why this new corporation should and would operate better, or more efficiently, than the two separate organisations. Since 1988 in a book entitled "Barbados – The **Need** for Economic Policy Adjustment" – by the World Bank certain problems had been identified **as** acting against any advancement or growth in the Ministry of Trade.

I do not know to what extent these problems have been tackled, or are being tackled. My view is that the problems that had been identified in 1988, and again in this document – "Barbados' Requirement For Sustained Development" – written in 1991, should first be **attended** to before thinking of closing down IDC and EPC and setting up a new corporation. I believe these problems should first be attended to. If the problems have not been attended to, Mr. Speaker, as I suspect they have not been, I would like to know if the Government and the senior officials in the Ministry of Trade are of the view that the problems identified in 1988 and again in 1991 will be more effectively dealt with by this new corporation, **as** opposed to the 2 separate corporations as before.

4.15 p.m.

Mr. Speaker, let me just try to identify a few of the problems that had been identified. I believe, and I **am firmly** of the view, that it does not matter what corporation you have, whether you have 6, 8, 10 or 1, if the problems are still there, the problems have to be solved first. That is my view. Let me just identify some of the problems.

The first statement that I found very instructive in that book was that the traditional manufacturing... I will read from the beginning. It is page 14 of the document, "Barbados, the **Need** for Economic Policy Adjustment." I believe it is a document of the House already. It says:

"While recognising a role for offshore manufacturing and service companies, the traditional manufacturing sector ought not to be neglected."

I found that statement very **instructive**.

In this context, let me say that I have always said and I am going to say it today again that the imposition of duties up front on the manufacturing sector in Barbados was a fundamental error. I **am** calling on the Government of **Barbados** to remove those duties immediately, not at the

end of March, not at the end of April, immediately. I am saying it I have heard since I said it in here on 5 occasions the Deputy Governor of the Central Bank saying that it was an error, that they have discovered now **that** it was an error. We have said it right from the beginning.

It is not that I have any love for the private sector or the private sector has any love for me. It is that I saw the damage that could have been done by the imposition of those duties. Let me explain why I knew **that** damage could have been done. In this document, "The **Need** for Economic Policy Adjustment," written in 1988 by the World Bank, a statement was made which said:

"... many indigenous **firms** [in Barbados] are in a precarious financial position."

Mr. Speaker, if you impose duties up front on these **firms** that it was stated are in a precarious financial position, they will have to close down and that is what is happening. I go further to explain why I have always been against the imposition of those duties. If a **firm** has to tackle the added burden of an imposition of import duties it prevents that **firm** from taking advantage of any sort of ease on the export side. Let me explain what I mean.

Hypothetical though it may be, if I had a **firm**, and I was operating in a precarious position but at least I **was** able to import inputs without duty, I might be able to import even additional inputs. I may only need a certain amount for the immediate time, but the fact of the **matter** is that if I **am** able to import an added amount, if say, St. Lucia called and told me, if I were making chairs, **that** they would like 500 chairs from me by such and such a time, the person who was able to import the additional amount of inputs might be able to fulfill that order. The person who has **had** the added input of duties on him can no longer import that amount of inputs and therefore he is at a disadvantage to fulfill that order because of the duties that had been imposed on him. He could not import the additional amount that he needed to make the chairs.

Mr. Speaker, it goes further. I believe that in a situation where the Government finds itself, let's say, in a recession, the Government finds itself in a position where it has to lay off people, everything should have **been** done to **ease** the manufacturers and the private sector so that they would have been able to absorb **some** of the persons who had been laid off by Government I think I **had** made that point before.

What is more interesting is that certain people in Barbados seem to have a knee-jerk reaction whenever they hear about the private sector. They are saying that the private sector had been given a lot of incentives and did not make use of it. Mr. Speaker, even if that were so,

you do not in a situation such as we **are** in at the present put added burdens on the private sector at a time when you would like the same private sector to absorb the **people** whom you **are** laying off.

Those people who make that statement remind me of a **person** who would say that because the West **Indies** Cricket team did not make runs in a particular series that you should dig up the pitch for them to bat on the next time they go out to bat. That is my reading of that situation. In my view, that is a knee-jerk reaction to the private sector, therefore you have to put them in their places.

I am very serious about this. I have identified one problem that was identified in that book. One of the other problems that was identified was that for furniture making and garment manufacture, firms need new equipment and modernised work places. Another problem identified:

"a facility that provides lower interest longer **term** loans that are currently provided by existing institutions should be set up."

Mr. Speaker, I am strongly of the view that these problems should be tackled first and until I can hear the advantages of this new corporation in solving those problems that have been identified and **until** I can be assured that this new corporation can more adequately solve these problems that have been identified, and until I can be assured that this new Corporation can more adequately solve these problems that have been identified, I will reserve my opinion whether these 2 institutions should have been closed down for this one institution. When we go to this single institution the problems still remain.

4.25 p.m.

Mr. Speaker, all of these problems had been **identified** in these two **books**, 1988 and 1991. It says technical assistance is needed in several areas. The authorities need to identify clearly what Barbados can produce and sell. These are problems that have been identified, which are problems to be tackled if there is to be any growth in our manufacturing sector.

Mr. Speaker, it goes on, and this is one recommendation with which I really cannot square with, a statement made earlier and this is reading **from** these **books**. It says that you should reduce the protection of import substituting activities and ensure that all exporters have access to imported inputs on a free trade basis. Today in Barbados, and I have noticed that throughout many of the programmes which we are now going through the argument is being put **forward** that you remove all incentives and subsidies from **firms** producing for the local market but give them to firms producing for the export

market. I cannot agree with that argument because in these **books** as well it has been stated that if you are going to remove the duties from these import substituting **firms**, that they should be removed gradually which is obvious because one does not get up one morning and say, I am going to export tomorrow. So if a **firm** is producing for the local market and doing a good job and I always use the example of the Biscuit Company although the Biscuit Company exports now as well. If the Biscuit Company is making biscuits for Barbados and is getting subsidies and incentives am I to believe that because the Biscuit Company is not exporting you should remove the subsidies and incentives and give them to a company that is exporting? Or tell the Biscuit Company's Directors you have to export if you want this subsidy. I do not believe that is the way you should go. I can understand that the person who is manufacturing or producing for export should be given added **incentives** but I do not believe that you could just get up one morning and say remove **all** the subsidies or incentives from a **firm** because it is not exporting.

Mr. Speaker there is one other thing I need to touch on before I finish. I notice that in this book, "Barbados Requirements For Sustained Development, August 9, 1991", it was stated and it was enunciating some of the problems facing the manufacturing and the industrial sector. It says that **BIDC's** role in building and renting factory space is costly and it diverts attention from its other roles. Now I did hear the Minister address that problem and he said that particular facet of the **BIDC** role will be given out to the private sector.

But it went on that **BIDC's** provision of marketing services for some handicraft **firms** gives it a role in an activity that could easily be handled by the private sector. **BIDC** and **BEPC** have increasingly been drawn into performing management consultancy services as a result of their attempts to provide individual **firms** with levels of support. Now this recommendation is recommending that be removed. I do not agree with that because **BIDC** provided this service as it were to these **firms**. If you remove that management consultancy and support service, who is going to pay for it?

Mr. Speaker, I do not want to take up much more time of the House. I just want to say I would like to hear why it is that we believe that this new Corporation will do a better job in solving these problems than the 2 Corporations or institutions we are now closing down to be replaced by this one?

Thank you, Mr. Speaker.

Mr. O. S. ARTHUR: Mr. Speaker, the presentation of this matter by the Minister bothered me somewhat if only because the Minister seemed as if he was concerned

with the details of who should be responsible for the maintenance of **property**, who should be involved in a lot of **small** matters at this institution. Like the last Member who has just spoken, I do not believe that **the** Government has yet advanced a coherent or a full-fledged rationalisation for **the** reasons behind its decision to abolish **2** institutions and substitute them by one.

It is my belief, Mr. Speaker, **that** it would be safe to say that **the** new policy by the Barbados Government to amalgamate institutions such as the Agricultural Development Corporation and the Barbados Marketing Corporation, we are told it is in the works, and now this effort to substitute the IDC and the **EPC** by one institution, these things properly form **part** of the institutional **pre-conditions** that the Government of Barbados has to meet in **order** to qualify for **structural** adjustment support from institutions such as **the** World Bank and the Inter-American Development Bank. These things are facts. And if the Government of Barbados **knows** these things **are** institutional **pre-conditions**, it should say so because they **are**.

I had the opportunity when I was in Washington in the summer, Mr. Speaker, to **discuss** with the person in the World Bank who is responsible for the Barbados projects aspect of this. I knew about the amalgamation because I went to Washington in the summer. If you want **to** know what is happening in Barbados you must go to Washington. The Government must say that the Government of **Barbados** is in the **process** of making a large number of institutional changes to its statutory institutions. It is selling some. It is amalgamating some. It is seeking to **rationalise** functions as part of its negotiations with **the** Inter-American Development Bank and the World Bank with a view to getting **structural** adjustment financing.

Now, Mr. Speaker, to me all structural adjustment should involve is finding new and better ways of doing old **things**. I really believe that the Minister has not said enough to substantiate that the structural adjustment aspect of this **amalgamation** is about finding new and better ways of doing old things. That really is my concern with **this particular matter**. And in many respects that is what this debate should be about. Because it is clear to us that Barbados has reached a crisis in respect of its export development. Barbados has reached a crisis in relation to the manufacturing. I really believe therefore that any new initiative that is designed to **address** the question of export development manufacturing and **investment** has to start with **the** recognition **that** we start with a crisis, understand what **has** led to that crisis and therefore build upon the lessons that that crisis **can** teach us.

4.35 p.m.

But before I go into all that, Sir, I really must underscore the point that has been made by the Member for

Christ Church South to the effect that we will never, in Barbados know, whether the Export Promotion Corporation could have been a success or not.

I am involved in a regional project studying the experience of a lot of Caribbean countries. In Trinidad the **IDC** has been organized as **the** one-stop shop and they call it the one extra stop shop whereas the Export Promotion Corporation in Trinidad is generally regarded as a success largely because the leadership of the Export Promotion Corporation in Trinidad has brought to bear on its matters a level of entrepreneurship that is cited as being more akin to the operation of a private sector institution than a public sector institution. Mr. Speaker, when we observe the statistics they show that the Government subvention to the Export Promotion Corporation dropped **from \$2.5 million** in the context of a \$680 million Budget in **1986 to as low as \$1.6 million** in the context of a \$900 million budget two years after and that between **1986 and 1992** Government's budget doubled from \$480 million to **\$1.2 billion**, the subvention to **the** Export Promotion **Corporation** declined from **\$2.5 million to \$1.9 million**. A strong *prima facie* case exists that the Export Promotion Corporation was **marginalized** by the Democratic **Labour** Party. Therefore, Mr. Speaker, Sir, the question **as** to whether Barbados should have an Export Promotion Corporation or not has not really been properly decided. I myself have before offered the opinion on the Floor of this House that I believe in an Export Promotion Corporation not necessarily doing some of **the** things that the Export Promotion Corporation used to do...The experience of far **Eastern** countries in particular shows that when **the** Export Promotion Corporation is subsumed in matters such as marketing and planning trips to **Margarita** and so on, it does not **fulfill** its best functions. It has to be a catalyst for strategic **planning**. Its broader function **has** to do with studying the international product cycle and from that exercise doing serious strategic planning work that can facilitate export development, export planning. I will give you an example, Mr. Speaker, Sir.

From **1965** Raymond Vernon developed the notion of the international product cycle. Products come and products go. We who are open economies have to keep studying the international product cycle to know when products **are** coming, products are going, to know when products **are** becoming obsolete so as to be able to know when we have to start looking for the replacement to the products **that** we believe that are viable **today**.

The whole question, for example, Sir, of **INTEL**. If somebody were to study the international product cycle they will know that **INTEL** was developing new product technologies to take the place of ones in use in Barbados and that strategic planning would have had to take place through an **Export** Promotion **Corporation** to look at

what could be the other institutions, the other companies that could be attracted to **Barbados** in that field drawing upon the new technologies being developed to replace one that was becoming obsolete.

I feel that an Export Promotion Corporation cannot also be only concerned with manufacturing. In a small economy the Export Promotion Corporation must perform not a specific function to manufacturing but a generic function dealing with **export** development wherever exports are to be found. Even in relation to sugar, Barbados has never really had a serious export policy. We believe that exporting sugar in Barbados is **taking** raw sugar and exporting it. There **are** other countries in the world that have diversified their sugar products. If we had a serious Export Promotion Corporation, even **the** export of sugar and the maximization of the **proceeds** from the export of sugar should properly be a **preoccupation** of that institution.

I conceptually do not believe that export promotion and industrial development are one and the same function although they are part of one and the **same** process. I like the **Trinidadian** model where they **treat** export promotion as across the board functions, it cuts across all sectors. They have an institution specialized for that and industrial development is as separate from export promotion as agricultural development **or** tourism development.

Mr. Speaker, **Sir**, the biggest export sector in Barbados is tourism. But I would hate to believe that anybody in this new institution is going to be telling us about tourism development. **That** in every respect, as far as I am **concerned**, explodes the illogic of **treating** export promotion and **industrial** development as one and **the same** thing. In our economy **export** development must involve tourism development, **agricultural** development, industrial development, foreign services development and we must have, as a small open **economy**, a specialized well equipped, well financed institution to handle **that**. Its role is not to be about marketing. It is to help us with the strategic planning. And **that** therefore an Export **Promotion** Corporation can assist us in developing the tourist product by **looking** at **the** trends in the market and be able to advise policy in relation to where tourism products **are** going and where we should be **10** years from now, what we should be doing now in order to reach a position that we want to reach **10** years hence. That is the role of an Export Promotion Corporation for me.

I really believe that it is an **error but** that if the Government really has to do this as part and parcel of its compliance with the World Bank, Mr. Speaker, **Sir**, so be it. Thy way **not** mine. I have **already** said on the Floor of this House that to me an Export Promotion Corporation assumes, in relation to the red **sectors** of the economy, the same kind of significance that **the** Central Bank should

assume in relation to the management of **the** financial system and that an Export Promotion Corporation should have the significance in a small open economy in terms of resources, in terms of standing institution as does the Central Bank of the country. I stand by that and the Barbados Labour Party is committed to that. But the House should understand that export promotion in our **country** touches **all** the sectors **and** to the same extent that nobody would locate a tourism function in this institution, to that extent, we might have to come back at some stage and look at the rationale of having an industrial function in it.

But there **are** some countries in the world that have gone this way. In Jamaica you have **JAMPRO**. I would urge members on the other side to look at the Report that has recently been **submitted** to the Jamaican Parliament on the operations of **JAMPRO**. They have however **been** helped substantially by having entrepreneurial **types** in the institution. The **truth** of the matter is that this institution, like any other institution, will only be as good as the people you put into it. All **institutions are** a collection of people, **first** and foremost, held together by laws and regulations. But it is the people that matter. To the extent that we **are** going to have an institution I really would hope that the Government is going to make sure that we have entrepreneurial types in the institution otherwise this is just going to be another fascinating waste of our time.

Now having said all of that, Mr. Speaker, the real concern is my initial point, that this institution is born out of crisis, it is born into crisis. That crisis is **that** for the past so many years there has been a flagging in our investment effort. The Prime Minister loves to **tell** us that the level of capital formation in Barbados has risen but he stopped short of saying **that** the **concentration** of the investment has been in real estate, private housing construction and the construction of malls. Barbados however does not now have an investment composition **that** would allow us to be able to **underwrite** development for the next 25 years. We have to deal with that. The question is, is this institution going to change it? The other major crisis obviously is the whole question of export development.

I want to bring a point of departure to this debate. In **1982** some Professors from the **United** States of America, Professor **Ranis** and Fei did a study of Export Production and Incentives in the Caribbean in which they, at that time, cited Barbados as the exception. Their argument then was that there is a direct relationship between the level of protection and the efficiency and capacity of a country to export. The more you protect local industry, the less willing they are to export, the more comfortable they **are** at home and the less willing they are to go out and find markets in the rest of the world. Their empirical analysis of the Caribbean was that Barbados however **was** the exception to that rule. What has happened in this

country is that beginning in 1986, and the Democratic Labour Party has to understand its role in this crisis, that there was that false philosophy that says that we **run** Barbados by boosting domestic spending and that we would treat exports as a residue of the domestic market.
4.45 p.m.

The Democratic Labour Party likes to avoid that, but it is something the Democratic Labour Party accepted as a ruling philosophy. I used to hear a former Member for the City arguing the case that exports must be a residue of domestic production and that if you could just boost up the domestic economy that you will at some stage in development reach a stage where you could start to export. I call it, Mr. Speaker, Sir, the coucou and flying fish mentality that because you produce coucou and you like coucou that the rest of the world must like coucou **too**. That philosophy of 1986 has in fact been supported by policy because the whole drift of taxation and trade policy since 1986, Mr. Speaker, Sir, has been more and more ...

Aside.

Mr. O. S. ARTHUR: Year by year your Minister of Finance has been bringing to this House all those various things raising consumption taxes, stamp duties on extra regional imports, providing higher walls of protection for local **industry** and creating a greater and greater disinclination on the part of people who were successful here to want to export.

So, Mr. Speaker, Sir, the Democratic Labour Party has helped create this crisis by the nature of its policies since 1986. If Fei and **Ranis** had to come back to Barbados in 1992, ten years after the document that separated Barbados as the exception in the Caribbean in 1992 they would have to say that we have fallen victim in the interval to the same syndrome, to the same errors that have stopped other persons from becoming dynamic exporters. The question therefore, Sir, at this juncture that the Government must address is, what is your response to the existing crisis where clearly the policies that you have put in vogue since 1986 have shown to be opposed to export development?

Mr. Speaker, Sir, as regards the question of learning by doing, there are some people who believe that if you give domestic industry a sufficiently long time, protect them – local market, regional market – they will learn the tricks of export trade by doing and that eventually they will become extra regional exporters.

There is a document, Sir, put out by the World Bank called the Caribbean Common Market Trade Policies and

Regional Integration in 1997. It is the **first** effort I have ever seen systematically to analyse the question, "Have Caribbean producers learned by doing"? Is there any progression in the Caribbean where people start in the local market, graduate to the regional market and use that learning experience as the basis on which they start penetrating the extra region? Their scientific evidence now is that there is no evidence in the Caribbean that people in point of fact make that progression.

This is very important, Mr. Speaker, Sir, for the formulation of export policy. The point I **am** making, Sir, is that structural adjustment for us must mean that you must find new ways and better ways of doing old things. We want to begin now, Sir, to start a new export thrust. We have to start relaxing a lot of the assumptions, a lot of myths that have hitherto guided, particularly export policy. Therefore I have to **ask** the Minister, Sir, what really is the export development policy of this Government, because this new institution is going to be formed in the context of a situation where, as far as I am aware, the Government of Barbados has not articulated a policy for any institution to execute and if there is no policy, Sir, what is this institution going to execute.

Now, Sir, there is wealth of policy experience **drawn** from all the experiences of so many **countries** in the world, clearly set out in a lot of World Bank documents that point to a number of things that are necessary, for example, for export development. I am going to quote very quickly, Sir, from such a document without making it a document of the House because I believe this is already a document of the House. This is a World Bank Working Paper 725 entitled Instrument for Export Policies and Administration Lessons from the Far **Eastern** experience. I want to carry the House through this slowly because this outlines at least 6 basic things that have been proven to be very important and instrumental in the export development policies of successful countries. First there must be a free trade regime for exporters. Barbados does not now, Sir, have a free trade regime for exporters and it is absolutely necessary to have a free trade regime for exporters. But we have it on our Manifesto. Let us look at the case of a man in Barbados, producing cotton goods who is competing with a man from California. He can buy the yarn at \$10 a bolt and the **man** in California pays that for his yarn. But if in Barbados you impose on top of that import duties, stamp duties and consumption **tax** the mere imposition of the fiscal imposts, something of 150 per cent of the value of the commodity, this will mean that his raw materials are going to cost him \$25 a bolt and he is to compete with the man in California, Sir, who has access to the same cotton at \$10 a bolt. Clearly, Sir, fiscal policy will make that man uncompetitive. So that if you are going to ask people to be competitive, Sir, it is clear that exporters must have access to inputs at world market prices if they are going to

compete on **the** world market. That, Sir, in my view, is an absolute **pre-condition** and if it is not in existence, Sir, we can forget about export development. That is why, Mr. Speaker, Sir, I was so very disappointed last week that in the common external tariff meetings Caribbean people did not seem to have the courage to let us take our exporters and rather than asking them to come and have to get back the money through some rebate system or so on, let us have the courage to say we are going to zero rate all imports used by registered exporters. Once you **are** registered as an exporter in the Caribbean you must have your inputs at zero rates. I want to tell the Government of Barbados I feel the CET should reflect the zero rate for registered exporters in the Caribbean and that people should not have to come to the Minister. If it is your policy to give them the imports at a zero rate, it should mean they do not have to come to the Ministry of Finance every time they are going to import a shipment to get a waiver, it is foolishness. Pass it through the trade system, and so there would not be any more confusion once you register as an exporter.

I also feel, Mr. Speaker, there is a lot of confusion in the Caribbean and elsewhere as to what you will do with **the** man who is half in the export market and half in the local market. The producer has an import coefficient. **You** know what percentage of his raw material goes into production for export? For every shipment of raw materials give him that same portion duty free and let it, Mr. Speaker, Sir, be the **rule**. But not only must they do that for **the** external tariff but I **am** also saying, Mr. Speaker, that for next year when the Government brings the VAT or whatever else, that for consistency as well, I expect to **see zero** rates on inputs used by exporters as well. Because there is no point having a zero rate on import duties and **then** the Government impose a consumption tax or stamp duty on the inputs.

I accept, Mr. Speaker, Sir, that a free trade regime for export is a *sine qua* non for successful development and we must not fool around on this **anymore**. We will not go forward once our exporters **are** priced out of this market purely by reason of Government imposing taxation on its imports. At least allow them to operate on the same basis as their competitors abroad.

Mr. Speaker, Sir, these documents also speak in terms of automatic access to export financing and it is this institution, Mr. Speaker, Sir, that can assist in broadening the **horizons**. Part of our problem in Barbados is precisely that we do not have any commodities to sell. The **recapitalisation** of the manufacturing sector in Barbados stands out as a very important imperative. It is addressed in our Manifesto. We believe in the BLP that there must be an Export Development Fund, the purpose of which is to finance the creation of the kind of export capacity in **Barbados** that will put us in the position where we have

something to sell. I believe, Sir, that if the Government of Barbados *can* find the way of negotiating with their multilateral partners as part of its structural adjustment programme funds to put into an Export Development Fund we will really begin to find new ways of doing things in this country. But again, Sir, with the absence of access to serious export financing, there is a very serious limitation in Barbados where export development is concerned.
4.55 p.m.

Now **the** experience of other countries has shown that a realistic exchange rate is a necessary pre-condition for export development. I **am** not going to get into that particular matter since the Government is totally qualified to determine what it wants itself. But the fact is that a realistic exchange rate regime would be generally regarded as a necessary condition. It has been shown that competitive pricing in areas like labour, compensatory export incentives and financial institutional support **are** all very vital. In the final analysis, Mr. Speaker, the creation of what I would call a sustainable environment within which people can take serious business decisions is necessary to support investment of any kind and more particularly export investment. Barbados' problem right now is that the Minister of Finance really is such a policy character that one cannot think seriously in terms of his having created a sustainable environment where these investments *can* take place. One minute he takes back duty relief. The next minute he imposes it. There are documents that have been on his desk rendering vital advice on investment directions for years.

I am saying that at the end of the day export development takes place within a conducive policy environment. For example, Sir, there is no point of setting up a one-stop shop if the Immigration Department is not in good shape and if **all** the institutions surrounding the one-stop shop are not functioning. You have to have a sustainable environment conducive to investment planning.

In many respects, and I want to conclude on this point, in the process of the structural adjustment programme the Government has to be careful about throwing institutions at problems, Sir, without being clear in its own mind as to precisely what it wants those institutions to do and without at the same time always setting forth a clear policy environment. If you analyse the experience of all the countries that have made it from the status of developing to near developing countries, in the final analysis what matters is not this incentive or that incentive but that they have sustained the environment within which their development has taken place. Mr. Speaker, we are really thoroughly lacking in that management. I will close only by saying, Sir, that if this debate had taken place in any other country and the

leader of that country was also the Minister of Finance, he would have been in the vanguard of defining very clearly for us what this institution is about and I leave you, Sir, on that point.

Hon. D. J. H. **THOMPSON**: Mr. Speaker, I do not propose to be very long. I want to say that the debate has generally focused on the most important issues and were it true that the Government did not have a **strategy**, particularly in relation to the functions of the new entity, certainly the advice which has been given on both **sides** of the House would provide the Minister and the Government with adequate direction. However, I cannot think that there is anybody and least of all the Honourable Member for St. Peter who believes that this Government has not already defined in a very clear way what its export strategy is.

Only last week when we were in this House the Honourable Leader of the Opposition, the Honourable Member for Christ Church West, said that he has at his disposal **all** of the documents which are published by the Foreign Exchange Committee. Apparently, the particular document that relates to an export strategy for Barbados did not cross his desk. But since his agents have been dilatory in getting that information to him and it certainly is not **private** or confidential information, I think that I should take the **opportunity** to indicate to the Honourable Member for St. Peter, who is usually so generous with his own information, that he will have a copy of that document.

The fact is that the Foreign Exchange Committee which **comprises** entities like the existing **EPC**, **IDC** and other Government agencies brought together had spent a considerable **time** in its early stages dealing with the question of competitiveness as a whole and in **particular** in relation to the issue of sustainable export led growth and the factors which will impact on the development of Government's policy in this area. This document is essentially the blueprint which the new entity and the Ministry of Trade would have to use, as I **understand** it, as the basis for the new thrust in this area. I am certain that the Minister can give more information on that.

That particular document **distills** much of the research and much of the work that has been done by many and I suppose draws vicariously on the views of people like the Honourable Member for Christ Church South and the Honourable Member for St. Peter, because they have their own means of channeling information to organisations such as **this**. Government has never been ungenerous in permitting the widest possible viewpoints to be expressed at those meetings.

Now I want to start by saying that this particular debate is a difficult one for those people who have been in

the vanguard of building institutions over the past two decades. I would appreciate myself if 20 years from now and I was still in this House that some effort was made to dismantle many of the institutions which I myself might have had some input in building. So I *can* appreciate that there is not always that sense of clarity and also there is not always that sense of mission about carrying out changes which in essence **seeks** to diminish the role of the institutions that people had a very firm hand in building. Let us be frank about that.

For example, the Honourable Member for St. **Michael** West could not feel comfortable himself in 1992 having to participate in a debate to dismantle an institution which by the Honourable Member for St. **Joseph's** own account was described as a model in the Third World, nor for that matter could the Honourable Member for Christ Church South whose own hands were seen in the implementation of the EPC sit idly by **and see** adjustments made or what can be described as dismantling of those institutions without saying anything in defence of them. I understand the pain and the difficulty and I think that people have to **understand** that in the process of structural adjustment, there are going to be many ideas which are not going to meet with the easy approval of **all** of us in here, but at the same time which are nevertheless necessary and vital. I do not think the kind of - what I would describe as - "intellectual **nitpicking**" about the institution is really going to provide the impetus for the change that is necessary. Let us face facts, the amalgamation is about to take place and let us look at what the institution **can** do to achieve the goals which all of us obviously have determined are desirable in relation to the export sector and the promotion of Barbados as a whole.

5.05 p.m.

Let me begin from the point of view of institutional change. The **IDC** is not the only entity which is going through institutional change, nor for that matter is it the only new entity. The new Barbados Industrial Development Corporation would not be the only new institution that is going to be changed. The Government, for example, has established a privatisation unit with a clear **mandate** in relation to the divestment of Government assets and rationalisation of some of the existing investment portfolio of Government in some private companies and so on.

We are also in the process of establishing within the Ministry of Finance an offshore secretariat the purpose of which is to deal exclusively with the processing of the various documents which are necessary to facilitate the very speedy issuing of **IDC** licences and the negotiation of **tax** treaties and other areas like that. These entities are going to have over time to define on the basis of the personnel who work with them and their understanding

of the issues that are involved and also the policy directions of Government the new **thrust** that we **will** make in various areas of economic development in Barbados.

It is not true to say that there has been this large amount of overlap. What there has been an absence of is coordination. Sometimes people are **walking** around in a tizzy doing things which other people have either done or those things are their responsibility. Let me disabuse anybody's mind of the fact **that** there is anything wrong with the establishment of a one stop shop. I agree with the concept of a one stop shop. I do not think that the way in which the Honourable Member for Christ Church South envisages it is the way **that** I envisage it.

There are, it is true, functions which are vested in individual entities such **as** the Central Bank and the Immigration Authorities and the Health Authorities which require actors in those departments exercising their own discretion and therefore one cannot say that we want to establish any super bureaucrat in Barbados who stamps a letter and says, "I am not even going to consider the advice of any of these entities". The objective of the one stop shop is to bring those people into very early decision making on the particular proposal. For example, there are countries which have established one stop shops which have representatives of the Immigration Department, Health Department, Town Planning Department and so on as part of their Committee who look at a specific development and says that these are the things we are going to approve in respect to this development and once the stamp of approval is put on the document that particular development then has a very smooth and easy passage through the bureaucracy. **That** is the objective in my view of a one stop shop.

In relation to the **IDC** my own understanding of the original concept of the one stop shop related to the question of the development of small business and it is very clearly outlined in the Democratic Labour **Party** manifesto which the Honourable Member for St. Peter, I am certain, reads very often, whether for amusement or otherwise, in which we indicated at page 14 that

"A **DLP** Government intends to consolidate into a One Stop Shop the services of public sector institutions catering to the development of small businesses. The main functions of the Bureau will be in the following areas:

1. Finance
2. Technical Assistance
3. Product Development
4. Skills Development
5. Feasibility Studies."

It goes on to outline that aspect of the one **stop** shop. The objective is to move to a situation where we **can** speed up the process.

The Island of St. Lucia which everybody seems nowadays to point to when they recognise that the **NICE's** have **different** cultural traits and different governmental structures and they tend to turn closer to home and they point to islands like St. Lucia where a one stop shop has been established and where the stamp of approval **can** be given to an investment and it can proceed.

Of course, the point which the Honourable Member for Christ Church South made is very important. The level of democracy in countries differ. There was one Prime Minister who went to a large hotel development in St. Lucia and decided to **turn** the sod even before the stamp of approval had been given and indicated to the Board **that** as far **as** he was concerned that was the approval. Those **days** are done, as far as I am **concerned**, and I **am** certain Honourable Members would **not wish** to encourage those kinds of developments or features in our industrial development. Therefore, we have to seek through the Barbados Development Corporation to bring those agencies together which would have a great impact.

Let me make the point in relation to the question of zero rating of inputs in relation to export manufacturing. One of the very **first** things that the Government turned its attention to after the 1992 Budget, or I should say, **on** my own entry into the Ministry of Finance, was the question of creating a special regime for Barbadian **manufacturers** who are involved in export. Some of them came to us and said that they were able to separate their inventory in such a way that they could identify the export portion of that inventory. In doing so, the Comptroller of Customs said it would be very easy for us to develop a policy where those inputs would not be eligible to the various imposts. This has been developed.

It has been followed by a whole host of other areas since then and, thank goodness, I can say that I do not have therefore to add to the burdens which persons like yourself and I and other parliamentary secretaries and junior ministers so called have to endure of going home every night with 10 and 15 files dealing with questions of waivers, most of which are only of nuisance value. I am certain you will commiserate with that kind of scenario because you have been through it. The point is that we need a much more transparent system for dealing with issues of this **sort**.

I believe that the same export strategy document **sets** out very clearly the kinds of incentive structures that Government should develop and makes the point - which

everybody makes - **that** the system should be transparent and it should be **legislated** and it should not rest at **the discretion** of a Minister. There is **no** Minister who really wants to be involved in **that particular** exercise. It **can** be very **time-consuming** and your **energies** could be spent doing other important things.

This is not only in relation to the export sector **as** in export manufacturing, but it applies to the offshore sector, tourism and a whole host of other areas in which the present system is very inefficient. Let me **also** say that over the coming months **assets** are going to be available to the people of Barbados through Government's programme of privatisation. I want to spend a bit of time on this matter, Mr. Speaker, but I am not sure that **this** is the **appropriate** time to deal with the question of privatisation in view of the fact that most members of the Opposition have already spoken and may wish to **do that**. I do not wish to divert the debate, but let me **make** the point **that** we have made shares available in the Pine Hill Dairy which is a manufacturing entity which has great export potential and which, therefore, should form **part** of the interest of the new Investment Development **Corporation**.

We also will have on the market soon shares **from** the Barbados Flour Mills Ltd. which will come **back** on to the market and the Barbados External Telecommunications, both companies of which either their subsidiaries **a** directly **are** involved in **export** manufacturing or **export** of services and which again the **Barbados** Investment Development Corporation should in my view **see** as its **permit** to forge ahead in encouraging Barbadians and others to invest in those entities **as** those **shares** become available. 5.15 p.m.

The important point is that the privatisation policy does not only relate to the question of the sale of these shares but also relates to the many **opportunities** which now would be provided to the **private** sector of Barbados through the contracting out of **services** by the IDC and **also** the divestment of building operations at the **IDC**. **These** are areas the private sector can be involved in and **probably** should be involved in and should add some impetus to the privatisation programme of Government.

On the question of **staffing** I think members made very important points. The Honourable Member for **St. Peter** indicated his view is that the persons who you put in the institutions **are** critical. Let me say the lesson to be learnt is a very simple one. Most of the world **trade** centres in the North American cities that I have visited have been **headed** by immediate graduates of MBA programmes who are given two-year contracts with specific **performance** targets. In North Carolina I noticed that. I am not saying

that in Barbados we **can** emulate that because I do not think we would have enough graduates **from** **MBA** programmes. But at **the** same time there must be **opportunities** for us to **encourage** people to be involved for shorter periods in very selective and important **thrusts** in the **area** of marketing Barbados and the promotion of Barbados in relation to industry and **exports**. This is very important.

Nobody has made the point here that a new institution will automatically change people's attitudes.

Aside.

Hon. D. J. H. THOMPSON: Precisely **and** therefore you **should not** challenge a non point. If therefore Honourable Members spent the whole afternoon trying to make the **grand** point that this new institution is not going to change anything or change people's attitudes, it **seems** to me that you have really argued yourselves against a non point. It **has** never **been** argued here that would be the **case**.

The point is **that** change requires a number of things. It requires advocacy. That is very important. Perhaps, we in **Barbados** do not do enough in relation to advocacy of change and therefore things come at the last minute **and** very often we **rush** to implement change without having the **fullest** possible discussion but change needs advocacy **first** and it **also** **needs** institutional dismantling. **Let** us be very frank about **that** and even though we might be sympathetic to the existence of institutions which **are** part of our own political development, we do need to dismantle some of the existing institutions.

There are labour market **rigidities** which develop in some institutions, particularly those owned by Government, where people feel that it is some kind of right or title to their job for which they have no accountability. Therefore, one has to be very careful that when those situations develop, if you cannot change those attitudes and also the individuals very often you might have to change the institution. That is **sometimes** the best way to carry out the dismantling **and** the restructuring exercise.

I do not think there is anybody over there who could disagree with that because you know how difficult it is sometimes to get people to perform particularly where **they** have been in a **job** for a very long time **and** for **some** reason, some beyond **their** control, some of which **they** have full control, they **are** failing to do an honest day's work for an honest day's pay with no levels of accountability.

Aside.

Hon. D. J. H. THOMPSON: You can apply it to any politician. Every **5** years the public **has** an **opportunity**

to **speak** about that. There **are** some people who go for 30 years and nobody asks them a question about what time they get to work so let us not **equate** the role of politicians to the role of persons who function in public office at other levels **because** the issue of accountability is totally different. That point needs to be made very clearly.

Sometimes we need to change the institutions in addition to which the same private sector which the Honourable Member for Christ Church South says need confidence, often **find** that the existence of these institutions as they were initially conceived and as they have continued to **develop**, is the greatest hindrance to the development of **confidence** in the private sector. Therefore as a result of that it is very often necessary **for** the **sake** of restoring confidence to dismantle those institutions **and** replace **them** by either **leaner** and **meaner** enterprises, to use the epithet of **the** Honourable Member for St. Philip North, or institutions which **are** interested in making a new advance in the development of Barbados.

Let me go on to the point that is made about external agencies, the World **Bank**, the International Monetary Fund and the Inter-American Development Bank prescribing for Barbados institutional changes which **are** **conditionalities** to their investment in the Barbadian economy. Nobody has denied that either. Many of **the** documents which are available on this side, circulating in Government Departments and circulating among members of the Opposition are very clear on the **kinds** of changes **that** **are** being recommended in relation to institutions in Barbados.

I do not **know** myself **that** this new entity is the result of any specific advice **that** the Government of Barbados has **received**. **Certainly**, I saw no evidence that anybody had suggested to us that we establish a new entity which is what this is. It has **been** described by some as an **amalgamation** but the Minister made it very clear that this is a new entity which also has new functions.

There is no World Bank, **IMF** or IADB document which has addressed directly the question of the offshore sector or suggested **that** a new entity include the offshore sector. So even if ideas may **assimilate** or get outside of Barbados and one goes along with those ideas, the most important thing to do in carrying out the restructuring is to ensure that the institution meets the objectives that you think are consonant with the national goals. This is my view of what the Minister of Trade has quite clearly indicated in the course of his presentation.

I wish to reiterate again not every idea that originates outside of Barbados is to be dismissed as being folly. There **are** Barbadians who **work** in those institutions who recommend ideas for Mexico, Canada **and** all parts of the world I do not think it is reasonable of us as politicians in

here simply to abandon or throw an idea through the window because it originates in an international institution. I am very surprised when I hear it. Firstly because I say **that** there are Barbadians who work in those institutions who contribute to policy formation and there are few occasions when the institutions themselves develop those policies without coming to the country first and the Honourable Member for St. Peter knows **that**.

The funny thing is that very often you discover that it is the Barbadian private sector, or groups or cliques of people who recommend the very things the consultants go back up to Washington and New York and write in their reports. This is the thing that shocks me that we **are** constantly berating and criticising this advice. I want to make the point **that** very often **that** advice originates in Barbados and the **international** institutions very often make it clear that when they come to Barbados they meet with public officials, and officials in the private sector. Many of their recommendations **are** based on those consultations. I want to make that point clear because I do not wish the impression to be given to anybody that the Honourable Member for St. Peter was merely criticising the idea because it originated out of Barbados because that was not his intention. I am letting the public know that is not your intention and that, like me, you believe that an idea is a good one no matter where it originates and the most important thing is for us to stamp the national character on that idea **and** make it work.
5.25 p.m.

On the question of export promotion, resources made available to the Export Promotion Corporation.

Aside.

Hon. D. J. H. **THOMPSON**: It is self-evident. I do not have to tell you that. I believe your statistics. You do not fool around with statistics, if there **is** one thing you do not fool around with. In fact you probably have problems because you stick too much to the statistics, as you did in 1986. But the point is...

Aside.

Hon. D. J. H. **THOMPSON**: Not me. I want to make this point however that one has to acknowledge that in Barbados over time it is true to say **that** there is a lot more collaboration between Government and the private sector in many areas. If you were to look at the figures that Government uses to promote the offshore sector they may look paltry but together with the private sector there is a considerable investment of promotion of Barbados. That is also so in tourism. So when I hear people talk about the subvention to the Board of Tourism, they totally ignore contributions which the TDC **makes** to promoting

Barbados which the **owners** of the international hotel chains make and which other entities which may not have been in **Barbados** 20 years ago **are** now making towards the effort in promotion. I believe that **that** is also very true in relation to **the** question of export promotion. One does not have to get hot under the collar when it **appears** that there **are** shortfalls in relation to the on budget funding of Government institutions. The objective of many of these institutions is for **them** to be self-financing. Of course this is **one** that does not fall into that category. But **that** is the ultimate objective.

The final point I want to make relates to the question of choices and the Honourable Member for St. Joseph without giving us any evidence of his knowledge of the options **that are** available said that Barbados should make choices now about other players other than the question of **informatics**. I do not know what he was thinking of. The Taiwanese who probably presently have the world's largest foreign reserves and probably the best balances of trade position in the world I believe **are** still identifying every 6 years the next 6 years of development for their country. We have been sometimes out of touch, it is true, in identifying what trajectory we want to go in. Very often I hear people talking, many of the things may sound good but frankly cannot be done competitively in Barbados, and either we **are** going to buy time - this is the point I want to **make** - and wait until we **can** seize an opportune moment as might be the **case** in the sugar industry which we have **to** be very careful about now or we can help **ourselves** in making those decisions by not taking the attitude **that** all ideas must originate in Barbados.

The Honourable Member for St. Peter made the point, when we were dealing with the West Indian Commission, about **new** approaches **to the** question of export led growth **and** the fact **that** we **are** using old **tools** or it was recommended that we use old tools to carry out new advances in **that** area. This is precisely the point. We **are** using old **tools** to identify the strategies that we should pursue. And you can buy that information, that is one suggestion **that** we had, you can invest in the research and development that is going to create the information base on which this will be **available** to you. There are a whole host of options. But let us not think that the policy options available to us must originate either exclusively from the **work** of Government through its Investment Development Corporation.

The newly emerging industries, **telecommunications**, information, consumer **electronics**, semi-conductors, precision machinery and automation, aero space, advanced materials, **specialty** chemicals and pharmaceuticals, medical and health care pollution control. These have been identified by the Taiwanese, not by me, as the newly emerging industries that they are going to focus **their**

attention on. I am not saying we have to focus our attention on any or all of these. But you **are** quite correct in saying **that** perhaps we need to identify the specific advances that we wish to make and we have to find somebody who is going to carry out the research or pay for it **that** would help us to determine the strategy that we want to pursue and then marshal the resources behind this.

The final point, in wrapping up the entire exercise, is **that** one should not feel that because on each specific issue that comes to the attention of Parliament **that** there is not voluminous discussion at the beginning or necessarily during the course of the debate on **strategies that are** to be pursued by Government **that** the information is not there. Frankly it is appalling that anybody would think that Government has no export strategy. As I say the private sector Government institutions and a whole range of interests have sat down together and identified through the foreign Exchange Committee strategies, I can identify them now, not only the traditional exports, the export of cultural properties which include things like music and so on, financial service sector, health **service**. There is a whole range of areas **that the** Foreign Exchange Committee has been working on. This **information can** easily be made available by the Leader of the Opposition who said **that** he has all of those documents to his members and they would have all of the evidence of the work that these entities have been doing over time. But they should be made available to the House and since the Honourable Member for Christ Church West has all of them and I **Q** not, because I was only on the Committee recently, he should extend that courtesy to you, Mr. Speaker, of **making** them documents of the House.

But let us not leave this exercise because of the doom and gloom approach of Honourable Members of the Opposition believing that a new institution is being created and nobody knows what they **are** going to do from tomorrow morning. It would be foolishness for people to even leave here with that kind of notion about the way in which this Government functions. There are a lot of things that are changing and because of the pace at which many of the institutions **are** being restructured and the changes that are being implemented, there is always going to be some uncertainty within the country and also within the institutions. Let us be frank. There is more change going on now in the structures which underpin the Barbadian economy than ever before. The Honourable Member for St. Peter describes it as crisis and perhaps that may be one of the ways in which one could describe it if you are using the Chinese definition of the word. But the point is that those changes **are** going to cause, in many areas, a lack of confidence because people have not yet **c** ed their respective position but more importantly they are going to cause people to take new opportunities as the institutional restructuring takes place.

I have great pleasure in giving my own support to this initiative. I wish to thank those persons who were pioneers in the development of the **IDC** and also the **EPC** for their outstanding contribution in those areas and I hope they will bring the same zeal and tenacity to this new task in the national interest and not in the interest of any selective groups in the society.

Thank you, Mr. Speaker.

Hon. W. O. FRANKLIN: Mr. Speaker, Sir, I just want to thank all of those Members who have taken part in the debate. It has been, in my opinion, a very constructive debate. I have taken note of all the suggestions by all of the Members who have spoken and certainly those that are worth consideration would be considered.

According to the Honourable Member for Christ Church South he said so rightly that no one strategy has been determined to be correct either export industry winning or export promotion services. There are some places that have separated them. We in Barbados have now gone the full circle. We had separated them before. We started with a single one then we separated them. We have brought them together again and I hope that now that we have come the full circle that we would benefit from the experience we have had in the past.

The Honourable Member for St. Joseph also made mention to the aggressiveness that is needed in this present day for the promotion of industry and that point has not been lost on us. It is true that we have not started with a clean slate of personnel but I genuinely believe that they are well aware of the importance of this organization to the well-being of Barbados and that they would be and can be energized to carry out the functions that we expect them to do. One of the things that we are instituting in here is that there is going to be an incentive scheme operating under the Barbados Investment Development Corporation.
5.35 p.m.

The scheme is very much based on the Puerto Rican model in which there are targets that would be set for every five year period and then broken down into year periods if those targets are met and exceeded they would be an incentive. Similarly if the targets are not met the members of the staff would be very certain that whatever means are available to management to show their displeasure at the targets not being met would be shown. So I am fairly certain that as I have said before it cannot and would not be business as usual and therefore the staff will be quite aware of that

To assure my colleague from St. Philip South that those things he brought to our attention, I am not saying that the new organisation will automatically make them

mature but we will consider them. The Honourable Member for St. Peter pursued the point that I very much like myself and that is that the whole export promotion has in the long run to be very full. It has to be health services, education, financial, but obviously there are institutions in place at the moment and you cannot immediately introduce a new institution that would take into consideration all of that, but certainly one of the objectives of this institution would be to work very closely in cooperation with the other institutions to make sure that the man power wherever it is available is maximised and ultimately as we go on, to streamline because I personally feel too that export promotion should be the entire range of services, goods and services and that is the point that has not been lost to us.

As was said by the Member for St. John, it is false to say there is no export policy, Government has no policy. The policy is fairly well documented. It was not within the ambit of time to allow it but I can assure you that a lot of thought has gone on in the formulation of this new enterprise and there will continue to be think tanks going on because we are fully aware of the importance of the organisation.

Let me once again thank all of you for your contribution and I can assure you that the points you have raised would be considered and those that can be implemented to add to the improvement of the structure will certainly be implemented. Thank you very much, Mr. Speaker.

The question that this Bill be read a second time was put and resolved in the affirmative without division.

Hon. B. M. TAITT: Mr. Speaker, Sir, before moving that we go to Committee, I draw to Your Honour's attention that the Chairman of Committees is not in his place today. I beg to move that the Honourable Member for St. Michael East, who is now moving into the Chairman's seat, be elected Chairman for the remainder of the day's sitting, Sir.

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

Mr. SPEAKER: That was in connection with standing order 5.5.

"In the absence of the Chairman, the House may elect any Member then present to act as Chairman of Committees"

The House has so done and I so accept that nomination.

On the motion of the Hon. B. M. TAITT, seconded by Hon. E. E. GREAVES, Mr. SPEAKER left the Chair and the House went into Committee, Mr. J.O. TUDOR in the Chair.

Mr. CHAIRMAN: The House is now in Committee.

Clauses 1 to 3 inclusive were called and passed.

Hon. W. O. FRANKLIN: I beg to move that Clause 4 stand part.

Dr. R. L. CHELTENHAM: Mr. Chairman, I would just like to make the point in relation to the functions of the new corporation. No mention, in the proviso which has been explained to us, has been made of construction activity so far and I would **like** to urge the Minister to still consider it a project management capability of the Corporation because at least it will be important that they **still** have some control over the final shape and aesthetics of the estate.

Hon. W. O. FRANKLIN: Mr. Chairman, I think, if I might respond to what the **Member** for St. Joseph said, you are **talking** about personnel in place **to** make sure ...

Asides.

Hon. W. O. FRANKLIN: **Mr.** Chairman, I would like to advise the Honourable Member that this has been considered and the position of Manager of Construction, Estate Management, has been added to the establishment.

*The question that Clause 4 stand part was put and resolved in the **affirmative** without division.*

Clauses 5 to 23 were called and passed.

*The Schedule was called **and** passed.*

*On the motion of Hon. W. O. FRANKWN, seconded by Hon. B. M. TAITT, Mr. CHAIRMAN reported the passing of one Bill in Committee **and** Mr. SPEAKER resumed the Chair and reported accordingly.*

*On the separate motions of Hon. W. O. FRANKWN, seconded by Hon. C. V. WALKER, the Bill **was** read a third time and passed and cited **as** the Barbados Investment and Development Corporation Act, 1992.*

5.45 p.m.

ADJOURNMENT

Hon. B. M. TAITT: Mr. Speaker, Sir, that brings us to the end of Government Business. I think this is an historic day when the Honourable Member for St. Michael East on his birthday assumed the **Chair** of the Committee. He did a magnificent job, Sir.

I beg to move that this House do now adjourn until Tuesday, November 10, 1992 **at** 12 o'clock noon.

Hon. W. O. FRANKLIN: I beg **to second** that, Sir.

*The question that the House do **now adjourn** was put and resolved in the **affirmative** without division, **and** Mr. SPEAKER adjourned the sitting accordingly.*
5.50 p.m.

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