

THE SENATE DEBATES

(OFFICIAL REPORT)

FIRST SESSION 1991 - 96

SENATE

Wednesday, November 11, 1992

The Senate met in the Senate Chamber, Parliament Buildings, on Wednesday, November 11, 1992, at 11.15 a.m.

PRESENT

His Honour Senator M. deL. JORDAN (President)

His Honour Senator J. J. PAYNE, (Deputy President)

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

Senator A. MORRISON

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

Senator the Hon. Dr. C. D. CLARKE (Minister of Labour, Consumer Affairs and the Environment)

Senator Mrs. M. BARKER-WELCH

Senator Dr. E. A. SIMMONS

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

Senator Mrs. M. WALCOTT, S.C.M.

Senator J. A. F. COLE

Senator T. E. BARKER

Senator Miss M. A. MOTTLEY

Senator T. C. BECKLES

Prayers were led by Rev. Fr. Errington Massiah.

Mr. PRESIDENT: The Senate is in Session.

MESSAGES FROM HER EXCELLENCY THE GOVERNOR-GENERAL

Mr. PRESIDENT: The following is the message from Her Excellency the Governor-General to the Honourable the Senate.

Her Excellency the Governor-General has the honour to inform the Honourable the Senate that in accordance with the advice of the Prime Minister, Mr. Tennyson Chesterfield Beckles has been appointed to be a Member of the Senate under Section 36(2) of the Constitution with effect from November 1, 1992.

I understand that Senator Beckles is in attendance. He has already been sworn in and I shall now invite the Clerk to ask him to enter.

Senator Beckles, it is a great pleasure and a privilege for me to welcome you to this Chamber. We are always happy to receive Honourable Members who can make the type of contribution which we are confident you will make. We know that you have had a very illustrious career so far outside of the Senate and we know that within these hallowed Chambers you will also be a great credit to the debate.

We look forward to your contributions very much and I am sure that others will wish to say something about the contribution you have made in public and private life.

We are happy once again to welcome you here.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, the appointment of Senator Beckles to our ranks completes the team on this side of the Table. We have little doubt that Senator Beckles is properly qualified and capable of contributing substantially to the work of this Chamber and I would wish, on behalf of all those on this side of the Table, to welcome him to our ranks and to look forward to the contribution which he will make in this Honourable Senate.

SENATOR J. A. F. COLE: Mr. President, I also would like to say, on my part (as I am not really

speaking on behalf of my people because many of the independent Senators are not here) that I have been sitting for a few years on one of the very important Boards in the development of Barbados over the last few years and certainly at this time. I sit somewhat lower in the table, rather in a similar position as I sit here. So it is not for me to judge Mr. Beckles from my lowly position, but I can say that certainly his knowledge of Barbados from the point of view of development over the last few years and the difficult time we have been through, the sort of environment that has surrounded his actions and his work at the Barbados Development Bank make it all the more desirable that he should have a say and make contributions in an area and at a forum like this.

I would like to say how pleased I am to see him in the Senate and I am sure many of the independent Senators would echo my sentiments.

Thank you.

SENATOR Mrs. A. STRAUGHN: Mr. President, I should like to add just a few remarks in welcoming our new Senator Beckles. My association with him goes way back even though we might call it an indirect association. I have been associated with him through his children and I was proud to be associated with them. Their chances for making a good contribution to Barbadian life and to this country are good and I have no doubt that a lot of it is due to the stock from which they came.

Senator Beckles and I are part of the Advisory Committee of the Department of General Education at the Community College. Although our meetings have been few and far between I can say that his contributions there are a testimony of his intelligence, his ability and his exposure to a lot of things. I was really very happy to be in session with him on a particular occasion and I want to join with all the others in welcoming him, and I want to say that I, too, look forward to the contributions that Senator Beckles will make.

SENATOR Dr. E. A. SIMMONS: Mr. President, I, too, would like to take this opportunity to welcome Senator Beckles as a Member of the Senate.

I have had the good fortune of having discussions or listening to discourses by Senator Beckles over the past few years and I have always been impressed, especially, since in this region and particularly in Barbados we have been going through some tough economic times. I have always been interested in his intellectual approach to the kind of situation in which Barbados finds itself and I have always found that his discussions have been very constructive and analytical.

I think, therefore, that it is important that at this time in the history of the Senate that we are joined by Senator

Beckles, a man who understands economics from a very practical level and a man who is able to make a great contribution in that area. I am quite sure that at the end of this session this country will be much richer for the discourses that we will have because I am quite sure that just as in other places he has been very analytical and very practical in giving his ideas about the past, present and future of the economy of Barbados, we in this Chamber, will share some of that knowledge and I am quite sure that what he has to say will be the *nidus* of a lot of the discussions that we will have.

11.35 a.m.

I want again to welcome you very much for your presence here and I am looking forward to some very interesting discussions, especially in the economic arena.

Mr. PRESIDENT: Senator Payne.

SENATOR J. J. PAYNE: Mr. President, I too would like to add my congratulatory remarks on the appointment of Senator Tennyson Beckles to this Chamber. Tennyson has been, for many years, very closely associated with the people of St. James and for that reason I have had an opportunity to know him very well and the type of contribution which he can make to the development of this country and particularly to the debates which take place in this Chamber. Mr. Beckles attended the same school I went to, Coleridge and Parry in the north, and no doubt he went on to gain his achievement in economics. He has had the opportunity to make his contribution in the trade union movement and he is presently working at Banks as Public Relations Officer.

I can say that during the years that I have known him, he has made a substantial contribution towards the youth of this country and I can tell you of his contribution towards the young people in the area of St. James.

I believe that his appointment to this Chamber will go a long way towards making this country, Barbados, a better place in which we should all live, and if by his being here we can take note of his contribution, I want to say in these brief remarks that I congratulate the appointment which we have in having Tennyson Beckles as a Member of this Chamber.

Mr. PRESIDENT: Senator Beckles.

SENATOR T. C. BECKLES: Mr. President, first let me thank you for welcoming me to the House and to all of the other members who said those nice things about me. I would wish also to thank the Prime Minister and his Cabinet for recommending me to this Honourable House and to the Governor-General for accepting that advice and appointing me to the House.

Mr. President, I am honoured and I hope that I will be able to participate in the activities of this House as willed by the Almighty God and constrained only by my physical capacity.

Mr. President, it would be remiss of me however, if before I sit, I did not comment very briefly on the circumstances which have led to my being present here. It is a set of circumstances that make me feel on the one hand very happy and on the other hand very sad. It is of course the resignation of Sir Frank Walcott who has always been one of my mentors, a person whom I regard as one of the greatest leaders in Third World countries. So it is with some sort of sorrow that I am going to be here and not probably be in his company and that he, because of his incapacity is not able to be with us. However, be that as it may, that is God's work. I look forward to participating fully in all of the activities of this Honourable House and I can assure you of my full cooperation, the only proviso there, is that you also cooperate with me. Thank you very much.

PRESENTATION OF PAPERS

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

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

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

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

Mr. PRESIDENT: Senator Lewis.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I beg to move the suspension of Standing Order 45(2) to enable this Honourable Senate to deal with Item 2 on today's Order Paper.

The question was put to the Senate and agreed to.

INTRODUCTION OF BILLS

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I wish to move the First Reading of the Barbados Investment and Development Corporation Bill, 1992.

The question was put to the Senate and agreed to.

PUBLIC BUSINESS

ORDER NO. 2 – BARBADOS INVESTMENT AND DEVELOPMENT CORPORATION BILL, 1992.

Mr. PRESIDENT: Senator Clarke.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, in rising to move the second reading of this Bill which will provide for the establishment of the Barbados Investment and Development Corporation, the transfer of the functions of the Barbados Industrial Development Corporation and the Barbados Export Promotion Corporation to the new entity the Barbados Investment and Development Corporation, the promotion of the offshore and financial services, the repeal of the Barbados Export Promotion Act, the Barbados Industrial Development Corporation Act and related matters. We must constantly remember that institutions are somewhat like living organisms. That is they must either adapt or die. There can be no doubt that up to the early part of the 1980's the two corporations, the Barbados Export Promotion Corporation and the Barbados Industrial Development Corporation, performed their respective missions well. The country at that time was pursuing policies of industrialisation by invitation and also the policy of import substitution.

11.45 a.m.

The former policy of industrialisation by invitation attracted companies which operated mostly in those industries commonly referred to as "foot loose" industries. The foot loose industries are characterised primarily by not being required to locate either near the market or near the source of the raw material but rather to be attracted to a good supply of skilled labour at reasonable wages.

On the policy of import substitution, many firms began producing for the Barbadian domestic market behind high tariff walls which were in place to act as a deterrent to those companies manufacturing outside Third World countries to induce them to come within the tariff wall which was put up around Barbados and to the larger Caribbean community. But those companies who operated in Barbados also had the consumption tax and stamp duty to protect them from imports from other CARICOM countries.

As a result, two things began to happen with respect to the foot loose industry which formed the bulwark or the majority of companies which we were able to attract under the Barbados Industrial Development Corporation. One, wages began to rise in Barbados and, recognising the definition of a foot loose industry and what was the first attraction, that is comparatively low wages although the skills are high, the attraction was not based on the skills but on the wage level. As wages began to rise in

Barbados mainly on account of the movements within the tourism industry, those would-be investors found Barbados less attractive than some other destinations especially within the area of garments and electronics. In addition, Japan began to replace the United States as the leader in electronics and the Pacific countries began to replace the United States in garments.

Since most of the companies which the Barbados Industrial Development Corporation was able to attract came in electronics and in garments from the United States, the expected occurred. Most of the companies such as Playtex and Intel began to close their doors. With such closures, there was a declining need for factory space that reproduce and because of the increase in wage levels there were greater difficulties in attracting new foreign direct investment in the known and tried areas of garments and electronics.

In the meantime, the markets for the local import substitution began to shrink as CARICOM demanded the removal of more and more licences and other countries in CARICOM became more efficient in producing goods that were once exported to them from Barbados. Thus, firms which grew up in Barbados and accepted import substitution found that they had to find new markets outside of CARICOM. Unfortunately, the transition for export within CARICOM and within the Third World countries has not been easy and has not yet been accomplished. Thus, it became necessary to find a new marketing thrust.

Another phenomenon was taking place at this time as the Barbados Industrial Development Corporation worked harder and harder with few successes in attracting the old types of industries. The Central Bank of Barbados, recognising the changing structure of foreign direct investment and capital in-flows, started to woo off-shore financial services which include such industries as off-shore banks and captive insurance companies. It was not until very late in the 1980's and early in this decade that it was fully recognised that, if direct foreign investment was to take place, then a new look had to be taken at the industries to be attracted given our highly skilled and productive and relatively high cost labour force. It was discovered that Barbados with its highly developed telecommunications infrastructure and in addition to its highly trained productive labour force was capable of competing with any location for the attraction of foreign direct investment in the off-shore services sector and the informatic services industry. It was, therefore, necessary as a first step to remove the off-shore financial services sectors responsibility from the Central Bank so that institution could get on with its primary task, that is the control of the money supply and the articulation of monetary economic policy within the country.

It was also necessary to re-orient our export marketing thrust for markets outside of CARICOM. The unreliability of the CARICOM market was established as early as 1982 when the bottom fell out of the market for garments and furniture in one of our CARICOM countries and this dealt a major blow to the local garment industry and the furniture industry from which these two industries up to now have not fully recovered.

Now since the need will no longer exist for the generalised type of factory space that we have had in the past where we had to rebuild the shelves but rather more custom made types of accommodation and given the growing need for greater efficiency and productivity in the public sector, Government has decided to set up one institution to replace the former two to deliver more and better service at less cost. This is a right step in the direction of one-stop investment. In the past, the Barbados Industrial Development Corporation assisted a company in establishing whether it was off-shore foreign company or a local company and then the Export Promotion Corporation assisted that company, especially if it was a local company, to find markets overseas. From time to time, many things fell between these two organisations and this attempt to bring them together will greatly facilitate the business of setting up and establishing business within Barbados. Thus, this new institution is designed to take us well into the 21st century and should assist us in the development and marketing of such things as films, music, informatics, offshore financial services, shipping and the regular and well known other industries to which we have become accustomed over time.

11.55 a.m.

The functions of the new Corporation will consist of –

- (a) to advise on, promote and facilitate the development of export trade;

because without it we have to earn our way in the world. We must export so that we earn valuable foreign exchange to purchase the medicines and to sustain the standard of living to which we have all become accustomed in Barbados.

- (b) to conduct and facilitate research into investment, industrial development and the export of products and services and to make information available to persons on request;
- (c) to engage in the export of such products and services as the Corporation considers necessary;
- (d) to establish, expand and encourage the establishment and expansion of enterprises to engage in the production of goods and services;

- (e) to provide financial, technical or other assistance to enterprises engaged in investment, production of goods and services and export of goods and services;
- (f) to encourage the development of the indigenous manufacturing sector;
- (g) to encourage and facilitate investment and the establishment of new enterprises;
- (h) to develop strategies for improving efficiency and productivity in existing enterprises, including the small business sector;
- (i) to foster and promote the development of offshore financial services; and
- (j) to do such other things as may be necessary for the proper performance by the Corporation of its functions.

In order to carry out these functions, resources of funds for the Corporation will come from monies voted by Parliament for use by the Corporation, monies accruing from the operations of the Corporation, monies payable to or property vested in the Corporation, monies borrowed by the Corporation and monies as may become available from any other source. These are the sources of funds which the new entity will have to conduct its business, and the uses to which these funds will be put will consist of the payment of salaries, wages, fees, allowances, pensions and gratuities of persons employed or formerly employed by the Corporation, and meeting the obligations and discharging the functions of the Corporation and matters incidental to those obligations and functions.

The Board of Directors, the composition, appointments, resignations, terms of office, et cetera are all set out in the Schedule to the Bill, which I do not plan to go into here but you can read at your leisure.

Mr. President, the wrong this new organisation is trying to correct is basically the merging and making it more efficient, to reduce the overhead costs and to ensure that the would-be investor is not frustrated as he or she has to move from one organisation to get a business set up and to get on with his work. So this new organisation is designed to ensure that the formulation, development and implementation of policies and programmes for the promotion of investment in the manufacturing and services sectors, and the export of goods and services within and beyond the markets of CARICOM are better coordinated and so executed as to be both efficient and cost effective.

The new Corporation will therefore seek to provide incentives and technical assistance to industry and devise

strategies for improving productivity in existing companies. This is an area we shall be paying more and more attention to in the months and years ahead, because it has long been established that no country can hope to grow and develop in a sustainable way unless we can find ways to increase productivity. An increase in productivity does not necessarily entail a mere increase in total output – that is what you measure in terms of national income or Gross Domestic Product – but rather the output must grow at a faster rate than the inputs we are using; or if the outputs do not grow, then the inputs should fall. For each additional input you use you should get more and more out of it than in the past if we hope to have sustainable growth as well.

In addition, the successor, or the new institution, will seek to enhance the quality, design and competitiveness of Barbadian products, that is, consistency in quality, in design, in delivery of product. Competitiveness will be ensured if we can increase the productivity. It will also seek to develop entrepreneurial ideas and help nurture fledgling businesses. It will seek to facilitate and encourage the development of the small business sector, including the handicraft industry. It will also seek to inspire and enhance the capability of the small business sector, provide technical assistance, and seek out and identify potential sources of capital for the financing of small businesses.

On this score I would like to welcome the addition of the new Senator to our Chamber, Senator Beckles, who is sitting as Chairman of the Barbados Development Bank, who will have a significant role to play in assisting in the financing of such small businesses as they come on stream.

In short, Mr. President, this new organisation is designed to bring a fresh and dynamic image, as well as a new focus, to this country's investment effort that will be able to launch and sustain us well into the 21st century.

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

SENATOR T. E. BARKER: Sir, with your indulgence, since I was not here earlier, unfortunately, I want on behalf of my colleague to welcome Senator Beckles to this Chamber. I hope that the association will be fruitful and that we will benefit from his insights, given the fact that he was so close to the Prime Minister and to the actual implementation of the present economic arrangements. So we want to welcome Senator Beckles.

Mr. PRESIDENT: Thank you.

SENATOR T. E. BARKER: Sir, this Bill seeks to merge two important institutions, the Barbados Industrial Development Corporation and the Export Promotion

Corporation. The Export Promotion Corporation is a relatively new organisation. I think it was created when my great party was last in power. I think we were instrumental in setting up the Export Promotion Corporation, with good advice, and one may even say that most countries even now share the view that there is a strong case for these two to remain separate institutions. However, Sir, we note that the IMF, which seems to be controlling all of Barbados, and the other lending institutions are of the view that there is an even stronger case for the merging of these institutions.

12.05 p.m.

Sir, we can argue about that but I do not think it would be to our benefit to argue about the merits and demerits of the 2 arrangements because we are in a situation where they are going to be merged. We on this side would not get too involved in that debate because we are of the view that you can have 10 institutions but unless you have people in these institutions who are willing to get up off their proverbial behinds and do the work they are supposed to do, merging, or separating would be of no effect.

We are saying that you must staff the new institution with people of proven competence, ability and drive in order to push the development of our country further. All of our work would be in vain if, as happened very often, the conditions for employment in this institution do not lend themselves to the highest standards. In short, we would not like to see a situation arising where the political views of any one person would be a necessary prerequisite for them being employed in any organisation because that is one way of destroying the organisation.

Sir, I suppose that the failure of the EPC and, indeed (I will contend that it has not proven in any way to be as successful as it should have been) was probably due to personnel problems rather than the old *raison d'être* of the institution. What is needed are people who are willing to go the extra mile in order to fulfil the mandate. The mandate, as the Minister matter-of-factly said, was for the promotion of an offshore centre, the development of Barbados, the improvement of their export capabilities and so on.

The Barbados Labour Party stand proud on its record as far as the industrial development of Barbados goes. When we took office in the early 1950s, the economy of Barbados stood on one leg. Sugar pervaded the economic activity in the island at that time. Under that great wise leader, Sir Grantley Adams, it was decided that as Barbados sought to develop sugar alone could not carry us to the heights we would want to go. In the 1950s the groundwork was laid for the industrial development of Barbados. I think it was around that time the Barbados Development Board which was the forerunner of the

Development Bank was instituted. Around that time also, Sir, tourism development really took off. The groundwork was laid in terms of the airport and seaport infrastructure which ultimately helped industry also.

Our party stands proud of its record as far as the industrial development of Barbados goes. Indeed, Sir, during our last tenure of office in 1976 to 1986, those great years in the Barbadian economy and social history, we saw the development going even further. I would not want anybody to get the impression that nothing happened between 1961 and 1976. I will never be so lying as to make such a statement. What I am saying is that we accelerated the development of the manufacturing industry in Barbados.

In those 10 years we developed the offshore centre. We saw that Barbados, because of its excellent communications, could be the hub of activity in the Caribbean. Again reinforcing a point I made earlier, because of the initiative and the drive of one particular person in the Central Bank (whom I would not name)... Sir, it only took one person with the foresight and the drive to facilitate these things. Because he saw it as his personal baby, so to speak, the offshore centre was developed in the early 1980s. It is at a point where, given the fact that the other sectors are in decline, where it is now one of the few sectors that are showing any growth in Barbados. The party which I have the opportunity to represent, we stand tall in this regard.

Sir, I would even go so far as to say (and I would try to bring what I consider proof of this) that the last 5 years of this administration, we saw policies being implemented which are reversing all that transpired in the 1950s, 1960s, 1970s and the early 1980s. I say so with a sense of sadness because I would hate to see Barbados becoming as other countries, just a tourist centre especially, when we have put so much of the taxpayers' money into education, especially since our work force is trainable and can use and adapt to any technology as is presently in the world. In spite of all that, we see evidence that this Government is destroying manufacturing, aided and abetted by international organisations, which ought to know better.

In the reports by the IMF consultants on many occasions they spoke words to the effect that any help that was given to the manufacturing and the agricultural sector, evidently worked to the detriment of the tourist industry. On many occasions I saw words to that effect that according to them, foolishly in my view, that you could only help agriculture at the expense of tourism. The events of the late 1970s and early 1980s disproved that because, particularly noting at that time we had very low levels of unemployment in the 1980s, this period coincided with an upsurge in tourism, increase in agricultural activity and an increase in the manufacturing activity.

I want to contend, Sir, that it is only when these 3 sectors of the economy are operating at their maximum potential that we are going to see any perceptible dent in the unemployment rate because given the sort of technologies available, given the sort of labour intensive agricultural activity we must get into, we cannot look to the agricultural sector for any great improvements in employment neither can we look for the tourism sector to assimilate the vast number of people who are leaving school and those who are presently unemployed.

I do not think we would ever get the tourism sector to employ many more people than they are employing now because it is my contention that a few years ago we had almost reached the maximum as far as tourist arrivals. I do not know if it is in our interest, given our social and political problems, for us to have 1 million tourists here. I think as you go past 400 000 or 500 000 you are close to your maximum. We have to look to the manufacturing sector to provide jobs for our people especially in the shorter and intermediate run. But they can do it. Because what has happened over the past few years is that we have not got the benefits. The benefits that should have accrued with the increase in tourist arrival has not permeated through the economy primarily because the increase in tourism in the latter part of the eighties did not coincide with an increase in either agricultural activity or manufacturing activity. So much so, Sir, that we brought in the tourists and we find ourselves having to import things to feed them with. For example only this week we heard the big quarrel of the importation of carrots and the Ministry of Labour and Consumer Affairs was instrumental in granting the licence for their importation.
12.15 p.m.

Mr. PRESIDENT: Senator Clarke.

SENATOR THE HON. Dr. C. D. CLARKE: On a point of order, Sir. I thought that Senator Barker was making pretty heavy weather of this debate. If he has nothing to say he should sit down.

SENATOR T. E. BARKER: That is no point of order.

Mr. PRESIDENT: I make the ruling, Senator Barker.

SENATOR T. E. BARKER: But that is no point of order.

Mr. PRESIDENT: Senator Barker, I make the ruling whether it is a point of order or not, not you.

SENATOR THE HON. Dr. C. D. CLARKE: The Ministry – and I think Senator Barker knows this full well, or if he does not know he should have asked – of Labour, Consumer Affairs and the Environment has not given a licence to anybody to import carrots. I would hope that you would not try and seek to mislead this Chamber. It is downright dishonest.

SENATOR T. E. BARKER: Sir, according to the latest employment figures, at the end of 1990, out of a total work force of 106 000 persons 11 000 which is just under 11% were employed in manufacturing, 5 700 were employed in agriculture and about 9 000 were employed in tourism. Out of the 3 major economic activities we see that... I am quoting from the Annual Statistical Digest published by the Central Bank which I think is a document of the House already. The point I am making is that of the 3 major areas of economic activity manufacturing even although it is in decline still employs more persons than either tourism or agriculture.

I am at a loss to understand why the Government has not treated manufacturing with the seriousness with which they should have. One little statistic is of interest here. During the 10 years when we were in Government the last time we only changed the Minister of Industry on one occasion and that was brought about by the death of the Prime Minister when the then Minister of Industry became Prime Minister and subsequently somebody else had to fill his shoes. We felt that a person of standing within the Cabinet....

Mr. PRESIDENT: Senator Barker I do not consider that relevant. The changing of a Minister in this way is really not relevant to the debate. One has it within one's power to change the Minister of Industry. But that has nothing to do with the debate, nothing at all.

SENATOR T. E. BARKER: With due respect, Sir, on the contrary. I think it has everything to do with the debate because the point I am making is that in the past 6 years since this Government came in we have had 4 Ministers of Industry. I am contending, with your permission, that this speaks volumes about one of two things, either the competence of those 4 persons or secondly the way the present administration views the Minister of Industry. But in 6 years they had 4 Ministers of Industry. That is the difference between the two administrations. We saw industry as important. We saw it as vital so we made sure that the next best person after the Deputy Prime Minister was given that portfolio. But the same thing cannot be said fortunately or unfortunately about the present administration given that the sector employs 11% of our work force. No wonder that if we check the index of industrial production we will see a tale of woe, especially as it relates to industry such as clothing, furniture which

in the sixties and seventies we built. Those industries were built up in the sixties and seventies. But now we see that there are very few clothing factories around.

A testament of the decline in the furniture industry. A very unfortunate incident happened at the last trade exhibition – this speaks volumes about the state of that industry – when the Deputy Prime Minister on viewing a lovely Barbadian-made piece of furniture when he sat down in it he almost hurt himself. I did not see it as a source of merriment. I saw it as symptomatic of the decline in that area. I take a personal note here because I am the son of a joiner and I know that for years we built up an expertise in furniture, and to see that disgraceful episode happening I felt sad about it. Not only because the Honourable gentleman could have been seriously injured but because one of our greatest industries... We sent cabinet makers all over the Caribbean and they were looked up to with pride. But look what our industry has come to.

I lay almost all the blame solely and squarely on the Government – their failure by action, by initiative and by incentive to implement measures to resuscitate this industry. One of the most disgraceful statistics that you can find is in the September issue of the Economic and Financial Statistics where it shows that in 1986 the Barbados Development Bank... As I said before in the 1950s we set up the Barbados Development Board which was the forerunner of the BDB. In 1986, \$99 million in loans were outstanding. What is the figure now? The nominal figure is \$84 million at the end of August 1992. Given the real value of money when we take into account inflation and so, over the 6 years, the amount of loan outstanding is now about 25% less than it was in 1986. That speaks volumes about the Government's attitude to industrial development in Barbados when an institution like the Barbados Development Bank which is not a commercial bank... It was never designed to be a commercial bank and it should not function as a commercial bank. At the height of our economic depression they are the ones that should be out there using what little funds they have to shore up industry, using what little funds they have for venture capital and for encouraging people to go into new industries and so on. They level is about 25% less in real terms than it was in 1986.
12.25 p.m.

When I talk about the Government destroying industry this figure alone bears testimony to the truth of that accusation. When the Barbados Development Bank ceased to lend to the small businessman and to the people out there who have an idea... The commercial banks are not going to take them on because they see everything in terms of black and white profits at the end of the line. The Development Bank is a developmental institution and it should not see profit as an accountant sees profit but

should look at it in a global way. You lose \$2 million but in the end you have a few hundred more employed and as a result you have \$100 000 more in foreign exchange. What you lose here you can gain over there. If it continues to operate like a commercial bank and it sees everything in terms of black and white profit then we will get the sort of decline that we are having in the manufacturing sector.

There are people out there with the energy and the initiative, but where will they go to get financed? The Barbados Development Bank is not helping them. We are glad that certain private sector organisations such as the National Development Foundation are doing what the BDB should be doing and coming to the aid of people with ideas. Thank God for an institution like that because we cannot depend upon Government and its institutions!

Asides.

SENATOR T. E. BARKER: I believe that my accusations are well founded. If the merger of these 2 institutions is going to serve to give a boost to the manufacturing sector, we will welcome the merger; but other things have to be done.

We must not believe that because you merge 2 institutions that tomorrow you are going to get a lot of manufacturing activity. Never let us believe that! Not when industry is curtailed by so many self-imposed decisions. For example, only last year we came in this Chamber and we allowed Government to reimpose duties on raw materials and packaging and so on.

I sat and listened to the TV station and I saw an official from the Central Bank getting up and talking about the anti-export bias of the manufacturing sector and using that stupid argument as a defence for Government's imposition of duties, but I am glad that a year later I hear another high official from that same bank say words to the effect that Government made a mistake in removing the concessions. I was amazed when I heard that statement which defended Government's position on removing import duties.

Two things must be borne in mind. You cannot isolate export activity from local activity. Invariably, if the industrial concern has a good market within the local economy it then will be able to go and see differential pricing and, as a result of its volume, it would then be able to bring down the cost of production which then could make it more competitive in the overseas market. When it does not have that local sector on which it can depend it must end up in trouble.

I was reading about developments in Taiwan and the article said that as a result of land reform in Taiwan,

the peasants started getting more money and, as a result, the industries grew up because they could experiment on their own people. They managed to get more efficient and as a result of having good local markets on which to test their goods they were able to branch out and go further afield. Today, Taiwan is one of the major manufacturing countries in Asia and in the world. The writer of that article claimed that it is a result of the improvement in the local economy because the peasants were able to get more money and the manufacturers then got a base from which to launch their export activity.

We, in Barbados, feel that the opposite must happen and that we can draw a line between export manufacturing and local manufacturing without seeing that the links between the two can be very helpful to the manufacturer. That is why, Sir, I spoke against it then, and I will continue speaking against it. One of the worst things that this Government has done to the manufacturing sector which was already in decline and already under severe pressure was to remove those duty free concessions – a further nail in the coffin of the industrial sector.

Sir, we on this side, are waiting for Government to come up with its proposal re the removal of these duties on raw material and packaging. I do not understand what it is waiting for, but all the evidence is pointing to the fact that while that alone will not resuscitate industry, while other things must be done, yet that will go a certain way towards improving the status of the industrial sector.

If we are going to get into export markets then we have to start thinking more seriously about designing, marketing, quality control. I believe that our institutions such as the University, the Community College and the Polytechnic should be introducing and widening the scope and extent of the courses in these areas. It is no easy thing to export goods, given the fact that, the CARICOM market on which we depended a lot in the early 80's, because of the difficulties in Trinidad and other countries, will not be available to us in a large way in the foreseeable future. If we are talking about exporting, we have to look beyond CARICOM and for us to do that we have to put so many things in place that time is running out.

For instance, Sir, we were told years ago that there was a market for Barbadian furniture in the United States of America. If you can remember, a kiln was set up at Spring Garden to dry the furniture to bring it up to certain standards, but that venture failed primarily because of the materials we used. Not having the best advice, some of the materials which we usually use which are quite suited to our type of climate and humidity were unsuitable. So when the furniture went to the United States which has a different climate it did not last. As a result, Sir, the venture failed. So this goes to show the difficulties that we are going to encounter and which must be tackled.

Sir, when last have we heard of a Barbadian getting a scholarship to go overseas and study designing? I think the National Development Scholarships should be brought back into force and give some enterprising people the chance to study industrial engineering, quality control and skills which are going to be needed if we are ever going to develop a thriving export and manufacturing sector.

I am calling upon Government not only to pay lip service to industry but to put things in place. A lot of the things that need to be put in place are not terribly expensive. They will cost money but the pay-off down the line when that person studies designing, comes back and is able to pass on his skill to other persons will be tremendous. This is one area that Government needs to look at.

Government also needs to look at the National Standards Institution and to ensure that it is properly maintained and funded and that it is doing the sort of things which are needed as we seek to improve standards and try to meet international standards to get into the export market. That, Sir, is something the Government has to look at. The Government also has to look at the teaching of technology and technology related subjects in the schools. I am afraid, Sir, that the whole idea of technology ... There are things like the CXC O'levels in textiles, arts and crafts. Sir, it is my view that the so-called top students do not really study these things but rather students in the so-called lesser schools are the ones who study these things as though we are saying that the bright students don't have to do it, that this is in for a dig, that all they can study is Maths and French and Spanish and so on but things which are beneficial to our country they are not seeking to be involved in.

12.35 p.m.

I remember, Sir, when I was at College in the sixties that at that time some of the boys used to go to the Technical Institute and invariably, Sir, the boys who went to the Technical Institute were the fellows who did not do well in the so-called academic field. I am saying, Sir, that this thinking which runs through our study has to be removed if we are to develop, if we are to encourage our young men and women to see industry as an activity in which, not only can they make a good living, but they can make a good name. Without these skills our industry will go nowhere.

Sir, with regard to the off shore sector which is part of the job description of the new corporation, we have to ensure that what happened a few years ago does not happen now, that double taxation treaties run out and there were none in place. Sir, without these treaties it will be that much more difficult to attract off shore businesses here

to Barbados. We have to make sure that the legislation is current and updated and we don't wait until they are about to run out before we have to run up to Washington begging favours of the US Government, but rather vigilance, that is all that is called for. It happened in 1987. Vigilance is what is needed because, Sir, we have to ensure that the incentives are there because we are in a very competitive world and there are other islands in the same Caribbean that are trying to attract these companies but we are better placed, in my view, because of our excellent communications both in terms of telecommunications as well as ground and sea transport and so on. We are well placed that if as what happened in the early eighties, we can find an individual whose sole job is to get out there and to bring in business, who sees that as the way he can help the Barbados economy, unless we can do that all the well meaning legislation, all the mergers and so on will be to no avail.

So, Sir, as I said before, merging or not merging there are arguments for and against. We on this side would not get in the way of Government. If they see the wisdom of merging well go ahead and merge. No problem. But in the final analysis make sure that the corporation is properly staffed. There are competent persons all over Barbados who are willing to aid in the development of Barbados. Give them the opportunity to serve their country because ultimately the success or failure of this corporation will depend on the quality of people that fill, especially, its top positions.

One last word, Sir, when this Bill is proclaimed the IDC will be no more. Lots of people from IDC have gone home. A few are left but most of them have been severed. Sir, we want to ask Government that their rights and privileges are properly respected even although the severance payment is not as generous as it was a year ago, thanks to this Government. Also, Sir, for those who remain, that their terms of service be not made inferior to those under which they are currently employed. Government, Sir, must set the tone for industrial relations in this country. Government must set the tone for industrial harmony and too often we hear of Government enterprises acting in less than a proper manner with regards to its employees. We urge too that the IDC/EPC members, both those who are severed and those who remain would enjoy the benefits of Government's enlightened policy towards liberalisation given that they have an excellent Minister of Labour who it is my job to ensure keeps working on behalf of the workers of Barbados.

Sir, with those few words, we on this side offer constructive support in this Bill. Thank you.

Mr. PRESIDENT: Senator Fraser.

SENATOR Mrs. V. C. FRASER: Thank you, Mr. President. In supporting this Bill I should like to look at a number of the functions of the Corporation. The first one listed here is to advise on, promote and facilitate the development of export trade. It seems to me that the last Senator who has spoken is not aware of many of the things that are going on in this country. For example, in the private sector, CAIC in collaboration with many overseas organisations has promoted scholarships for young people involved in design industry, in the manufacturing industry, in the garment industry and we have many of such beneficiaries who are making a name for themselves – they are employing a large number of people. It is strange that even through this structural adjustment period they have not had to turn off anyone, especially those small business people. Small business builds the world. This is something that we seem to forget in Barbados. Small is beautiful and if you have 2 000 000 small businesses or you have 10 000 small businesses as against 6 big businesses in a country you cannot prosper because the small businesses are able to control their staff, the finances and they are able better to conduct their business and see a profit.

Senator Barker knows that there are a number of small business people in this country who raised 10 children, educated them and all of that out of small business. Or whether they were making garments, they were able to prosper. Just look at the economies of a number of countries in the world. We have just come back from China in August and we looked at projects like evergreen. I am sure Senator Barker can bear me out on this. These are small business people but when you hear of the kind of foreign exchange they are bringing in you cannot believe it. Some of these people do the work at home and \$3 million in foreign exchange is coming in. Do you know what is happening to some of us in this country? We know very well how things cannot work. We do not start off by saying let us see how it can work and get down to the business of its functioning. All of those people had problems in the beginning but they continued to work and they did not allow the problems to stop them from working. What is more, they have a sense of nationalism. 12.45 p.m.

I think that we must not look at the people who are working in a corporation. We as Barbadians, Senators and legislators have a responsibility to advise wherever we can and help the things to work. I think that is one of our biggest misgivings in that we criticise a lot of people. There are young people out there who are being trained at the Polytechnic and they have graduated. There are those young people who have been trained at the Community College. They have their Associate Degree in Fine Arts and, indeed, my garment that I am wearing today is an example, and all of my clothes are being made by a young enterprising Barbadian woman who is making garments

for all sorts of people even from St. Lucia. Sometimes we are looking around and saying this and that. But these are some of the products of the Community College and the Polytechnic. The training is there and the personnel is right there.

This Corporation is being set up to advise on, promote and facilitate the development. In other words, they are going to help to guide these people into areas. These people have already got the skills and they are going to assist them further so that they can make more foreign exchange for Barbados. This is how I see that.

The second one – to conduct and facilitate research into investment, industrial development and the export of products, and services and to make information available to persons on request. I am glad those words "on request" are mentioned and I am also glad they said to make information available. But I would like them also to coordinate these various agencies who have already done a lot of research. We have a lot of research in the Caribbean region that is just sitting down on shelves, because the research was done and there was no money to carry it forward. We need not only to look for Government to carry through this, because the National Development Foundation does not exist from Government. We are people with initiatives and we go out there and seek funding. This is what a lot of manufacturers have to do. There are agencies who assist manufacturers. They give them technical assistance and they also give them seed money. They send people who can help them to market the product. I see this as a collaborative effort. I do not expect them to sit down and do that research. If they sit down and do the research, then they would not have time to do other things. I see this as involving all the agencies and all of the persons who have research sitting down with this Corporation. This is our Barbados and we want to really see it move. We want to see them passing on the research and I believe they are going to have a cadre of people out there in the community on whom they will have to rely for information to assist this kind of corporation to move forward.

Mr. President, they are going to be engaging in the export of such products and services as the Corporation considers necessary. I believe that the Corporation will be made up of persons who would understand what various countries need. They will not come and tell you to plant okras when the people want lady fingers. They would not come and tell you that they want crochet for the dressing table when they want crochet cuffs and collars. So that they can really make money. The day of the little piece of strips will be over and you will think of people making money because of the kind of product that people want to utilise in garments. I look forward to this agency doing that sort of thing.

Sir, the next is to encourage the establishment and expansion of enterprises to engage in the production of goods and services. Well, I think that is self explanatory. Now they also say here to provide financial, technical or other assistance to enterprises engaged in investment production of goods and services and export of goods and services. That is the part, of course, I would be more than interested in because the finance is the thing that is going to help a lot of these young enterprising people to be stirred to move towards the export market. These people who are small business people go out there and they find their own markets. In other words, if they understand that there are more and better markets that are going to offer them more money, it is evident that they are going to produce more and they will pull up their socks. This Corporation will be assisting them with all the necessary information needed – what is needed now that is new and different; how to change around your labeling or something else. Nevertheless, we would not have to start from the bottom. There will be a number of persons who have the know-how to sit down with the Corporation.

I think that the whole thing speaks well for what we would like to do. It cannot be done without the cooperation of all Barbadians. Those persons who have been doing marketing – and there are many markets out there going a-begging. People are just waiting for products. I know when we went to Houston and San Antonio, Texas people were interested in large amounts of peppers, pepper sauce, okras, and you name it. They would also like to have the cook books explaining to them how to prepare these things. But it needs some money to get that off on a large scale because you do not want to send 20 cases of anything out there since it would be a waste of time. You have to talk about large quantities and, therefore, it is necessary for the injection of capital.

This is one that means a lot to me – (f) to encourage the development of the indigenous manufacturing sector. Mr. President, I feel very strongly about any organisation which is going to encourage this. We in Barbados have been producing cassava for many years. We used to have a cassava factory. That is an indigenous product. When we think of the number of things that come here to Barbados that are made from or include cassava or they are marked farina and even flour, starches and cake mixes, there is no reason why we cannot get into this area. Of course, the agricultural sector has to know that they are going to get a price for their cassava. We can also export it fresh.

Sir, this means here again that a lot of collaboration has to be done with the agricultural sector if you are talking about indigenous things and also in the area of handicrafts. We know that we have the coconut. They can make several handicraft items. We have a lot of indigenous woods, the cordia and things like that which can make

all sorts of necklaces. We have seeds called the horseknuckle and a lot of young people are beginning to make earrings, bracelets and necklaces from these things. We have had exhibitions displaying these things through the same IDC. Therefore, there is every reason why these people have to be sought to assist in building up, because before you can think about exporting you have to ensure that you have the necessary raw material, you have the necessary personnel with the interest who are going to produce properly for you to export and who understand the necessary concepts.

12.55 p.m.

There are many training institutions which are teaching marketing, small business management and economics. People are travelling from place to place, and when we talk about indigenous things we must understand that they bring a great price. If you are going to crochet something with your hands, you can get a far better price for it than if you were doing it on a machine, because people like to think they have something which was made by somebody's hands, so those things are usually very expensive.

If you go to China you will see that the majority of things they make are made by hand. When you see them using a little saw, like a fret saw, and taking mahogany and sandalwood and cutting it out to make fans, these are things that I have seen Barbadians doing, tradesmen who are very neat-fingered. It is not that we do not have the people, but we have to think more of what people can do and give them the encouragement and stop a lot of the criticism.

I deal with a number of young people. Before the Youth Service was started, people were saying it could not do this and it could not do that, and I was happy to see those young people stand there and say how their lives had been transformed. They have learnt new skills. Some of them who just used to walk the streets are employed now, so we have some of the institutional framework for this organisation to take into their confidence and work with them.

Mr. President, also in the area of indigenous manufacturing, I find that nowadays you can hardly get a bouchet case, that is a case to fill with your pastry and then you fill it with meat or whatever. There are still a few tinsmiths who are doing that kind of thing. This is something that has been taught at many schools in Barbados and there are a lot of people who can do it, but it has been looked down upon as something degrading. If we were to do some tots for the tourist industry and give people mauby out of tots and things like that, and start back to make the baker cases and the nice rangers for making cassava pone in, these people can find a lot of

employment. You will find people coming out and telling you: "I learnt that at Bay Street Boys' School and I can do it," but they are just waiting for the opportunity.

I believe that if we stimulate these opportunities and we create the opportunities for these people, a whole lot of our crafts people are going to show you, despite the fact that they work in banks, that they have skills too. Right now there are a number of people working in what Barbadians would consider good jobs who are doing on the sidelines their craft work. They are also making garments for people and earning money. They are making earrings and necklaces. Perhaps sometimes things happen to us for good. Necessity is the mother of invention. We are seeing a lot of people rising up all of a sudden, whom we did not know to have these various skills, and are beginning to show their skills once more. That is a good thing, and rather than being critical of it we should encourage it.

I do not think we should sit down and just wait for the Barbados Development Bank to give handouts. One of the things I think people must remember is that if you borrow money you should pay it back. I am a bit annoyed sometimes when I read or hear of a number of persons who owe the Barbados Development Bank and just think it is their money and they must not pay it back. I think it is very unfair to other persons out there who really have something good going and want to get it going. They cannot get the loan except the Bank has money, so when you are talking about that you must also ask these people to try and repay. I think if a number of Barbadians said that on the same call in programmes, instead of trying to get everything free, let them understand that they have a strong obligation to their country and when you borrow you have to pay back that money.

Something seems to have gone wrong here, but we have technicians like myself who can turn it back on. Thank you very much, Mr. President.

The next one I wanted to say something about is in Clause 4(g): "to encourage and facilitate investment and the establishment of new enterprises." There has been a whole lot of talk in Barbados about sugar. Mr. President, there are many things which can be made from sugar, and if we want to talk about new enterprises, let us take one of the old ones and look at some new things we can do with it. What has happened to the board we can make from it? What has happened to the different types of sugar we can make? What has happened to the utilisation of it in the form of chocolates and other candies which we are now importing? Indeed, if you travel to the supermarket you will see that Barbadians seem to be like the English now, becoming "chocoholics". Chocolates of all descriptions are on the shelves and they are not from the Caribbean. I was careful enough to go through and check them, and you can get any kind, but thank God, we are starting an advanced

level chocolate making course, with the assistance of UNICEF, very shortly. People can use their own initiative. We had a course already and those women are making money on their own. Some people prefer to remain in their own thing, make enough money to support themselves and their families, but as I said, if you get a thousand people doing that, that is helping the economy, because they are spending the money here in Barbados. The supermarkets will be able to keep on the people, because they will be able to spend more money in the supermarkets to buy what they need.

We also have to look at some of the things, which are new, that are coming to Barbados and are attracting people. Looking at what we can do, for instance, crystalised fruits come into Barbados in large quantities. We have proven time and again that we can crystalise pawpaw, dunks, cherries and gooseberries. Many of us make our own fruit cake with local fruits and I hope that the Corporation will look at projects of this kind, because most of these projects have been funded by overseas agencies and not by the Government. In this I am trying to show how the private sector can do a number of things to stimulate the economy instead of sitting down and saying the Government will not do this or that. There are such organisations existing in Barbados, but sometimes people need a little word of cheer, a little push. Stop telling them that everything is negative, they will never do this. If Sir Alexander Bell did not do something about inventing the telephone, we would not be able to talk to each other through the telephone. And all the great people you can think of, Louis Pasteur and you could go on. We would not have those skills today. 1.05 p.m.

It therefore means that Barbadians have to change their attitudes towards the development of skills. It has to be changed from very young. Parents have to stop telling children that they cannot go to the Polytechnic to study a skill. They must not go into the Home Economics room when there are about 13 other subjects they can do. The Home Economist can work for money in industrial type relations, or industrial activity. The Home Economist can work for money writing booklets on microwave ovens and utilisation of refrigerators. They can do demonstrations. They can write books. They can lecture. Look at the amount of skills in one subject which includes 13 other subjects.

I heard the talk here about textiles. Now textiles is being done at CXC level. The St. Michael School received the highest percentage in the whole Caribbean for Needlework and Textiles. These things are being taught in the schools. It is only necessary for people to get that information and understand it is being done and that this new institution will take cognisance of the fact that there are these things which are being done already and all they have to do is to marshal the resources together.

Item (h) says "to develop strategies for improving efficiency and productivity in existing" – I like that word – "enterprises, including the small business sector." I am very happy to hear about that because if you are going to develop strategies for improving efficiency and productivity, many small institutions need assistance with project writing, project proposals and working on their accounts. They need marketing information. I hope this will come into being very soon so that these small institutions can develop their staff and personnel. They can go on to greater and better things and they can help more small business people out there. I welcome that.

Mr. President, the last thing here – "to foster and promote the development of offshore financial services". That is all right but that is not my priority. I believe we have to look at that very carefully although it brings in money and it is a good thing. I do not think we must give that more weight than the development of our indigenous products and the development of agriculture.

Mr. President, I am going to say here now, you are what you eat. We can become a bunch of starving people if we do not understand we are going to have to produce seriously and produce the new crops, crops we can eat. Instead of importing we will have to move a number of those items from the supermarket shelves. If it is unpopular...

Mr. PRESIDENT: Senator Fraser, you have 2 minutes.

SENATOR Mrs. V. C. FRASER: Thank you very much, Mr. President. I can wrap up in less than that. The point is that with all this talk, unless we change our attitudes to what is on the supermarket shelves that is not related to the nutritional development of a human being, we need the building foods. We need the foods that give us energy and we need the vitamins for protection. In Barbados we have all of those. If you want fish, meat, chicken, turkey or vegetables you can find it. What is the reason for your going to the supermarket to buy tinned carrots? You do not need that and no tourist wants anything that is coming from over and away because a tourist wants to taste the indigenous food of the country. So there is no point bringing in money one way and sending it back out the other way. You have not made a profit and we need to look seriously at this. We must marshal our resources. We must teach people that using their own hands and creating something is one of the greatest gifts a human being could ever have. Talent is a gift of God. A hidden talent is no talent at all. Let us encourage our youngsters especially because they are now coming up.

In China they have a saying, "We do not build for the present. We build for our children and our grandchildren."

Perhaps this is why they are so successful in attracting all of these various entrepreneurs and having these various joint ventures because they are not like us in Barbados. When a building takes 2 or 3 years we keep a lot of noise. In China there are buildings that have taken 16 years and they are proud of them now. They think it is something for their children and great grandchildren. They have left a legacy. Let us think of it in that way. We are the builders now. Help the young people to build, not by contributing to confusion, dissent and bad attitudes but to true entrepreneurship, true business attitudes and true attitudes of nationalism.

Mr. PRESIDENT: Your time has expired.

SUSPENSION OF SITTING

SENATOR THE HON. L. V. H. LEWIS: Mr. President, I beg to move that the sitting be suspended until 2.15 p.m.

The question that the sitting be suspended until 2.15 p.m. was put to the Senate and agreed to and Mr. PRESIDENT suspended the sitting accordingly.
1.15 p.m.

ON RESUMPTION

Mr. PRESIDENT: This session is now resumed. Senator Simmons.

SENATOR Dr. E. A. SIMMONS: Mr. President, I support the Bill before us to merge the two institutions, two statutory corporations and in listening to the comments that were made before on both sides of the Chamber I take it that there is no disagreement to the merger. I take it from the points that are being made that it is not whether you have one institution or two institutions that is important; it is the productivity of the institution or institutions that is of paramount importance.

However it would be remiss of me if I did not take note of some of the comments made by Senator Barker. One of the comments he made dealt with the relationship of Barbados to the Bretton Wood institutions and I am sorry that he is not in his seat because I do not want to misquote him. But to interpret what he said I took it to mean that he was saying that the Government of Barbados really should not pay much attention to what the Bretton Wood institutions were saying, that we should go ahead and run the Government without reference to these institutions. I think for someone who is trained in the discipline of economics I find that a very startling statement to make. Because I think in the discipline of economics especially when you operate at the level where Senator Barker operates certainly you have to be fully aware of the impact that such institutions have not only on small, developing countries but on large countries as well.

If we were to look at what is happening in the international arena today with respect to the GATT negotiations and what has happened because of the decision should I say, of one man the President of the European Commission Jacques Delors – because everyone seems to point their finger at him – it was so frightening that it seemed to have brought the whole world trade to its feet. Hopefully with the things that are coming out within the last 12 hours or so there has been some reconciliation of the position and we will be able to move forward. I think to stand in this august organization and to say that we should pay less attention to the institutions like the IMF and the World Bank is not to fully address the issues that we are talking about.

Furthermore when we talk about the manufacturing sector and the productivity of the manufacturing sector I do not think that one can isolate the manufacturing sector in Barbados from manufacturing in the world. The world today is going through the greatest economic recession that the world has gone through probably in this century. One may argue whether the depression of the 1920s and early 30s was in fact greater than the depression that we are going through now. There are economists who will argue that we are not going through a real recession at all. I think that is a line that was taken by the outgoing President of the United States much to his detriment because while he was saying that the economy of the United States was not really in a recession the Opposition and certainly the people of the United States did not agree with him. I think he, because of his position on the economy in the United States, has felt the results of his thinking. Likewise I think here in Barbados we have to understand that the manufacturing sector in Barbados cannot be isolated from manufacturing throughout the world. And manufacturing in the developed countries is undergoing a very difficult period. Some reference was made, for example, to the manufacture of furniture in Barbados. I am not quite sure what Senator Barker was saying because in one instance he was saying that the furniture industry should be doing better and then he quoted some examples where the Deputy Prime Minister went and sat in a chair at an exhibition and the chair collapsed. I do not think that he could really put the collapse of the chair as the fault of the Government. I understood him to say that the chair was not well made. But if we are going to compete either locally or internationally we must raise our standards. I think that this is what we must stress.

The allegation made about taxes on manufacturing, if I understand it correctly, my understanding was that the tax was put on as a – if you want to call it – negative incentive, if there is such a thing, to force manufacturers to go into the export market. If you go into the export market, the extra regional market then whatever tax there is there would be removed. Because one of the fundamental

problems in the economy of Barbados was the lack of foreign exchange. Therefore if positive incentives did not give the result of forcing our manufacturers to go into the extra regional markets then positively you can look at it in this term as punitive measures to force them to go into the extra regional markets. It is against that background that I saw the taxes. The taxes are not taxes that do not carry with them the ability to have the tax removed or repaid if something positive was done.

One can say that negative incentives are bad psychologically but if the positive incentives are not working then we have to ask what else can we do? We say that in the area of crime that we must punish criminals – this is not to say that the manufacturers are criminals. I am just giving an example of negative and positive ways of doing things. You can either punish a criminal or you can, up front, teach him not to become a criminal but the fact is that if there is a criminal you have to take action to do something about it. If incentives are put on to urge manufacturers to get into the extra regional market and these incentives do not seem to fulfill the role for which they were at first envisaged then one has got to look at alternative ways of doing that. I think we have to look at these areas in that sort of light.

One of the areas in which I differ greatly from Senator Barker is when he talked about the position of Barbados. He wanted to call it under one political party or another political party and try to conclude that since 1986 there seems to be some slippage in the productivity of Barbados. As you put it the 6 preceding years the years before that there seemed to be some losing of the incentive.

I would like to refer Senator Barker to some international statistics because I think that it is at all times we should not only judge ourselves but we should hear from some independent observers as to what is going on. Because I have maintained in this Honourable Chamber that one of the problems that we have in Barbados is a very negative self image and once you have a negative self image, you will not move forward. In that light it is interesting to note again if we watch the international scene that within the last week in the United States whereas they were predicting that the stock markets would collapse because a democrat had won the election there seems to be a state of, if not euphoria, certainly a resurgence of some interest as to what is going on because people have now got what they call more confidence in the economy. If you do not have confidence in yourself you cannot move forward.

I wanted to share these statistics with Senator Barker and this Honourable Chamber and this is the July/August edition of the Courier Magazine which is the Magazine of the Lome Convention. They list here some very interesting

facts. They have done what they call a human development index in which they factor in a lot of very important components that go to the development of a country or an area. If we are to list some of those, some of them include the Life Expectancy at Birth, the Adult Literacy Rate, the Mean Years of Schooling, the Real GDP and they come out with an index. It is interesting to note that of the 81 African, Caribbean and Pacific countries and European countries Barbados stands at number 8. Let me add that there are 69 African, Caribbean and Pacific countries and 12 European countries. Barbados as a member of the group of ACP countries often puts forward cases for loans or grants for the development of this country. We are applying to the European Community for grant money or low interest rate money for the development of this country. But when you look at this analysis Barbados is number 8 on the list. Barbados therefore is ahead of 5 of the European countries to whom we go for aid. We stand above Italy, Ireland, Spain, Greece and Portugal. Barbados is number one in all ACP countries. These are statistics not compiled in Barbados but I think that these are statistics that say a lot about how we are doing. Of course we would like to do better. We have to be analytical and we have to be critical, constructively critical. But we must never be so destructively critical that we destroy our own self image, because we will never move forward if we think that we cannot perform.

2.35 p.m.

What these statistics are saying in essence is that among these groups of countries, yes Barbados is performing very, very well and that we must do better. So, when we stand in this Honourable Chamber and we look at ourselves we must be sure of the kind of image that we have of our ourselves and though we must be critical we must not be so critical that we are destructive because the message may go out to people who are not exposed to some of the material that we are exposed to, some of the facts and figures that we are exposed to. It may go out that Barbados is no longer performing. We are performing but there are factors which limit our performance. Some of these factors are internal and some of them are external. I think we have to recognise which factors are external and which factors are internal, the ones which we can correct.

With respect also to funding and the comments made by Senator Barker about the Development Bank and the reduction in funds put out by the Development Bank, I think if you analyse almost any country in the world ... And the inner cities of the United States is a classical example of this where they have accused the Federal Government of not giving enough money for the development of the inner cities. The simple fact is that very often in a world recession the money is not there so you cannot put out what you do not have. If you were to look at what happened with funding to developing countries,

you will see, whereas some 8 years ago the Export Import Bank of Japan made funds available to developing countries (countries like Barbados were earmarked for those funds at low interest rates) it was the United States and some of the States in the South, North Carolina and Georgia who went to the Japanese and drew down on these funds that were available for the development of the Third World, making it more difficult for infrastructural development in Third World Countries.

We have to be sure that we recognise what our problems are and the fact is that there are times, even in your own human development – your physical development, when you are growing up; there are periods of rapid growth and there are periods where there is no growth at all. We have to accept that in the development of any country, whether it be developing or developed that there will be periods of growth, periods of no growth and even periods of recession. What we have to be sure that we do is that in those periods we can so adjust ourselves and restructure ourselves so that when the climate, internal and external, becomes optimum that you are able to move forward.

I think that one of the things that we have recognised here is that we have to look at our own institutions and it is good to say that a particular party has set up an institution and therefore it should be sacrosanct. I think we need to be constantly analysing all of our institutions. Re-examining our institutions because an institution that was applicable 10 years ago is not necessarily applicable in the same form today. We need to reassess all of our institutions on an ongoing basis and make sure that we make them applicable to the world of today and what is even more important to the world of tomorrow if we can predict with some degree of certainty what the world of tomorrow is going to be like.

I want, in giving my support to this Resolution to make these few comments and I would like to remind Senator Barker that this whole concept of manufacturing and how we deal with manufacturing is a very, very complex area and we, in the Caribbean especially, have to pay great attention. When we look at the giants in the world, like General Motors, who have decided that they are going to take their motor cars and produce them in Mexico because it is going to be cheaper to do it there, what is going to happen to the manufacturing infrastructure in America? Remember that we are dependent, we are very, very dependent because of our tourist industry, on people travelling to Barbados from that same infrastructure and spending money here so that our manufacturers, because of the standard of living primarily in Barbados, and secondarily in the Caricom area and possibly thirdly in the extra regional area, we are going to be very dependant on that infrastructure, but can we influence it? We are not in

a position to influence it. What we can do is to analyse it, try to predict what will happen because of such occurrences and try to modify our own system to make sure that we are at least keeping pace with what is going on in the world. But I wanted to make these few comments in supporting this Bill to merge these two statutory corporations and I am quite sure that this is not going to be the last of these kinds of measures that we see because we are living in a world where the revolution is going at a pace that we cannot follow.

The revolution that is taking place in the world today is so rapid that any predictions that were made on January 1, 1992 with respect to trade or whatever you want is no longer applicable today. We will have to watch the international scene and we will have to watch the scene within Caricom. We will have to watch the local scene and adjust ourselves to suit. I would like to make a suggestion which a lot of people might find rather controversial. I think that the time has come in developing countries when we have to reassess our institutions, political and otherwise. From my limited experience and this is my personal experience (it is my personal opinion) I do not think that developing countries can afford the luxury of confrontational opposition politics. I think we need to look at the politics of reconstruction. I do not think that we in the developing world can continue to oppose each other just because we are in opposing parties. I think we need to look at the reconstruction of our countries which a broad representation of the masses of people... Because if we assume that all the political parties within a developing country are fighting for the development of the masses of the people in that country, if our goals are the same (this is not to say that we cannot disagree) there is no reason why we cannot come together as parties of political unity. That does not mean one political party. It means coming together as a consensus and it may even mean that members of the Opposition may have to sit at the Cabinet level where decisions are made in order to reconstruct what we call failing economies.

What I am saying is, we have to look at reconstruction at the local level and we also have to look at reconstruction at the international level. We have to ask ourselves, will the future of the United Nations be in the interest of developing countries? Can the United Nations, as it is presently constituted serve countries like Barbados and I think, not only local institutions but international institutions as well because we recognise from the experiences that we have had with the IMF, the Breton Wood Institutions, the experiences that we are having at the level of the United Nations, we find that very often when decisions are made, developing countries and countries like Barbados are not even considered. The effects that the decisions that are made will take on developing countries are not considered. We are outside of the ambit and I

think we need to look at restructuring in general and there needs to be an overall assessment of institutions at all levels and that involves the political institutions within developing countries. There are models in the world that are already in existence and initial results show that those countries are doing well. For example, in Uganda where they have got a political union of reconstruction with political parties, there has been great improvement in that country. In the last three years, they have had a growth of over 6 per cent because they have been able to come together and have stability with all countries working together. I think that, while we are looking at the restructuring of institutions within Barbados, we need to look at restructuring at a higher level because in the final analysis what we are all aiming for is the good of the country itself and the masses of the people in the country. 2.45 p.m.

Mr. President, with those few words, I support this Bill. I thank you.

SENATOR Mrs. A. STRAUGHN: Mr. President, my contribution to this debate will be on the human element and the corporation and within the context of the corporation. When we look at the list of functions which appears to be a pretty tall order, we noticed expressions like promote, facilitate, productivity, efficiency, and responsibility. These all relate to human activity and performance at any level.

In this case, Mr. President, I want to emphasize the management level. In any establishment or the establishment of any organisation or corporation, intelligent, careful and quality management must be given priority consideration. When one enters as a member of an organisation or a corporation at any level, one enters with two contracts. We have the economic contract and the psychological contract. The economic contract spells out things like working conditions, wages, and things of that nature which we could almost equate to the low order needs so to speak. The psychological contract defines the personal and human relations which exist within the system. The psychological contract monitors things like the area of intrinsic satisfaction that members of an organisation receive, work for or enjoy.

I submit, Mr. President, that with proper management and the use of knowledge, skill and care, they all influence human performances and these in turn strengthen organisational productivity. The human element is paramount. I do not think we can say that often enough. The key element in any organisation is its people. Management's understanding and use of human resources are fundamental to success and the effective functioning of any corporation.

The workings of a corporation such as this, Mr. President, demand more than significant and economic reward. I think the management structure must be instrumental in building and supporting an ethical philosophy, that inner integrity that makes people tick. Management should be able to support a proper work ethic which advocates work as a desirable life goal. I think, Mr. President, that it is management's responsibility to establish the kinds of practices that will be effective. Activities in a corporation or organisation are determined and sometimes governed by role perceptions. Management of this Corporation will have to have responsible leadership roles.

Mr. President, management should be responsible for the maintenance of organisational and social equilibrium and the general morale of this Corporation for the proper performance of its functions. History is replete with the records of the collapse of many corporations and organisations with great potential because of poor management structure, poor management skills, poor management practices, the lack of stability at management level and because of distorted psychological contracts.

I submit, Mr. President, that careful consideration should be given to the choice and selection of the personnel that will form the management structure to begin with and subsequently to the entire human element in this merger and in the establishment of the Barbados Investment and Development Corporation.

With these remarks, Mr. President, I support the Bill. I thank you.

SENATOR J. J. PAYNE: Mr. President, I would just like to add a very brief contribution in my support for this Bill. It is a Bill which provides for the establishment of the Barbados Investment and Development Corporation. The Objects and Reasons of the Bill have been outlined by Senator Clarke in his opening remarks and I would not want to repeat those Objects. Particularly, I want to say that this Bill and this Corporation is a very important aspect of Government's developmental programme and it is a matter that needs to be supported not only by the two political parties but all the organisations which will be involved in the industrial development of Barbados in the import and export sectors of this country.

I want to suggest, Mr. President, that if this Corporation is to make an impact on the developmental process in Barbados attention has to be focused at least on three matters. I will set out the first as a simplification of the procedure for setting up new businesses in this country. I have had personal experience in dealing with many companies coming to this country where they have experienced considerable difficulty in getting set up and establishing their business. We have a procedure which

is so difficult where many of these new companies have to run from one Government Department to another and from one civil servant to another. The procedure had become so complicated and was full of so much red tape that the efforts of many would-be investors had been frustrated. I have recorded many instances of people who have given up in their efforts to start new businesses because of the difficult procedure and a lack of information on the procedure which is involved.

2.55 p.m.

I believe that this new Corporation should, first of all, seek to simplify the procedure for companies coming into this country and seeking to get set up. They should perhaps provide a desk with personnel specifically assigned to the task of advising persons who are involved in getting businesses set up and the procedure which is involved. I think if some attention is focussed in that particular area, it would ease a lot of the frustration which is experienced by would-be investors in this country.

The second area, Mr. President, on which I believe some attention should be focussed, is the question of staff and training. This perhaps has been mentioned before, but I believe that the staff which functions within this new Corporation is going to be very important for the success of the Corporation. With the merger of the two Corporations no doubt you will have a substantial amount of expertise which would have been already in place, but I believe when it comes to corporations of this nature we cannot just assume that because a person may have the necessary and appropriate degree from the University, or because a person may have a lot of years' experience in that particular field, that that is the answer. I believe that competence and willpower are going to be very important tools in this new corporation and we therefore have to look to find people who are not only trained in the particular field, but people who have the willpower, people who are prepared to put that extra effort in to ensure that success comes to the developmental process in this Corporation.

I believe we have reached a stage in Barbados where we have enough talent that people can be interchanged from various statutory corporations and institutions. I do not feel that people can function best in a job after 25 or 30 years, I feel that after working in a particular job for too long people tend to become complacent. I would like to see, particularly in corporations such as the one which we are setting up, that we have some rotation procedure to ensure that some of these people who become stagnant at their desks are able to function in a new capacity. It gives them an opportunity to bring new ideas and make a greater contribution towards the particular job which they are performing.

I believe, too, that within most of these organisations there are people at the lower level, junior staff, who have

some very important points and contributions to make. I do not think that when we set up a corporation, like the one which we are setting up, we should try to exclude the junior members of staff from making their input or contribution as to the proper and effective functioning of these institutions.

When I talk about the staff, I know that in many of these institutions there are many people who work in some of these corporations for many years who are unable to give you information on simple matters. It shows you that there is need for that rotation to ensure that people function effectively in those particular areas.

The other area, Mr. President, is the question of public relations. I believe that in the setting up of a corporation of this nature we have also to ensure not only that we put these various things in place, but that the public becomes aware of the role which the institution is playing in the country and that people at large have an opportunity to know what contribution this Corporation is making. I see, for example, that the Barbados Workers' Union has over the years had a paid column in *The Advocate* where every week they put out their views on a number of matters relating to industrial relations in this country. I believe that for a corporation of this nature we should have some mouthpiece whereby the policy of the Corporation and the difficulties which are being experienced and things of that nature should become matters of public concern, and the public should be able to read and know about matters of interest. For example, we have many estates, many factories which are rented, many of them not being properly utilised at the moment. There are many small prospective developers in Barbados who may be interested in renting a site at Wildey or Grazettes or some place, but the fact that the information is not there for the public to know, they do not take the enterprise and seek to take advantage of those opportunities. I therefore believe that the way how we handle the public relations aspect of this new Corporation is going to be a vital element in whether we succeed or fail.

When I talk also about public relations, I feel that we should have sponsored discussions, probably by the Government Information Service, on television, even by organisations in the country to ensure that this question of export and imports for the country, which is very vital, can become a matter of public discussion. People must have information relating to this matter if they are to properly make their particular contribution.

Mr. President, I notice that Clause 18 of the Bill provides for the submission of a financial report. This is an area which I believe should also be enforced very seriously. There are many corporations in Barbados which are required by law to furnish reports and have them filed

in Parliament by a certain date. Sometimes they are two and three years behind time. This is a matter which I feel we now have an opportunity to have kept up to date, and perhaps the Minister should keep an eye on that to ensure that the information which is so vital for the proper functioning of this organisation is kept before the public.

One of the other things we have to recognise is that many businesses succeed or fail because of the lack of proper accounting procedures. I believe, too, that this new corporation should seek to assist particularly small businesses in ensuring that they keep proper accounts and records, without which the success of the organisation would not be possible.

I was looking also at the question of expanding insurance business risks. There are many banks in Barbados that are hesitant to give loans to people who are getting involved in business because the risks are very high. I believe if we can develop a procedure and a process whereby we can provide for business insurance to cover possible loss which can come about through no fault of the business people, banks may become more interested in giving loans for this particular purpose. I heard Senator Barker stress that the Barbados Development Bank has not been pulling its weight in this particular regard, but we have to recognise that the Barbados Development Bank expects repayment of loans it makes. We also have to look not only at the amount of money which is lent out, but at the repayment schedule. I believe there are many people who owe money to the Barbados Development Bank who are now in arrears and this is a question which would threaten the viability of any institution.

3.05 p.m.

I believe that the Barbados Development Bank has done its best to assist people who are seeking to invest in this country. I believe any attempt to belittle the effort which the Barbados Development Bank has been making in this country would be an unfair criticism. I believe we have to go further than that and ensure that the other banks in this country increase the amount of their loan portfolio which is available for business enterprises. At the same time, we have to make sure that the protection is there for these banks not to lose in the event that these businesses go bad. For that reason I believe a policy on insurance to cover the risks of businesses collapsing would be a step, perhaps, in the right direction.

Now, Mr. President, we spoke quite a considerable amount on research. This too is a matter which this new corporation will have an opportunity to deal with in a very effective manner. We have been involved in this particular enterprise, export and import for many years and there is no doubt in my mind that we have the personnel and resources at our command to ensure that proper research is

done both locally and overseas to ensure that these businesses can make their impact.

We have had it stated earlier that manufacturing contributes something like 11 000 jobs to the economy which is even more than is contributed by tourism and agriculture. If manufacturing is seen to have made such a considerable contribution towards the unemployment problem of this country, I believe those of us who love this country will seek to ensure that the manufacturing import and export industry of this country is greatly enhanced to ensure that more people in this country find jobs. I believe, therefore, that the research which goes into this effort is one which should be taken on irrespective of the cost because when we look at the employment contribution alone, employment is one of the factors which will help develop this country and make it a better place.

Mr. President, the other thing I want to mention too is the question of immigration. I believe there are many people who come to this country seeking to invest in Barbados and experience considerable difficulties with the Immigration Department. I do not know what is the answer to that particular problem but I believe there should be some closer coordination between Government Departments to ensure that people who are here speculating on business ventures should be allowed a longer grace period of stay in order to accommodate them in finalising any plans which they are making for setting up businesses.

I have heard it being said too often that people who want to invest in this country are given a hassle. They are left to grope in the dark and left to move from pillar to post without giving appropriate information. I believe this new Corporation should focus its attention to some of these matters. If they can succeed in that respect, I believe that the effort of merging the two Corporations would achieve the purpose for which we seek here today.

With those very brief remarks, Mr. President, I give my support to this Bill.

SENATOR Miss M. A. MOTTLEY: Mr. President, I believe my colleague Senator Barker outlined the broad position of the Barbados Labour Party in respect of the formation of this new entity and essentially, that is, we are prepared to give it constructive support particularly in so far as at the end of the day we are firmly of the belief that there may be a certain amount of tinkering with form here and not enough action on substance. That is clearly what comes across in the area of manufacturing, industry and export promotion on the part of this Government over the last few years. Indeed this is only part and parcel of that mode of behaviour where there is more lip service paid to form than to the actual substance and action required

to boost our export-led growth that is so urgently required at this point in our economy.

Having said that, Sir, let me say this. It is significant that the 2 institutions which are being merged, the Export Promotion Corporation and the Industrial Development Corporation, that in the last few years regardless of whatever else has been said in here today, it is an incontrovertible fact that exports in Barbados have declined from 1984 at a period when it was \$545 million it was earning to a point in 1989 where it was earning \$250.8 million for this country, a decline of more than 50% in 5 short years. Indeed, the figures up until last year will show that there has been no substantial regaining of the majority of that market share, and indeed, the foreign exchange that we would have been gaining through trade in this country up until 1986. That in itself speaks volumes. It is to that I refer when I speak of action and no substance. It is to that I refer when I speak to this Government's propensity to be more concerned with tinkering with the form of institutions rather than getting ahead with the substance of matters.

What has also been significant in this debate is that there seems still to be absent from Government's policy any overall concept of how trade and export-led growth are to fit in to the development of this country into the 21st Century. One cannot have any overall concept if you are going to ignore particularly in a world that has become smaller and in a world where the issues of trade, perhaps, now are the most significant issues being faced by most countries in the development, that we have had no statement in this debate how this new institution will operate given the demand of the new developments within the trading blocs. For example, what is the Barbados Government's position or how do we adopt the position taken by the CARICOM Heads of Governments in so far as it relates to the North American Free Trade Agreement, as it relates to our precarious position as a member of the ACP, as it relates to dealing with the European Economic Community, particularly since pressure will now start to emerge from a number of countries that are not members of the ACP countries but who wish to increase their levels of trade and cooperation with the EEC. I refer specifically to countries like India – to the whole question which is perhaps of the most immediate importance to us, the level of liberalisation that the International Monetary Fund, the World Bank and the Inter-American Development Bank are prescribing as part and parcel of any development policy in the region particularly with those countries which are constantly wrapped up either through structural adjustment or stabilisation programmes with those multilateral institutions.

The issue of liberalisation threatens to devastate our agricultural and manufacturing sectors in a way that no other single policy would ever have done. We have already

seen and heard various sectors in the country only beginning to recognise that part and parcel of any assistance we receive from the IMF, the World Bank and IDB includes the whole concept of liberalisation at a time when our manufacturing and agricultural sectors are already suffering and in stages of decline without opening up the markets and removing the level of protectionism presently enjoyed by them.

3.15 p.m.

We see an absence of substantive action on the part of this Government to the development of those industries when this Government in the last year and a half to two years dismantled unilaterally even without... And if we are to listen to one or two Members from the Lower House, namely, the former Minister of State in the Ministry of Finance, where the Minister of Finance without proper dialogue or negotiation took a decision to remove the concessions enjoyed by the manufacturing sector in respect of inputs and raw materials and presumably trying to guise all of it under the cloak that they were only going to help the export-led section of that sector and not once cater to domestic consumption.

I believe that Senator Barker has eloquently put the case of the need for domestic-based manufacturing to also receive the benefits of those concessions because ultimately, Sir, in the economies of scale if their market is bigger and their market share is bigger they are able, as was with the case of Taiwan to produce at a more competitive price if that distinction between local consumption and export is not made.

We also saw another serious blow dealt by this Government to that industry that this corporation is supposed to help when the subsidies granted to those who rented on the industrial estates were greatly reduced last year. We also saw another blow dealt to that same sector when the price of fuel oil and electricity increased in this country considerably. The genesis of that increase not only to bring money to the Government coffers but for some misguided and unapparent reason to help the particular and peculiar coffers of MOBIL Oil. These are all examples of substantive action dealt by this Government that impact seriously on the growth of the industrial sector in this country as they sought to survive – not even to thrive, but to survive. And yet, Sir, were we not more on our Ps and Qs we may have been led into a lot of the guile that seems to have come across and surrounding the creation of this new agency as if to think that this new agency will wave a magic wand and all of a sudden Barbados' exports will be back up to \$550 million a year. That deals with the lack of substance, the lack of substantive support shown to the industries which this Corporation is set up to cater to.

In respect of vision, as I said, I remember some 6 months or so ago the former Prime Minister, Bernard

St. John levelling an accusation and for the first time certain members of the Front Bench being apparently surprised at this merger which was to take place here and also making a similar allegation in respect of the BMC and the ADC and members of the Front Bench expressing great surprise that this was actually on the drawing cards of Government's policy to merge these institutions and that a lot of it was as a result inspired by the IMF and the World Bank.

The absence of placing this Corporation in its correct environment in terms of Government's policy insofar as it relates to NAFTA, as it relates to what Government is doing with regards to boosting its ability and trying to maintain its preferential advantage with ACP and the EEC and the absence of placing it in the context of the effects of liberalization as we are already beginning to see in Trinidad and Jamaica who have already embarked upon those courses reinforces my belief that this measure here today is nothing more than the implementation of a directive from the World Bank and other institutions outside of the particular sovereignty of this nation.

I am not satisfied that the Government in its explanation of this Corporation is sufficiently charting what is proposed to be the growth and potential of this Corporation fully in terms of the obstacles and indeed the assistance it may meet during the course of its life. I am not satisfied that when this Bill in terms of words and rhetoric speaks of assistance in certain aspects of growth that there will be any genuine follow up action to ensure it. And I am talking not only in terms of the information sector but I am talking of all forms of creative activity embarked upon by Barbadian people that results in the earning of foreign exchange through the sale of either those goods or services overseas. Too often, Sir, we have seen a very narrow approach to what is capable of earning foreign exchange in our economy and I have spoken at length on that issue in here already as to the expanding of our vision as to what is capable of being a productive sector from what is not capable of being a productive sector. Those are the policy issues as it relates to the IDC/EPC merger that we are here debating.

But, Sir, there are a number of matters that also cause great concern. Senator Barker spoke briefly and urged that he hoped that those who were severed under the closing of the two corporations that their rights and privileges would be protected. I am informed that still up to the end of last week those who were severed have not received any funds yet in respect of severance pay. And what is even more disturbing is that there seems to be a development where a decision was taken to sever the maintenance workers particularly of the IDC who would have taken care of the maintenance of the IDC estates and having been severed, those workers – some of them – have had to have been

reemployed as a result of an inability to take a decision on the basis of the tenders that were submitted to the Tenders Committee for contracts for the maintenance of the IDC estates. This is an area that demands serious examination and investigation. It is an area that I believe will reveal for those who are interested in seeing how the process of Government should not function will find much when they ask questions as to whether or not a person who is a member of the Tenders Committee in respect of the receipt of contracts for the maintenance of IDC estates is in fact affiliated with one of the same companies that tendered for the maintenance of those estates and whether that same company with which he is associated is not associated by dint of a similarity of name with the Minister of Trade.

My understanding is that fortunately one or two members, one who is present with us today, insisted on propriety obtaining and that as a result after that insistence of propriety that a certain course of action was taken and a declaration of interest on the part of the Minister of Trade followed. These are matters that must engage us seriously, Sir, because at the end of the day – Senator Simmons spoke eloquently in here on the difference of confidence in the American economy and what difference it has made to the buoyancy of the industrial markets – if we continue to be faced with potential scandal after potential scandal to a point where it becomes run of the mill the erosion of confidence must of necessity take place, the erosion of the integrity of the system must of necessity take place, and what I am saying, Sir, is that Government must explain why it is that those maintenance workers who have been severed have had to be re-employed because of the inability to take a firm decision on the basis of recommendations from the Tenders Committee.
3.25 p.m.

In this instance, Sir, the proper thing was eventually done with the declaration of interest, but I am still asking whether the person who is on the Tenders Committee, who is affiliated with either Franklin and Company or Summit Corporation, is still there and whether bids presently exist from those corporations to the Tenders Committee. I say no more at this point. I believe that it is an issue that needs investigation and needs explanation to the Barbadian public because at the end of the day the funds going to pay those corporations for maintenance have their genesis in the public's coffers. Propriety must not only seem to be done, but also must be done.

Asides.

SENATOR Miss M. A. MOTTLEY: It is an issue that I feel strongly about because those of us who come into public life and those of us who do our utmost best to ensure that our actions remain totally above and beyond reproach are eventually tainted by those who do not subscribe to the same principles.

I would say this, Sir, that if as I understand, one of the Ministers of Cabinet who is present here with us today insisted on propriety in these matters...

SENATOR THE HON. L. V. H. LEWIS: Mr. President, on a point of order. That is the sort of implication which it would be better if it were not put on record at all. If the Honourable Senator wants to say one of the Ministers of Cabinet there is no harm done but not one of the 2 present here, Sir. I would be happier if she would withdraw that.

SENATOR Miss M. A. MOTTLEY: Sir, I am grateful to the Honourable Senator and I will put it in those terms. I have no difficulty with that, Sir. I believe that he, like me, too, believes in the general principle that those of us in public life who abide by high principles must not suffer the consequences from those whose principles are not as high as ours. I will leave it at that and I believe and hope that somebody will pursue the investigation into these matters.

Sir, having said that, I was interested to hear Senator Clarke in his introduction speak about the necessity for a one stop shop. I believe he was reading the 1991 manifesto of the Barbados Labour Party which clearly articulated the need on page 29. I believe it is already a document of this Chamber and clearly it has come across the eyes of certain members of the Chamber where it is at the top of page 29.

Senator Payne also referred to a number of bureaucratic humbugs that potential investors face when coming to invest in this country. Many of us either from a legal and accounting or banking perspective who have had to deal with these investors know that it can quite often be the greatest detractor to their bringing their money here, particularly, since this constitutes for many of them a first impression of this country.

The time has come, Sir, for us to determine that if we are serious about attracting investment to this country particularly at a time when foreign financing flows now not in the form of aid but in the form of investment, we put our house in order as a matter of urgency to ensure the creation of this one stop shop for attracting investment. Indeed, countries like the Bahamas, Antigua and others in the region – the Turks and Caicos – have already embarked upon programmes such as this to encourage and facilitate investment and, indeed, we will find that this will not give us a competitive edge but will only bring us up to scratch with those in the rest of the region which have professed to be serious about attracting investment in the form of industry or services as part of their economy.

Small business sector, Sir. Much has been said about the lack of access to capital by the small business sector

and the fact that the National Development Foundation has really been the only institution in Barbados catering peculiarly to the needs of that sector. Sir, it is true that the Barbados Development Bank does provide some sums of money to the National Development Foundation, but that is not the point, I believe...

SENATOR Mrs. V. C. FRASER: Mr. President, on a point of order. There is a small loan scheme from the Barbados Development Bank. I want to make that quite clear. They lend us to on-lend and we pay back. Thank you.

SENATOR Miss M. A. MOTTLEY: Sir, I am glad for the clarification. In fact, it even strengthens Senator Barker's point in here earlier that the Barbados Development Bank is not doing enough for small businesses in this country.

I do not think that there is any dispute as to the fact that employment is predominantly generated by small businesses and not larger businesses. Any of us who witness how we were able to emerge from 1981 would have seen that the small business sector of the Bank at that time would have increased considerably. That would have assisted tremendously in maintaining low levels of unemployment in the days when we used to have 10% and 11% and not the 23% and 24% that exists today.

If we look at the Central Bank Report, Economical and Financial Statistics for September 1992, we will see clearly that lending to that sector has dropped from a level of \$12.06 million in 1986 to \$9.6 million in August 1992. Given inflation and all of that, the drop in real terms is a substantial decline in excess of 40%. If we are going to make any dent on the unemployment that has increased tremendously in Barbados over the last 18 months we have to do so by funding small businesses and by funding those of us in our society who are prepared to take the risk towards the emergence of some sort of employment and business activity for themselves and those around them.

We have not yet, despite much talk, established any venture capital fund to assist particularly those industries where the risk is going to be much greater than in the normal course of business activity.
3.35 p.m.

Once again the Barbados Labour Party has been advocating, certainly since 1988, the establishment of a venture capital fund and one of the interesting things, Sir, I just returned from Jamaica last week where I was present at a conference at the Conference Centre in Kingston, that was set up peculiarly to determine the viability of a venture capital fund for the music industry, not even for just general industry or within the economy generally

but peculiarly for the music industry because, Sir, of the recognition on the part of that Government that foreign exchange earnings from music and the arts are considerable.

Sir, this Government has paid what I consider, apt lip service to that concept but until this Government recognises that unless we can ensure a continual supply of talent that the success in that industry will be short lived. The single greatest booster to ensure that continued supply of talent, Sir, is to ensure that instruments and education in that discipline is accessible to all in this country. In the same way with cricket as I have said before, when any and everybody could have access to whatever it took to play the cricket you had a plethora of people who had perfected that discipline. Similarly, with the music industry, with the painting industry and with other forms of disciplines within the arts. But I started to talk about that by talking about the need for the venture capital fund and I believe that many of us are getting tired of hearing about the need for it and seeing little or no action in that direction.

The design centre: The export promotion report of 1990, Sir, referred to the fact of the importance of the design centre and its operation, if I use the words from that Report, Sir, by July 1990. Let us hear about that. Let us hear, also about the fact as to why leather craft in this country has not taken off at a greater rate because there has been a complaint as to the quality of leather by most of the craftsmen.

Mr. PRESIDENT: Senator Mottley you have got 2 more minutes.

SENATOR Miss M. A. MOTTLEY: Thank you, Sir. There has been a complaint about the quality of leather and that complaint has been there for the longest time and the IDC never did anything to rectify that situation. Let us hear, Sir, about how it is that this institution, plans to interact and interface with organisations such as the University of the West Indies in the continuing growth of research and developments that our industries are always able to be competitive and on the cutting edge if they are to provide the kind of export led growth that we are asking of it.

In essence, Sir, let us also hear, before I complete, that the \$14 million that comes in from the training levy, instead of going into the consolidated fund goes to finance what we, in the Barbados Labour Party, recommended in our last Manifesto as a use for business enterprise, particularly catered to funding enterprises and businesses and providing technical and other services to young people in this country who constitute the majority of those 30 000 people that are unemployed.

In completing, Sir, I reiterate the point that I made at the beginning. While we have no difficulty with the merging of these two institutions it is the substantive action of the institution that is going to speak volumes and if we are to judge from the substantive action of the EPC and the IDC over the last 3 or 4 years there is great need for concern.

Sir, exports cannot be generated by the formation of a new body but indeed by understanding -

- (1) the world that we are living in,
- (2) the obstacles that are facing us in terms of trade groupings, trade pacts, liberalisation being imposed from outside, and indeed, Sir, the peculiar demands of our own economy. And, Sir, by us determining to approach it with a level of commitment and financing whether in the form of concessions or direct subsidies to ensure the viability and the survival of those industries that depend upon it and indeed those industries that we depend upon to earn the foreign exchange.

Thank you, Sir.

Mr. PRESIDENT: Senator Cole.

SENATOR J. A. F. COLE: Mr. President, I rise to support the Bill but I would like to make a few comments. We have heard an awful lot here today. I have seen my good friend Senator Barker come in for a bit of hammering on some occasions but to my mind he made some very useful contributions. What we have here before us today, Sir, is that we are going to re-define the mandate of the 2 existing statutory bodies and put them into one entity and this entity will operate in a world quite different from the one in which the 2 former ones were hatched or spawned or created. The merging itself as Senator Motley and other people have said really does not mean anything. The important thing is that we have results from this merging. This merging in a new world is going to give us new results.

We have heard from many areas, ~~in~~as which would tend to give us these new results. What we really want is action which will lead to these things. Mr. DaSilva from the Ministry of Foreign Affairs rang me not long ago to tell me that he had been in discussions with colleagues and they thought the printing industry was one industry in which some more foreign exchange could be earned *et cetera, et cetera* and what did I think would happen if duties came off the imports. Now the duties are fairly small but of course that would happen but that is just one of several things that would have to happen before we really were competitive.

Senator Dr. Erskine Simmons was talking a little earlier about how the idea was to pressure the manufacturers into exporting, but by taking off or putting on duties would not in itself help. We have to look at all the other things that go to make a manufacturing product viable or not viable. Right now in my family company we are still paying increases on wages negotiated in a wage negotiation which started nearly 2½ years ago. In August we paid an increase in the weekly wages and of course once you pay the weekly wage people the monthly people will want to know what about us. So here it is we are trying to restructure and all the rest of it but we are still going head long in one area where we are making ourselves less and less competitive in another.

I want to talk about our attitudes towards work and so on and the fact that we have to help ourselves more and this is from the point of view of the manufacturer, not just the operator. This brings to mind clause 11 of the Bill and section 2 of Clause 11 reads:

"(2) The funds of the Corporation shall be applied towards

- (a) the payment of the salaries, wages, fees, allowances, pensions and gratuities of persons employed or formerly employed by the Corporation; and
- (b) meeting the obligations and discharging the functions of the Corporation and matters incidental to those obligations and functions."

To my mind, attitudinally I would have (b) first and (a) second because I think that if you met the obligations and discharged the functions of the Corporation you would have plenty of money for the payment of salaries and so on. That is just an attitudinal thing. This is just another case of the cart in front of the horse. We need to change attitudes, we need to understand that these on-going wage agreements will have to be capped at some point and I am not just talking about the weeklies, I am talking about the Managing Director down. It needs to be capped or reversed as the case may be. The cost of reconstructing a company and retooling a company is now cheaper than it was a year ago thanks to the new laws on redundancies but it is still high and extremely high for third world countries.

Senator Barker, I thought, was dead on when he talked about agriculture and manufacturing supporting tourism. There are no two ways about it. We have got to grow more of the things that we feed our visitors with. We have to build up our manufacturing to form a three prong attack of which tourism would lead. I differ with Senator Barker when he tends to say that we want everybody to be a maid because we have tourism. But my knowledge of

tourism, I have seen managing directors, accountants, chefs, and all sorts of skilled people in the bar-restaurant area. I have seen messengers and van drivers and all the other people. So I would not let that be a worry too much because I do not think it is as bad a picture as that that has been painted. I think that if our tourism grows our ancillary services will grow. Those people who rent cars, those in the motor sports and what have you would prosper. I do not think that we should let that worry us too much, but I do believe that we must have our manufacturing, agriculture and above all we must have this crime under control.

3.45 p.m.

Now recently we have seen what appears to be a new ballgame in terms of the sentences that are being handed down to people. I do not believe that by sentencing people long jail terms or hanging them is a solution to unemployment. We know that a lot of crime is spurred by unemployment and other socially related things. But I am saying that what we are seeing now is that the punishments are closer to the crimes and I think that is a step in the right direction.

I would just like to say that I am all for putting these two statutory boards into one. We want results and it will take a little time for all the other sections to fall into place where we can really say that our manufacturing is going to become competitive. We do need the agriculture to come on and help it. We do need our tourism to help us get the foreign exchange to re-tool. I know of a company that is looking to buy a \$1.5 million machine. If tourism does not help to bring in the bulk of that money, he is not going to buy it because the money will not be there.

Sir, by and large I like the idea. There is nothing wrong with it. I would like to think that we would get more value for money. That is to say more money will be spent on the project than on the staffing. I think in the long run this is probably the way to go and I will certainly support this Bill.

SENATOR T. C. BECKLES: Mr. President, I wish to support the Bill and to say just a few brief words. I would like to preface what I am going to say by saying that it is rather fortunate to be here today listening to some of the very learned arguments put forward in support of this Bill even though some said that their arguments were critical. Suffice it to say, Sir, they did not find any fault in the Bill itself neither the philosophy or in the way that the Bill is designed to be put into practice. However, one of the distressing things, and I am sure that from time to time we will come across this, is when you sit and listen to a very learned person in a particular discipline having to in some way not speak so clearly as he may have been if he did not try to introduce ideology into his thought.

Senator Barker indicated this morning that the introducer of the Bill had no overall view of the system. But then he went on to talk at length about export led position. Now I thought that the export led philosophy is the embodiment for which this particular institution that we are now debating would form part of. In other words, the vision of the Government is to transform the economy which now exist from one in which basically manufacturing is import substitution for one in which manufacturing becomes export led. That in itself is an indication that the Government has a plan.

I think that Senator Barker should have been aware, and also to a lesser extent I think Senator Mottley hinted on this, that we must be careful of the old notion that Government has not got a plan. The economic thought, in my view, must be flexible. One of the most exhaustive and thorough economic plans ever existed probably in the world and most skillfully put together was the Russian system. No one can say that the Russians did not have a plan. The economy was planned down to the last nut and bolt. They collapsed because they were not flexible. I think this is really what we must be concerned about that in building our economy that it has enough flexibility that it can change and cope with the times. I think that as we look at what is happening the need for change and the way in which these particular two institutions come together is an indication that the Government is aware of the need to change and have an economy that is flexible enough to change.

I would like to comment a bit on the whole idea of the export led situation that we must get into and the kinds of problems that are encountered when you move from the sort of import substitutions. I think we all must be aware of the fact that moving from an economy structured in one way into one which is going to be restructured that we are going to have fall-outs. I think this is the period that we are going through and this is further complicated by the fact that we are now in a recession. We have to restructure our economy at a time when the whole world is in a recession. In a recession, the aspect of an economy that tends to do very badly is manufacturing and not only manufacturing but small businesses that tend to operate just on the margin. For example, in our particular case when it was clear that the Government had a foreign exchange problem, we had to take measures to make sure that you correct the foreign exchange problem. The companies that tend to feel this impact most heavily are the small companies which depend on the last dollar or so to keep its cash flow going. Now this is nothing orchestrated deliberately to put small businesses out of business. Of course, this is almost in economic thought. This is the purpose of small businesses. They are flexible and small businesses go out and come back. When they go out at a rate that is more rapid than they are coming in, of course, that is not too good for us.

This is probably what is happening to us today, but I am sure small businesses will come back.

Just in passing to say a few words regarding the Barbados Development Bank. I do not think that anyone with any sound analysis of what happened in the Development Bank could say that the Development Bank did not play a very significant role over the last 21 years or so, and it is continuing to play that role. Senator Barker lamented the fact that probably in 1984 the loan portfolio was just slightly below what it is now. In order to make his analysis complete, in order to better inform the Senate he could also have noted that the contaminated loan portfolio was significantly high following the period which he mentioned. I think we all would know that if you lend money at a very rapid rate at a particular time – it may be significant that he looked at 1984 or probably 1985 – 3.55 p.m.

SENATOR T. E. BARKER: On a point of order, Sir. I specifically said 1986.

Mr. PRESIDENT: Thank you. You may proceed, Senator Beckles.

SENATOR T. C. BECKLES: The loans would have been made, they would have been on the books in 1986, which probably means that the loans were made in 1985. The point is, however, that in running an institution like the Barbados Development Bank, it may have been all right in the 70s and the 80s, when international institutions were getting over themselves to lend money to developing countries at concessionary rates, for a bank like the Development Bank to underwrite a lot of deficits for private enterprises. This may have been okay, but is it okay today? The answer must certainly be that it is not, because those same institutions are insisting that the Development Bank account for its loan portfolio and that it at least break even. In short, there is not the excess of loan funds in the international market that was there in the 1970s and 1980s.

The Development Bank must be flexible. We cannot be doctrinaire, we cannot say the purpose of the Development Bank is to continue to be a welfare institution for business when it suits us. It is an institution which facilitates private enterprise, which allows private persons who have ideas, who have entrepreneurial skills, but who find themselves at one time or another short of investment capital to access that capital, and in due course the business would generate enough income to repay the capital.

If the Development Bank was not functioning like this before, then I think all of us would be aware of the consequences, that is, that you would have these contaminated loans. The businesses themselves, after

they grow to a certain extent and they cannot get any more loans, die and leave the Bank with significant deficits. I think the restructuring that is taking place in the Development Bank now is part of the restructuring that is necessary to make Barbados more efficient and is part of what we are seeing with regard to what is happening with this Bill, that we must have institutions that are efficient. This is the key to economic development now and in the future.

A business can no longer be something which is padded out for favours, it must be something which is run efficiently. As the saying goes, it must be lean and mean, but it must be run efficiently. If you follow what the Development Bank is doing today, you will find that we are more concerned when we take on a client to make sure that whatever the business is it becomes successful. We are not just concerned with pumping money into a business because we know the owner of the business. We want to make sure that in due course that business is capable of generating enough income to repay the loan. You may not like that, but that is as it is and we believe that it is a better approach to running an institution like the Development Bank than one in which it merely becomes a sort of welfare institution for businesses which might not have taken off, but is allowed to take off and then dies.

I should like, Mr. President, to comment just briefly on the notion of the venture capital fund. I think, again, this is a noble idea that has been tried in various countries, Canada probably being the country in which it was most extensively tried, but with very, very miserable success. I think the failure rate in Canada is somewhere in the region of 80%. This is not to say that you should not try to introduce a similar thing in Barbados, but what we must be careful of is at a time when we are short of money, foreign currency in particular, any activity we introduce now as part of an institution must be an activity geared to earning foreign exchange. I think this is one of the failures of the Barbados economy right through the 70s. The guiding and the learned philosophy at the time seemed to be that economic resources were unlimited, that all you had to do was to have an idea and to bring that idea to somebody who had some authority with regard to the doling out of money and then, eventually, we would succeed.

We have come a long way and we are now learning that economic resources are really limited. Again, this is something in Senator Barker's very learned position this morning, but in my view he was supporting more the policies rather than contradicting or trying to argue against them. When Senator Barker indicated that a bank like the Development Bank cannot look at the loan portfolio as an accountant would, and he stopped there, again I am sure he could have informed the Senate more thoroughly with his knowledge of the subject if he had gone on to say how should we look at it.

SENATOR T. E. BARKER: On a point of order, Sir. I did not want to stop the Senator, but I did in fact say that we have to look at it as a global picture, what you lose here you gain over yonder in terms of jobs, foreign exchange earnings and so on, so I did say how we should look at it.

Mr. PRESIDENT: Thank you, Senator Barker.

SENATOR T. C. BECKLES: The point I was making with regard to this is that he is saying the same thing, because unless you are able to quantify in some way the gains and the losses, then I find his argument even more mystifying. He is saying you will gain something here and lose something there. Unless he is going to come to us and say what yardstick, what measuring rod you are going to use with regard to 1% employment or what have you, or in short, should the Development Bank lose 50% of its portfolio in order to employ 10 000 or 50 000 people, and so forth. These are the kind of insights that with his precise knowledge of economics he could have given to the Senate. 4.05 p.m.

However, Mr. President, one other point I want to mention before I sit is the industrial development infrastructure that now exists in Barbados and which we have to transform into one which is certainly more conducive to producing goods and services at a rate that is internationally competitive. To do this I think Senator Straughn in her presentation hinted at some of the things we must focus on. We must focus on the use of our human resources in Barbados and try to use it as efficiently as possible. Again, we know that we are in a recession induced by certain international characteristics. One of the things that tend to happen when we are in a recession is that most businesses, rather than looking at its structure and trying to say, let us see how we can use this structure given these humans and so on that we have here to produce something to sell, you start looking at how you can cut back and you have fewer and fewer people without realising the social consequences.

I believe we in Barbados must start looking at our human resources. I know there are many people in Barbados today who are talking about total quality methodology of production. I would hope that we can go along that line somewhat. What we must bear in mind in this approach is that the Japanese when they began this approach, looked carefully first at the structure of their economy and system. They did not bring something and called it total quality and tack it on, or ran it parallel to a system that was archaic. They looked at the system. They restructured it and as part of that restructuring total quality evolved. Each person within that system realised they had to have a customer whether it was internally or externally. If you were working you had to be doing

something within your organisation that was helping somebody else within that organisation to be more efficient and eventually you can retain your work. But if you are working within an organisation and your effort is not being used, or you cannot see how your efforts are used to help that organisation to become efficient, then, of course you do not have an internal customer. I am sure this would seep into the fact where you would make the product not so economically viable.

In closing, I wish to support the Bill. I believe it is, certainly, a long step in the right direction to restructuring our economy, looking at those areas where we have a lot of overloading and padding and getting structures and systems in place that are efficient and effective to produce goods and services that are competitive. It is really, in my view, commendable as I look through the Objectives of the Bill. I am sure that with its implementation we are going to see not only a change in the structure but also a change in the substance.

Thank you.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. President, first of all in winding up this debate I would like to point out that we are not seeking a merger of the IDC and the EPC but rather we are seeking to establish a new institution with a new image to take us into the 21st Century. The functions might be similar to those currently undertaken by the 2 separate institutions but it is really indeed and in fact a brand new institution we are setting out upon.

Senator Mottley in her contribution indicated that there has been a decline in exports. There can be no question about this but I do believe that Senator Mottley should have gone a step further. In my presentation I talked about the import substitution arrangement whereby we looked at manufacturing for the local market and then the wider CARICOM market. If first of all we look at the reason for the decline in exports over the period 1983 through the current period, in CARICOM in particular (and I am sure that Senator Barker is in possession of the September Economic and Financial Statistics of the Central Bank of Barbados which is a document of this House) if we would just cast our memories a little way back we would remember the problems we started to encounter in 1982 when our major trading partners threw out certain barriers to trade, the ECO form and licensing requirements which severely affected our garments and furniture. I said this in my opening statement.

I would like to state for the record that in 1982 within CARICOM we had exports of \$117.8 million, 1983 - \$120.45 million, 1984 - \$100.49 million, 1985 - \$70.5 million, 1986 - \$56.29 million, 1987 - \$53.4 million, 1988

- \$71.3 million, 1989 - \$100 million, 1990 - \$105.9 million and in 1991 - \$106.4 million. So within CARICOM, if you will remember exactly the problems which arose in 1982/83 between the then Government of Barbados and the Government of Trinidad and Tobago which led to the imposition of the ECO Form. Overall then in terms of total domestic exports, falling from a high of \$583.6 million in 1984, in 1985 to \$496 million, 1987 - \$214.5 million, 1988 - \$248.0 million, 1989 - \$250 million, 1990 - \$248.2 million, 1991 - \$241.4 million.

I said in introducing this measure that our industrialisation programme was predicated upon industrialisation by invitation. If our memories would serve us correctly, most of the earnings in foreign exchange in that period came from the enclave enterprises that we had established in Barbados. Since that time, INTEL, PLATEX, OPILKA and CARCOM have closed. All of these were in the electronics. I was at pains to point out in the introduction that it was because of the impact of Japan in the electronics industry which took away the initiative from the American countries which we had operating here. So to make a statement that it was because of something that we did here is not right.

Since that time the need for this new institution became even more imperative as we recognised we could no longer do business as usual. We could not seek the same type of industries being attracted to Barbados, therefore we had to go out and find different types of industries to get into Barbados given the factors which had transpired in this economy, that is, we were no longer attractive as an offshore location for those industries.

But going one step beyond Senator Barker indicated that about 500 000 people in tourism would be okay. But before I get to that I want to establish a linkage that we are talking about only one industry and that is tourism. This Government, the Prime Minister as Prime Minister and as Minister of Finance has made it abundantly clear that we intend to have a balanced economy in this country. We expect manufacturing to do its part and we are looking between 10% and 12% contribution to Gross Domestic Product. We expect agriculture to do its part and we expect tourism to do its part plus the new offshore sector. We are not looking at any one sector. Out of this we have tried, with limited success, to forge the merger and establish the linkages between manufacturing and agriculture. We have tried. But let it be known and I want to make it clear that this Government is committed to more than one sector. We have moved away from the mono crop type of economy and we have no intentions of going back there whether in the rise of tourism or otherwise.

4.15 p.m.

Senator Barker made the observation that we could be happy with 500 000 people for tourism. I think it is a

clear indication that the Honourable Senator has clearly misunderstood or does not understand the nature of tourism. It is not a homogeneous product. In tourism we have sports tourism, we have leisure tourism, we have the wonder lust tourists who come to look at the natural sites we have. We also have health tourism. We have business tourism in terms of a convention. We have the educational tourism. They all make different demands on different sectors within the economy. To the extent that we have a plant closed here for eight weeks a year in the summer vacation where students all over the world are learning to speak English which is an international language, we close them here for eight weeks for the greater part I think that we have an opportunity to try to go out and try to develop this type of tourism. It has no impact on our beaches. It would be in the classroom. I think that we have to get away from tourism only as people sitting on the beaches all day. It is not a homogeneous product.

Barbados has a teaching hospital. There is no conceivable reason why Barbados should not be the health centre for the Caribbean region. There is none whatsoever. This is the type of tourism we can well go out of our way to promote. We are discovering and we are trying to promote nature tourism on a limited scale because we will never be able to compete in this area as other destinations like Dominica. But these are the other areas within tourism and they are not competing for the same space, if you will, and you do not have to overcrowd it. I think it is erroneous when people walk around and talk about numbers. As a matter of fact I myself have never been one to be confused about the numbers of tourist arrivals. I am more concerned about the number of bed nights that we use in Barbados. Because I can see that we can have one tourist who will come here and spend 30 nights one month and 3 tourists who will come and spend 5 nights each. So you have 15 bed nights in terms of if you are using the proxy for measuring tourism as bed nights and the hotel. So you would have had 15 bed nights by having 3 people. Three hundred per cent of what you had one night, one person came but spent 30 nights here. So I think just looking at share numbers in and of themselves we have to get behind this and I am sure Senator Barker is quite capable of getting behind that. I do not think he is misplaced in this instance.

In the case of the design – I think he gets into trouble because he does not listen enough – I think he indicated that we should be training more people. There is an agreement now and a programme in place between Barbados and the EDF which provides for 10 persons to be trained in design. This is Senator Barker's concern. I hope he would listen to this so he cannot say he never heard it in the Chamber. The programme is designed for 10 persons to be trained in design, of this 10 there will be 6 undergraduates and 4 graduates. The undergraduate

programme leads to a degree in designing. It is a 3 year programme and 2 undergraduates have started in 1991 and another undergraduate left in 1992 as well as 1 graduate. So we are taking steps in this.

On the whole question of training and education we in the Ministry of Labour, Consumer Affairs and the Environment are looking at establishing a technical, vocational and educational training council which would incorporate the tertiary institutions especially at the Samuel Jackman, the Polytechnic level and the Community College plus the National Training Board and taking new people who are trained in the Training Board or people coming out of school and trying to:

1. Put them through an apprenticeship programme and/or Skills Training programme.

But also by articulating these programmes with the tertiary institutions allowing them to go through based on their own development and their own rate of progress into these other institutions because we too recognize that if we are going to build a nation we need all the skills in the world we can get for nation building. We are trying to facilitate. We in Barbados for too long have as you rightfully said, more or less dealt with the academic area and made very little provision. Not only have we developed the academic area but we insisted that it should be done at one stretch. Education is an ongoing process and if someone drops out of school at 18 with 2 O' Levels there should be provision for them, if they so desire, to come back at a later period to further their education, change direction if needs be. But the facility must be put in place for this. This is an area that restructuring has forced us to look at because there were many people in the work force who have come out and who are now in for retraining and who might, of necessity, be forced into another direction and who might discover that they have new aptitudes to go in this other direction.

Without any further comment, Sir, I move that this Bill be read a second time.

The question was put to the Senate and agreed to.

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

COMMITTEE

Mr. CHAIRMAN: The Senate is in Committee.

Clauses 1 to 10 inclusive were called.

SENATOR THE HON. Dr. C. D. CLARKE: Mr. Chairman, with your leave, since there has been no major dissent and with the leave of the Chamber, I would like to call Clauses 1 to 10 inclusive.

I beg to move that Clauses 1 to 10 inclusive stand part.

The question was put to the Senate and agreed to.

Clauses 11 to 20 inclusive were called and passed.

Clauses 21 to 23 inclusive were called and passed.
4.25 p.m.

The Schedule to the Bill was called.

SENATOR THE HON. Dr. C. D. CLARKE: I beg to move that the Schedule be the Schedule to the Bill.

The question was put and agreed to.

On the motion of SENATOR THE HON. Dr. C. D. CLARKE, Mr. CHAIRMAN reported the passing of one Bill in Committee without amendments and Mr. PRESIDENT resumed the Chair and reported accordingly.

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

**ORDER NO. 3 – RESOLUTION TO RENEW LEASE
TO THE BARBADOS CRUISING CLUB AT
GRAVESEND, ST. MICHAEL**

SENATOR THE HON. L. V. H. LEWIS: Mr. President, this Resolution deals with a proposal of Government to lease some 1311.75 square metres of land at Gravesend to the Barbados Cruising Club for a period of 15 years.

It will be recalled that in October of 1967 Government entered into a lease agreement with the Barbados Cruising Club in respect of 16 628 sq. feet of land at Gravesend for a period of 25 years commencing March 1966 at a fixed yearly rent of \$120 per annum. That agreement expired on March 4, 1991.

During the period of the lease, the land which was occupied by the Cruising Club was reduced in size because of the change of entrance to the Cruising Club and the separation of a guard hut which was made available to other neighbouring premises. Subsequently, with the adjustment of boundaries, it was realised that the land presently occupied by the Club was reduced to 14 114 sq. feet or 1311.75 sq. metres of land.

Sometime in November 1990, the Cruising Club indicated that it was interested in renewing the lease and the Commissioner of Land Tax was asked to place a valuation on the property. For commercial purposes the property is valued at \$16 800 but it was considered by the Ministry of Housing that since the Cruising Club is a not-for-profit organisation that it should not be required to pay the actual value of the lease, and instead it was agreed that it would be granted a new lease at a reduced rental representing 15% of the open market value. This calculates at \$2 520 per annum.

When the first lease expired in 1991, the building and erections on that land reverted to the Crown at the end of the 25-year lease agreement. However, with this new lease, it is proposed that the lease would be for a period of 15 years at the rental of \$2 520 per annum to be reviewed every 5 years and that the lessees, Barbados Cruising Club, be responsible for all repairs to the property, the payment of any rates, taxes, insurance premiums or assessments imposed upon the premises.

I beg to move that this Resolution be passed.

The question was put and agreed to.

**ORDER NO. 4 – RESOLUTION TO APPROVE THE
SALE TO THE NATIONAL INSURANCE BOARD
OF LAND SITUATE AT CULLODEN
ROAD, ST. MICHAEL**

SENATOR THE HON. L. V. H. LEWIS: Mr. President, this Resolution deals with the sale to the National Insurance Department of certain lands at Culloden Road on which the new National Insurance Office has been constructed.

It was during 1988 that the Director of National Insurance advised the Ministry of Housing that the Board of the National Insurance Department proposed to construct new office facilities to enable it to rehouse its offices from buildings in Bridgetown and also to provide accommodation for other government agencies. The needs of the National Insurance Department were estimated to be 40 000 sq. feet of office space and the Board decided to construct a building with 80 000 sq. feet of office space. A search party was appointed and, after reviewing many properties in proximity to the Collymore Rock area, an approach was made by the Board to the Crown in its right of Government and permission was obtained to proceed with the usual application for permission to change the use of the property in order to construct offices.

It will be recalled that there was a private dwelling house adjoining the Ministry of Foreign Affairs, fronting on Culloden Road and aback of that was a premises used

for a day nursery and adjoining that were certain tennis courts. A decision was taken that the tennis courts would be relocated somewhere on the premises and the National Insurance Board would be authorised to start proceedings for the construction of the office. The rest is history.

The office has been constructed. The National Insurance Board occupies the premises and the area of land which it is now proposed to complete the transaction is said to be 11 799 sq. metres of government-owned land. Government, in addition to the property it had owned at Flodden, proceeded to purchase the private property which was owned by Mr. Cozier which was abutting and abounding on Culloden Road.

I believe that is sufficient information, Mr. President.

I beg to move that the Resolution be passed.

SENATOR T. E. BARKER: Mr. President, this Resolution is a simple one and my speaking does not indicate that I disagree with anything in the Resolution, but I want to take the opportunity to highlight a few things. First of all we are glad that the National Insurance have their own building but I am a little bit worried about the location of it. I was wondering ... 4.35 p.m.

Aside

Mr. PRESIDENT: Address the Chair. Go on.

SENATOR T. E. BARKER: The Bill poses a little difficulty which is unavoidable but probably something could be done for those people who may find a bit of difficulty getting to that location.

Sir, I want to speak about a few things on National Insurance in general. Since its inception in the middle sixties it has been of tremendous benefit to all Barbadians.

Aside.

Mr. PRESIDENT: Will you please address the Chair, Senator Barker?

SENATOR T. E. BARKER: As I was saying before I was interrupted by the Honourable Senator the national insurance has been of tremendous benefit but there are a few things that I want to speak about, that is, that I know of cases where firms went into receivership over 2 years and the people who were displaced as a result of the closure of this factory up to now have not got the severance to which they are legally entitled.

Sir, whenever they check with the National Insurance Office (and I checked personally) they were told that the

National Insurance was awaiting the outcome of the court action and, Sir, we know that sometimes these court actions take many years to be finally settled. I was under the impression, Sir, that in a case like that the National Insurance office would advance the payment of the severance and the onus would be on the National Insurance to collect the money from whoever is legally responsible but in this case, for over 2 years, some of these persons are unable to get their severance. I feel, Sir, that in a case like the National Insurance, since they are required by law to pay the severance, they should not let so long a period of time elapse before making the necessary payments. The workers, Sir, should not be penalised and should not suffer because some of them, given the harsh economic times, would not be able to get alternative employment. They should not be made to suffer pending any legal action. I hope, Sir that the National Insurance makes a speedy resolution on this matter so that people do not have to wait an extraordinary long period of time before they get the severance to which they are legally entitled.

Sir, my next question deals with the collection of national insurance funds.

Mr. PRESIDENT: Senator Barker, that has absolutely nothing to do with the sale of the land to the National Insurance Board. Nothing whatsoever to do with it.

SENATOR T. E. BARKER: Sir, I notice that Members on the other side are getting into ...

Mr. PRESIDENT: I repeat, Senator Barker, that has nothing to do with it.

SENATOR T. E. BARKER: Sir, I was just commenting on the operation of the National Insurance Board.

Mr. PRESIDENT: That is irrelevant. Read what you have before you. The sale under section 5 of the *Crown Lands (Vesting and Disposal) Act*, Cap. 225 to the National Insurance Board of a parcel of land situate at Culloden Road in the parish of Saint Michael.

Aside.

Mr. PRESIDENT: Senator Barker, I will not speak if you are going to speak at the same time.

That is quite irrelevant. It has nothing to do with it. I permitted a passing reference and I thought I was sufficiently indulgent but this has nothing at all to do with that.

SENATOR T. E. BARKER: Sir, I am very glad that you are being indulgent to me after such a long period of time and I am very glad for the change of heart.

Mr. PRESIDENT: I do not welcome that but you may proceed.

SENATOR T. E. BARKER: Sir, I just wanted to get that point and if you won't let me speak any more I will sit down. But I will say before I sit down that I support the Resolution and hope the National Insurance will keep on working in the interest of Barbadians.

Mr. PRESIDENT: Thank you.

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

ORDER NO. 5 - RESOLUTION TO APPROVE THE SALE UNDER SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225 TO ERNEST ALLEYNE OF LAND AT BAYWOODS, ST. JAMES.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, this Resolution is one of 4 Resolutions dealing with the vesting and disposal of disused public conveniences. In this instance the property is situated at Baywoods in St. James, measuring 876.59 square metres. These public conveniences have outlived their usefulness, Mr. President and the appropriate Ministry had advertised these parcels of land for sale. Based on the response of applicants, it was agreed that in this instance, Mr. Ernest Alleyne, for a sum of \$17 000 be permitted to purchase the land at Baywoods in St. James. I beg to move that the Resolution be passed.

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

ORDER NO. 6 - RESOLUTION TO APPROVE THE SALE UNDER SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225 TO WYCLIFFE ESTWICK AND ELAINE ESTWICK OF LAND AT VENTURE, ST. JOHN.

SENATOR THE HON. L. V. H. LEWIS: In similar vein to the previous Resolution, Mr. President, this land measuring 241.5 square metres of land at Venture, in the parish of St. John was the site of a public convenience which has become no longer useful and the applicants Wycliffe and Elaine Estwick made an offer of \$8 500 which was approved by Government. Town and Country Planning permission has been granted to the applicants to use it for their own purposes.

I beg to move that this Resolution be passed.

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

ORDER NO. 7 - RESOLUTION TO APPROVE THE SALE UNDER SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225 TO DAPHNE DEAR OF LAND AT VAUXHALL, CHRIST CHURCH.

SENATOR THE HON. L. V. H. LEWIS: We have just disposed of the Resolutions, Mr. President dealing with the sale of land at Baywoods, St. James and Venture in St. John. This particular Resolution deals with the sale of the former public bath and latrines property at Vauxhall in Christ Church.
4.45 p.m.

The applicant in this instance is Daphne Dear who made an offer of \$8 000 for 198.6 square metres of land with the building thereon. This property has been approved by Town Planning for residential purposes and the Resolution seeks to permit Government to dispose of it to Daphne Dear.

I beg to move that the Resolution do now pass.

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

ORDER NO. 8 - RESOLUTION TO APPROVE THE SALE UNDER SECTION 5 OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225 TO GWENETH HINDS OF LAND AT BLACK BESS, SAINT PETER.

SENATOR THE HON. L. V. H. LEWIS: Mr. President, the land at Black Bess, Saint Peter which it is proposed to Gweneth Hinds measures 239.2 square metres with a disused building thereon. The applicant, Gweneth Hinds, has obtained Town Planning permission for use of the premises for commercial purposes, namely a games room as well as a linkage to existing residential and commercial buildings. The Resolution will authorise its right of Government to dispose of this property to Gweneth Hinds.

I beg to move that this Resolution do now pass.

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

ADJOURNMENT

SENATOR THE HON. L. V. H. LEWIS: Mr. President, the Order Paper is clear except for one item which it is not intended that we proceed with nor indeed is it intended that we will proceed with it even when next we meet. I am saying that for the benefit of Senators so that they do not hurry to do their homework and find that we are not doing it next time.

I beg to move that this Senate be adjourned *sine die*.

Mr. PRESIDENT: The question is...Yes, Senator Barker.

SENATOR T. E. BARKER: Mr. President, one short word. Sir, just that it will not happen again. I got notice of these last few items only when I came into the Senate today. Given that they are only consequential matters, no problem. But in the future, Sir, I would like to ask the Leader that he does what he did in the past. Tell us if the

Other Place passes certain Resolutions that we will discuss them so that it will give us enough time to prepare ourselves for such a debate.

Mr. PRESIDENT: Thank you.

The question that this Senate be adjourned sine die was put to the Senate and agreed to, and Mr. PRESIDENT adjourned the sitting accordingly.
4.50 p.m.

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