
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1999 – 2004

HOUSE OF ASSEMBLY

Tuesday, February 27, 2001

Pursuant to the adjournment, the House of Assembly met at 11.20 a.m. on Tuesday, February 27, 2001.

PRESENT

His Honour J. M. EDGHILL, J.P. (Deputy Speaker)
Hon. Sir HENRY FORDE, K.A., Q.C., M.A., LL.M. (Cantab.)
Mr. D. J. H. THOMPSON, LL.B. (Hons.) (Leader of the Opposition)
Mr. L. R. TULL, Q.C., M.A. (Oxon.)
Hon. Dr. R. L. CHELTENHAM, Q.C., M.A., M.Sc. (Econ.)
Hon. Miss B. A. MILLER (Deputy Prime Minister, Minister of Foreign Affairs and Foreign Trade)
Mr. G. W. Payne
Hon. R. C. EASTMOND, J.P., B.A. (Hons.), Dip. Ed., LL.B. (Hons.), L.E.C. (Minister of the Environment, Energy and Natural Resources)
Mr. D. CARTER (Chairman of Committees)
Hon. R. N. GREENIDGE, B.A., LL.B. (Minister of Labour, Sports and Public Sector Reform)
Hon. G. A. CLARKE, B.Sc., Dip. Ed., J.P. (Minister of Housing and Lands)
Hon. R. D. MARSHALL (Minister of Public Works and Transport)
Hon. H. F. LASHLEY (Minister of Social Transformation)
Hon. R. St. C. TOPPIN, LL.B. (Minister of Commerce, Consumer Affairs and Business Development)
Mr. D. St. E. KELLMAN
Miss H. E. THOMPSON, LL.B.
Hon. Miss M. A. MOTTLEY, LL.B. (Minister of Education, Youth Affairs and Culture)
Mr. M. Z. WILLIAMS
Mr. T. A. PRESCOD, B.A.

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

Mr. D. T. GILL, B.Sc.

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

Hon. A. P. WOOD, J.P., B.Sc., M.Sc. M.Phil. (Minister of Agriculture and Rural Development)

Hon. R. R. FARLEY, B.Sc. (Minister of Industry and International Business)

Prayers were led by Rev. Mark Harewood.

Mr. DEPUTY SPEAKER: The House is now in session.

MINUTES

Mr. DEPUTY SPEAKER: The Minutes of Tuesday, February 20, 2001.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I beg to move that the Minutes for the Honourable the House of Assembly for its meeting of Tuesday, February 20, 2001, which Minutes have been circulated, be taken as read.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

GOVERNMENT NOTICES

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I beg to give notice of the Queen Elizabeth Hospital Bill, 2001.

FIRST READING OF BILLS

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

The Queen Elizabeth Hospital Bill, 2001.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

SUSPENSION OF STANDING ORDERS

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

Hon. Miss B. A. MILLER: I beg to second that, Sir.

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

GOVERNMENT BUSINESS

Mr. DEPUTY SPEAKER: Government Business is now the Order of the day. Order No. 6.

ORDER NO. 6 – THE FISCAL INCENTIVES
(AMENDMENT) BILL, 2001

Hon. R. R. FARLEY: Mr. Deputy Speaker, I rise to move the Second Reading of the Bill, Sir, to amend the Fiscal Incentives Act.

As you would recall, Mr. Deputy Speaker, the Prime Minister and Minister of Finance in his Economic Policy and Financial Statement to the Nation made in this Parliament, indicated by way of Government policy that we would seek to improve our competitiveness and to match the incentive offerings of our neighbours in CARICOM by extending periods for which these incentives are granted.

It was also located within the context, Sir, of recognising the fact that where investors spend large sums on plant and equipment, appropriate facilities needed to be provided by way of recovering such investment. The Right Honourable Prime Minister in his presentation stated and I quote:

“It is recognised that the sums involved in investing in plant and equipment have grown substantially as the economy becomes more complex”.

“Our neighbours have moved ahead of us in this field by offering more attractive concessions than Barbados to large investors. Hence, it is necessary that we create a platform to bring Barbados more in line with our regional competitors by ensuring that we create a most enabling environment to facilitate very large investment by both local and foreign investors.”

“As a consequence, it has been proposed that the maximum time period allowed for enjoying concessions under the Fiscal Incentives and Special Development Areas Act, should be increased from ten to fifteen years.”

And that, Sir, is the genesis of these amendments today.

Sir, the Fiscal Incentives (Amendment) Bill, 2001 gives effect to that desire by extending the time periods for incentives as follows:

Approved enterprises under this legislation that are classified as group 1 enterprises which previously benefited from a ten-year tax holiday will now benefit from a tax holiday of some 15 years.

Those companies which were classified as group 2 under the Fiscal Incentives Act and which currently would have benefited from an eight-year tax holiday, will benefit from a 13-year tax holiday instead. Similarly, those companies listed as group 3 enterprises which currently benefit from a six-year tax holiday under the existing terms of the Act, will have that time period extended to 11 years. Whereas enclave enterprises which are those companies that are established in Barbados to make use of Barbados merely as a production facility but do not sell any of their products in the local or regional market, those companies currently enjoy a ten-year tax benefit, and that will be extended to 15 years.

This measure, Sir, will benefit some 25 manufacturing companies which are currently enjoying incentives under the Fiscal Incentives Act, and it will also, obviously benefit those companies which will invest in manufacturing in the future. Those companies cover a very wide range of products: food; beverage; chemicals; metal; electronic items and several others.

In addition, Sir, part of the specific provisions of this legislation relates to bringing some form of similarity, in terms of the treatment of losses made by a business and the period for which those losses can be carried forward. At present, under the Fiscal Incentives Act those losses can be carried forward for a maximum of five years but under the Income Tax Act, Cap. 73, there is provision for losses to be carried forward for nine years.

We propose, by way of policy, to enhance our competitiveness, to extend and align those periods. Therefore, the carry forward period for the companies which benefit from fiscal incentives will be extended from five years to nine years.

Those, Sir, are the very basic provisions of this legislation. Actually, this Fiscal Incentives (Amendment) Bill and the incentives which are embodied in it are really just part of the overall framework for facilitating manufacturing in this country. I will therefore take the opportunity to appraise this Honourable House of Assembly of the context in which manufacturing currently occurs, as well as to provide somewhat of a status report on manufacturing in Barbados.

These amendments, Sir, are occurring in our efforts to boost our competitiveness within the context of changes in the international trading environment, for example, as inspired by the World Trade Organisation Agreement and the Free Trade Area of the Americas Agreement which is the Hemispheric Free Trade Agreement that is currently being negotiated across the western hemisphere with the exception of Cuba, unfortunately. The matter of the relationship between the ACP and the EU currently embodied in the Cotonou Agreement and which has come under further review with the 'Everything But Arms' proposal, is currently impacted as well by regional arrangements in terms of bringing to fruition all of the stated objectives of the CARICOM Single Market and Economy. As an adjunct to the CARICOM Single Market and Economy there are free trade agreements between CARICOM and Venezuela, CARICOM and the Dominican Republic and CARICOM and Cuba. That is the wider context within which all of this is occurring.

I should also, of course, make mention of the fact that the Fiscal Incentives Act is just one of the legal mechanisms by which incentives are made available to the manufacturing sector.

Manufacturers can also benefit by way of registration under the International Business Companies Act. This, of course, will be more applicable to companies which are into extra-regional exports. Indeed, the model which is used would usually see companies in their infancy getting their incentives under the Fiscal Incentives Act, and after their initial tax holiday period is over, registering under the International Business Companies Act to benefit from the 2.5 per cent tax rate into the longer future.

Sir, all that now separates fiscal incentives companies from non-fiscal incentive companies is the matter of the relief from corporate income tax. All manufacturers, as you know, currently benefit from the duty-free treatment of their

imports, that is, the raw materials, their plant, equipment and spare parts and that, Sir, as you will recall was one of the first things that we did back in 1994 on assuming office.

There is a wide range of incentives which is available, in addition of course to technical assistance which is provided through various Government agencies. But, Sir, first of all I want to provide an overview of the manufacturing sector and to look at a number of issues and challenges which the sector faces.

11.35 a.m.

Manufacturing in Barbados comprises two very distinct sectors with different needs facing different challenges. One part of the sector are those international companies which operate in Barbados primarily to produce goods for re-export. Their issues and challenges largely relate to the markets which they serve. For example, there is a company in Newton Industrial Park which produces items for the automotive industry which has received one of the highest quality awards, the Q1 Award, from Ford Motor Company of Detroit. Their company's fortunes would turn largely on the fortunes of the United States of America economy generally, of the wider world economy and of the fortunes of their principal customer, the Ford Motor Company.

That situation is quite unlike their other counterparts in the sector, the local manufacturers, who will primarily serve the local and regional market with some measure of extra-regional imports whose fortunes would turn very much on the market conditions locally, the market access which they have regionally and the extent to which they are able to market and sell their goods internationally.

The first part of the market that I mentioned, the international investor serving extra-regional markets, represents about 15 per cent of the number of companies registered but represents a major component of the export figures and a major component of employment because they tend to be few companies but of large employment. So that is how the sector is split.

Sir, the sector consists of some sub-sectors. There are furniture and wooden products, electronics, food and beverages, garments, printing and publishing, chemicals and chemical products among others. At the end of December last year, the survey of employment by the Barbados Investment and Development Corporation indicated that there were some 394 manufacturing companies in Barbados employing, according to their estimate, 10 731 persons.

The manufacturing sector, as you would recall, performed well over the last several years particularly during the period 1995 to 1998 when the sector averaged an annual growth of 4.4 per cent with a contribution to GDP over the

same period averaging 9.7 per cent. However, in 1999 and in the year 2000, there was some marginal decline. In 1999, for example, the sector declined by 0.8 per cent and according to our early provisional estimates for the year 2000 there was a 0.5 per cent decline. This has been attributed to the impact of the liberalization efforts which we have been forced to make as part of our CARICOM Single Market and Economy obligations as well as our World Trade Organisation obligations.

For example, Sir, the areas which show decline during the last year were the areas of food and beverage. Beverage declined by 4.2 per cent, food processing by 2.6 per cent and wooden furniture by 8.2 per cent. The garment sector, however, showed a slight growth by 9.5 per cent. Electronics grew by 1 per cent and the non-metallic sub-sector grew by 1.4 per cent.

These challenges, like I said, can be largely attributed to the adjustments taking place in the market situation as a result of our obligations under the measures which I have mentioned so far, two of which I will take the opportunity to discuss during this morning's presentation, the first being the obligations which we have to liberalize our market under the World Trade Organisation which organisation we subscribed to in late 1993 or early 1994, and the CARICOM Single Market and Economy obligations which we are in the process of fulfilling.

With respect, Sir, to the CARICOM Single Market and Economy, the Government of Barbados is very much committed to playing its role in ensuring that this becomes a reality. You would recall, Sir, that for many years within CARICOM there was indeed a CARICOM Single Market focussing on trade in goods and to a large extent with a few noticeable exceptions there had been significant free trade in goods across the region.

The difference now is that in exchange for the release of the remaining restrictions on the movement of goods, countries across the region have agreed to free up the movement of capital, labour and the other factors of production. That area of Barbados' manufacturing sector, most noticeably, aerated beverages also known as soft drinks for many years continue to be restricted, and, in fact, no imports were allowed from within the CARICOM region. That ban has been lifted and imports of soft drinks can occur from within the CARICOM region. That is part of our obligations under the CARICOM Single Market and Economy.

Sir, we are very clear, however, that what is intended within CARICOM is for us to subscribe to the nine Protocols amending the Treaty of Chaguaramas. Interestingly enough, of those nine Protocols, several of them have a direct relation to the manufacturing sector and to trade generally.

For example, there are, Protocol 3 on Industrial Policy, Protocol 4 on Regional Trade Policy, Protocol 6 on Regional Transport Policy, which has an impact on manufacturing and the movement of goods, and the very important Protocol 7 on Disadvantaged Countries, Regions and Sectors. Protocol 7 provides for the safeguard mechanisms which can be employed by sectors of an economy or indeed entire economies within the CARICOM Single Market and Economy which may be adversely affected by the implementation of the measures inherent in these agreements. Of course, there is also Protocol 8 on Competition Policy, Consumer Protection, Dumping and Subsidies and Related Matters. I will return to this matter of dumping and subsidies and those similar areas in a little while.

Sir, we have had some benefits by way of enhanced exports but we have also had some negative impact by way of the implementation of the CARICOM Single Market and Economy provisions. For example, one of the early casualties has been our soft drink industry. The situation with soft drinks in the Caribbean region is that virtually every Caribbean island had its own soft drink production facility and as a result of that there was no trade across the waters. With the accession by all of the members to the Accord, obviously companies which had production facilities in several locations are seeking to rationalize their production based on market size and on cost. Those are some of the realities.

Under the CARICOM Single Market and Economy there are a number of Barbadian manufacturing businesses which have expanded the range of their operations across the region. There are also one or two Barbadian manufacturing operations which have found themselves on the negative end of consolidation.

Another example which Honourable Members would be aware of is the impact which the CARICOM Dominican Republic Free Trade Agreement would have had on Colgate-Palmolive Manufacturing (B'dos) Limited here in Barbados. In the early days of the trade arrangement in the region, CARICOM would have produced items within its borders against the background protection of the Common External Tariff. The Dominican Republic was not part of that. 11.45 a.m.

Indeed, at a point in time, Barbados benefitted from rationalisation which Colgate-Palmolive undertook across the region. Businesses that were located in Jamaica were closed and consolidated by way of expansion into a Barbados operation. Some aspects of the operation in Dominica were also relocated to Barbados and, indeed, Barbados not only became the Caribbean and Latin American headquarters for Colgate-Palmolive but a significant base for manufacturing.

With the creation of the single market between the Dominican Republic and CARICOM as an extra capacity existing in the plant in the Dominican Republic, the production of powdered detergent by Colgate-Palmolive has migrated to the Dominican Republic. The basic scenario that I am establishing here, Mr. Deputy Speaker, is that in the implementation of the agreement to bring into being the CARICOM single market and economy there will be some production shifting, some to Barbados and some from Barbados, but the overall benefits we anticipate to be positive for Barbados.

It is also important for us, Sir, to specifically identify the issue of the CARICOM single market and economy because the measures that we take in defence of domestic manufacturing will largely be driven by whether our competition comes from within our CARICOM single market and economy or from extra-regional sources. In short, while there are several mechanisms which are still open to us by way of protection of our domestic manufacturing sector against certain extra-regional competition, the latitude which we have with respect to safeguard mechanisms against competition from within this CARICOM region is constrained by the new liberal environment within CARICOM.

All of the safeguard mechanisms now are embodied in Protocol VII so that there can be protection against unfair competition, against dumping and against unfair business practices. Producers will still have to meet the minimum standards established by the various countries. However, we cannot just embark on an absolute ban of Caribbean products.

Sir, CARICOM continues, notwithstanding all that I have said, to be the major market for Barbados' exports. In terms of our export performance, it has consistently represented well over 40 per cent of the market for domestic exports which have ranged over the last five years from below \$328 million to a high of \$428 million. Our estimate for domestic exports for the year 2000 is a provisional estimate of \$380 million. As I said, CARICOM accounts for a substantial part of that figure.

Sir, with respect to the issues surrounding the World Trade Organisation Agreement which, although Barbados signed in early 1994, it has had several key dates for implementation of various provisions with some in the process of implementation. As a member, we are bound by certain obligations. For example, if we want to continue to benefit from the export of our manufactured products we need to be part of this arrangement. Provision has been made under the agreement for the Government of Barbados to implement safeguard measures by way of bound rates on certain extra-regional products as well as what are called ceiling-binding duties on other products.

The bound rate regime was introduced on those products which had remained under import licence from extra-regional sources up to April 1, 2000. Ideally, the system of the use of ceiling-binding tariffs to provide protection for the other manufactured products should have been undertaken at that time. As I indicated, it was not the desire of the Government merely to impose an across-the-board tariff which would provide protection to local manufacturers for the products they produce. It would also have resulted in an across-the-board increase in prices, even for those products for which there is no protection required because the products are not produced in Barbados.

The policy of the Government, as indicated by the Minister of Finance in his Economic Policy presentation in October, is that we will use a ceiling-binding rate of 60 per cent and that is a WTO compatible arrangement to provide protection or some measure of safeguard for those products which are not currently part of the Schedule of Commitments which was filed with the WTO on April 1, 1994.

Those products already include a range of products, tee-shirts and one or two other products, which I will refer to shortly, but they have products at bound rates ranging from 207 per cent to 117 per cent. Unfortunately, at the time when that list of commitments was filed there was no universal coverage so that not all products produced in Barbados were listed with the WTO as being eligible for this form of protection.

In our time, Sir, we have had to take a very close look at what was permitted under the relevant WTO legislation and we are now satisfied that we can, in fact, provide a measure of protection for those products which were left out at that time. We have had very close discussions with the Barbados Manufacturers Association and amongst the products that we are considering, subject to the formal approvals which have to be obtained for this 60 per cent protection by way of stabilising the Barbados manufacturing sector and ensuring its growth, would be things like margarine and other oils and fats products, pastries, cements, paints and enamels, certain paper products, certain printed products, certain items of garments, batteries, furniture, confectionery and several other products.

As I said, this will come to us again by way of formal approval, but I just want to let this Honourable Chamber know that the 60 per cent ceiling-binding duty, as indicated by the Minister of Finance as being one measure which is WTO compatible and which can be used to give a measure of safeguard to the domestic manufacturing sector, will be implemented on a specific basis so as to meet twin objectives of providing some protection to our manufacturing sector and also by not implementing this rate of duty where products are not even produced in Barbados, not aggravating the price of products which are available.

Sir, I want to speak to one or two other items. There are a few key sectors of the manufacturing industry in Barbados to which we propose particular attention. For example, the furniture sub-sector has been for many years the pride and joy of Barbadian manufacturers. It has had mixed fortunes over the years and perhaps had its greatest days of glory in the days of the late 1970s and early 1980s when the Trinidad market represented a principal market for export of those products. Indeed, Sir, the collapse of the Trinidad economy during that period, the collapse of the CARICOM multilateral clearance facility resulted in almost an implosion of the domestic furniture sector. The companies then turned primarily to the domestic market, some of them stagnated, and the rest is history.

That sector continues to press on. There are several firms in this sector; most of them are small to medium sized enterprises employing less than 25 persons but there are quite a few large ones, one employing up to 130 persons and about five other firms employing in the range of 40-60 persons. What has been important to note is that over the years the furniture industry has quite rightly recognised the need to focus on design and on the quality of its production as a means of meeting the head-on challenge of liberalisation.

Indeed, Sir, exports have started to grow again and what is interesting is that we have just discovered that there are markets even within the Caribbean region which have remained untapped. It indicates to us that more aggressive marketing and the look for new markets continues to be a fundamental problem in this sector.

Making a good piece of furniture will not get it sold in and of itself. Only several weeks ago a local manufacturer on a mission to the Bahamas has reported that the Bahamian market which, by the way, because of their currency situation makes Barbadian imports relatively inexpensive for them given the parity of their dollar compared to ours, has a great attraction and love for mahogany furniture in the Bahamas.

There is no country in this region which has the level of skills, expertise or experience in the construction of wooden furniture, particularly genuine mahogany furniture like Barbados. That manufacturer, to his credit, has embarked on a number of basic steps. He has established a trading company specifically to pursue this opportunity in the Bahamas. He has also been speaking to a number of his colleagues in the manufacturing sector about sharing the production so that in the event of large orders having to be made that they are not constrained solely by his ability on his own to produce that furniture.

We have other positive examples whereby manufacturers have used the opportunity of regional as well

as international trade exhibitions to experiment with new designs. These designs are gaining some acceptance with the public. They have also taken the opportunity to work more closely with companies in the distribution sector to ensure that their energies can be focussed more fully on production considerations and the marketing to be done by those who make it their particular business.

While the local furniture industry does face some threat from the increase in imports from a liberalised environment there also continues, as exemplified by the Bahamas situation, opportunities for the unique high quality, high value production of furniture in Barbados. Indeed, another initiative to which I must point is that there are a number of entrepreneurs in the furniture sector who have approached my Ministry recently with a view to restructuring a number of companies in the industry. There are a number of businesses in the sector which are still reeling from the difficulties that they faced years ago. Some have accumulated large debts with the IDC for rents, with National Insurance or with their banks. Several of them recognise that, given the high costs of equipment required for production in Barbados, they cannot continue indefinitely with a situation in which there is such significant under-utilisation of equipment in Barbados.

Take for example a very simple cost and management accounting situation. You have equipment that comes with a cost. There is a minimum scale and minimum investment which is required in order to produce one chair. However, in the case of Barbados, most manufacturers produce for eight hours a day and they are idle for 16. When you factor in week-ends and 11 public holidays a year you can see that over the course of a year the equipment is idle for a much longer time than it is in production. If that equipment were to be utilised by a number of manufacturers teaming up, clearly the benefits could be better.

Aside.

Hon. R. R. FARLEY: It is very pleasing to me, Sir, that after that idea has been spoken about, the Honourable Member for St. Lucy wants me to say that he mentioned it and I should check it in Hansard, but we have all been mentioning it for many years. What is important is that the entrepreneurs in the sector themselves, the furniture manufacturers themselves, are now coming forward to say that they embrace this idea and here is their produce, how can we as the Government work with them to bring this idea to reality. I, certainly, would be quite happy to work with them to bring that idea to reality.

With the furniture industry, Sir, one of the advantages which the local producers will have over the importers is the matter of freight costs. Furniture for the most part is a bulky

item and therefore the furniture sector whilst under threat would not be under the same level of threat as other products for which the freight component is not as significant.

Sir, with respect to the electronics sub-sector, just to bring this Honourable Chamber up to date with where we are at, that sector is the one area which is primarily made up of overseas firms. There are at least among the thirteen companies which are involved in electronics manufacture in Barbados, two locally owned companies. These are companies which are owned by individuals who are mainly ex-INTEL employees who were bold and brave enough to go off on their own into contract manufacturing for U.S.A. and U.K. sources.

That sector continues to contribute significantly to the export earnings of Barbados and exports on an average of \$50 million a year of various electronic components to various places around the world and contributes something in the region of 1 200 individuals. The Barbados Investment Development Corporation continues to do its very vigorous promotional campaigns across the United States of America, Canada, the United Kingdom and the rest of Europe in an effort to attract more interest in this particular area. Of course, the reality is that there are many lower cost destinations around the world which are seeking to attract similar business and as we look at the performance of the electronics sub-sector for example, and aspects of the manufacturing sector which primarily depends on international investment, we always have to bear in mind the fact that there are other places out there which operate at lower costs than we do.

With respect, Sir, to food and beverages this continues to be – I almost said the bread basket of the manufacturing sector – if you will pardon the pun. It represents something in the region of 35 per cent of the jobs within the manufacturing sector. It also represents one of the areas in which there is a very judicious blend of large sophisticated manufacturing expertise ranging from Hy-Pak making ham and other processed meats, luncheon meats and canned products; Pine Hill Dairy, National Foods Limited and others as well as Banks Brewery making quality beer as well as Tiger Malt which, by the way, Sir, is having tremendous export success in Canada. It is the leading malt product in Canada even as we speak and there is considerable interest in Twist and Plus and other products.

Sir, the essential point is that the food and beverage manufacturing sub-sector also represents the area in which the largest number of small entrepreneurs operate. Those entrepreneurs are engaged in a wide range of products, of jams and jellies and other condiments, seasonings and pepper sauces and they have been experiencing phenomenal success.

We have been able to provide some technical assistance to a number of them to improve product design, packaging and improve their marketing. They have been taken on a number of international food shows: the Fancy Food Show in the United Kingdom and the big annual food show in Boston, the name of which I cannot recall at present. IDC has assisted in financing their participation and their exposure at these international food shows, arising out of which several of these producers have been able to land delivery contracts for a number of their products in North America and the United Kingdom particularly.

There are a few problems that exist in that sector for which we are seeking to provide some assistance. First of all, there is still the need for a number of the companies to improve the level of technology which they use and to meet certain international standards. All over the world, particularly in the industrialised countries, there are a vast number of regulations relating to food and safety standards which countries have to meet if they are to be allowed to sell their product. This concern is not, of course, unfounded because we all know of the situation where the United States is facing the spectre of foot and mouth disease. We know of the mad cow disease phenomenon and we know of the situation in which batches of food products have, from time to time, had to be recalled because of suspected contamination.

12.05 p.m.

There was a case in the United States where several beef products, ranging from sausages to burgers, had to be recalled after it was discovered that there was contamination at the slaughtering facility. Today, food manufacturers are required to meet high quality standards from the sourcing of their inputs to their processing. They are required to track each batch of production, where they sourced the product, where it has gone to and what has happened to it. Barbadian producers, as we seek to help them to penetrate markets, must meet those standards as well. We have provided technical assistance in an effort to have that situation addressed. The reality is that it is in the food and beverage area where the greatest opportunity lies for Barbados manufacturing.

Mr. Deputy Speaker, we know of the exotic appeal of the Caribbean region. We know of the exotic appeal of the term Bajan, if properly marketed. I would like to say that if Bajan is marketed well, it can be as well recognised and as appealing as Cajun in terms of international cuisine because people around the world are constantly seeking new experiences and it is left up to us, working jointly as public and private sectors, to leverage that.

It was not easy ten years ago to find a Thai restaurant – a restaurant serving food from Thailand – across the North American continent. Today, Sir, Thai food is one of the most

popular and exotic foods that persons look for in restaurants. We believe that with vigorous marketing and proper development we will be able to capitalise on these opportunities.

Sir, one of the areas that has contributed to export earnings over the years is chemical and chemical products. There are some twenty-two companies providing employment for six hundred and seventeen persons in this sub-sector and exports hover around the \$50 million mark arising out of this sector as well. Included in that are interesting products like Barbados manufactured insecticides and other related products. The local company, McBride Caribbean Limited, which produces these products, exports 75 per cent of its output which means that for certain products Barbados is still a major competitor as far as being able to produce products for exports.

Sir, I am giving these examples to indicate that although there are challenges ahead, although we will lose some business as a result of competition, there are other businesses which are well able to meet the competition and there are opportunities which are profitable and which will continue to be so for the Barbados manufacturing sector.

One such sector is the printing and publishing sector. Barbados continues to be a leader in the printing and publishing industry. Many persons may not be aware that Barbados became the first Caribbean country to be a printer of postage stamps and that the Crown agents in London and others who are international experts in the production of stamps who usually source these items on our behalf have contracted a local company to do several issues of postage stamps, some for Barbados and for other countries around the world.

Mr. Deputy Speaker, I am hearing *sotto voce* that the origin of the company is in Christ Church West and the Honourable Member for Christ Church West is proud of what has sprung from the bosom of Christ Church West.

Sir, the reality is that there are several examples which we could look at by way of positive examples of new, exciting and creative things which are happening in the manufacturing sector in Barbados, notwithstanding the challenges which we face.

Certainly, in the area of printing and publishing technological innovation continues to be a major opportunity as well as a major problem. Sir, for example, Donnelley Graphic, an international company that employed several hundred persons at one stage in doing a print press aspect of the publishing industry had a number of persons with artistic skills, word-processing skills and a mix of several skills who had to compose pages, place them on negative films like an x-ray type film which was then sent to printers overseas to

print books and other sophisticated publications, but the changing technology resulted in a total elimination of all of those jobs in one fell swoop. Nowadays, the composition is done on computer, the files are sent via the Internet directly to the computers of the printeries who then print directly from their computerised printing machine.

Sir, what they are pleased about is that the company was able to find another opportunity, the employment levels have gone back nearly to what they were before and they are now into what they call financial printing. Coming to the close of the financial day in New York, Hong Kong and other major financial capitals where filing of reports, prospectuses and other urgent publications with the Securities Exchange Commission have to be done, the work is sent to Barbados electronically, to be composed by Barbadians using computer technology and then is transmitted electronically to be printed at a printer close to the source of the distribution.

On one hand, Barbados lost jobs as a result of the technology innovation and on the other hand it was able to gain jobs by way of exploiting the new technology and that, Sir, will continue to be the story with the manufacturing sector; there will be some gains and there will be some losses. What is important for us is to continue to read the situation right and to search for new opportunities whilst trying to maintain what we have.

Sir, the garment industry is one of the traditional industries and one that has undergone something of a battering over the last ten years or so. There are currently some thirty-four companies doing clothing in Barbados and some nine companies doing soft furnishing. These are persons into upholstery, draperies and other types of manufacturing.

Sir, part of the problem has been that garment manufacturers around the world have tended to gravitate towards very low-cost operating areas like the Far East. The wages in China would not be able to finance lunch money in Barbados. That is the compelling challenge which we face. We also face another problem. This area of garment manufacture is one of the areas where there is the greatest degree of deception in trade internationally. Sir, even within the Caribbean region there continues to be great deception by way of unfair trade in garments. We have the problem with extra-regional imports where there is significant dumping of goods from the Far East who sell below cost and also where there is false labelling where goods produced in one country are labelled as produced in another in order to get around rules of origin criteria.

Sir, I must inform this Parliament that we have it on good authority, and we are seeking to get the relevant

information so that we can bring a case within CARICOM, that within this region there are countries which are exporting garments to Barbados where the label says that they are made in that country but where, in truth and in fact, they are imports from the Far East. If they are imports from the Far East they would be subject to a higher duty. However, when they are listed as being produced in the CARICOM they are subject to duty-free imports. The Government will not sit by and tolerate these breaches in the rules of origin regulations that come within CARICOM.
12.15 p.m.

In Barbados, when Barbadian manufacturers want to export products under any preferential trade agreement, whether CARICOM or CARICAN, our certifying authorities, mainly the IDC and one or two others, have to certify on an international form, Sir, that this is a product produced in Barbados. We, Sir, given the nature of our society and the way we do our business, open and transparent, have always been very scrupulous. They visit the facilities and satisfy themselves that what they are swearing is indeed true in all material aspects.

Somehow, Sir, in other countries of the region it seems to be that much easier for goods not made in those countries to make their way to Barbados with false labels. How do we know this, Sir?

From time to time when the Customs Department is examining a shipment of goods, you will see the labels in the shirts made in "X" or "Y" country and you may come across one or two where the cutting and trimming were not so neat or where the original label remains. You will know that of this shipment of 50 dozen garments, 10 or so slipped through without the labels being adjusted. We would take whatever strong action is necessary to ensure that our manufacturers' interests are protected.

I said earlier that if under a fair competition situation we are not able to compete on cost, there is nothing we are able to do within the CARICOM single market and economy. It is not part of the arrangements within CARICOM to agree to have any false labelling, any hidden costs or any other measure which would give producers in one location an unfair advantage over producers in another. This must stop, Mr. Deputy Speaker. Barbados will be taking up this issue within the appropriate organs within CARICOM in the not so distant future.

Sir, in terms of the things that we propose to do by way of ensuring the continuity of the manufacturing sector in Barbados, we are looking at an incentive regime to ensure that we are not at a disadvantage with respect to our CARICOM neighbours. This Bill today, the Fiscal Incentives (Amendment) Bill, 2001, is part of that regime.

We also indicated our intention to increase the level of technical assistance provided to the manufacturing sector by way of the development of a special technical assistance programme for which five million dollars per year for the next three years have been earmarked and for which a plan has already been developed, which will involve a range of activity including greater and more intense assistance with export marketing along the lines that I have discussed. It will also involve assisting companies which are in need of consulting help in terms of plant layout, more efficient utilisation of their existing plant and equipment and assisting companies that are planning to merge. We want to have a number of strategic ventures, mergers and other forms of strategic partnerships where companies, which are by themselves fledgling, may be able to come together to form stronger companies and ensure their longevity.

We also want to ensure from a public policy perspective, that public policy works to the advantage and not to the disadvantage of the manufacturers. For example, in terms of our stated energy policy, we will continue to review and reduce the taxes on energy in order to ensure that the taxes on energy are consistent with what occurs across the CARICOM region and we have started that in several steps along the way.

On the matter of energy, we have taken steps to ensure that those of our CARICOM neighbours who are blessed with energy resources are not, as it is rumoured, using their energy resources as a means of granting subsidies to their manufacturers because that too will be contrary to the spirit and the letter of CARICOM and it would entitle Barbados to take whatever form of countervailing duty action that might be required in order to equalise the level of cost between the two sectors.

We will be utilising those funds to assist in product research and development, ensuring that we keep a look on what new opportunities there are in the work of the design centre of the Barbados Industrial Development Corporation, already well known, and we will certainly continue to be a major input into the ongoing diversification of the manufacturing sector. Sir, we will also be investing heavily by way of assisting manufacturers to attain international certification to international standards.

Mr. Deputy Speaker, you have heard of the ISO 9000 Series of Standards which is now one of the minimum accepted standards for doing business internationally. These series of standards, Sir, do not only relate to manufactured products but they also relate to service companies. Today, Sir, several companies in various spheres of activities in Barbados find themselves being asked to produce proof of their ISO 9000 certification in order to export, e-trade or do

business otherwise. We will be quick to ensure that we assist our manufacturers with meeting the standards which are required.

We know of the various standards set by the Food and Drug Administration and the difficulties that companies have had with meeting the requirements for labelling. We believe that the industrialised countries employ a number of these non-tariff quality issues as barriers to trade.

To give an example of how detailed, costly and disincentive these things are to local manufacturers, when a local beer company was seeking to get into the United States market, they made the necessary application to the authorities over there and they were given some feedback as to what was to be done to the label. They complied and each time they sent it back something else was identified. There were twelve things in succession and each time it would take the United States authorities a month or two to reply. So, you are being kept waiting and they changed and changed. To show you how difficult authorities in these other countries can be, when they got to the final change that was required, the content of their bottle was stated in millilitres and they had a dot after ml (abbreviation for millilitres), and they were told that they had to remove that dot. Sir, that was after they had paid for the printing of several bottles with this label that had been previously approved.

So, there are several non-tariff barriers that stand in the way of our manufacturers and we believe that it is our responsibility to direct our technical assistance to help our manufacturers to overcome these barriers which impede their access to international markets. There is also Sir, the need for us in terms of stabilizing the domestic situation to strengthen the anti-dumping laws currently under Cap. 67(B) Customs Duties (Dumping and Subsidies) Act. There is general provision for the protection against dumping, but it must be recognized that much would have changed between 1970 when the legislation was developed and now, and that under the World Trade Organisation (WTO) various procedures which are made available must be written into our laws. We also have made great strides and will continue to do so, even further to walk firmly to police our established labelling laws. For example, products to be sold in Barbados are required to be labelled in the English language and to make certain disclosures as far as what information is on the label. Certainly, during my time in the last Ministry we were able to appoint some Inspectors of Standards. Perhaps there needs to be more as we need to have a wider range of persons to deal with international trade at the border to be aware of these matters, but more rigorously to enforce and to ensure that no product which is substandard, which has been able to enter this market cheaply as a result of subsidies from their Governments or of other hidden incentives, are able to compete unfairly with ours.

12.25 p.m.

So, Sir, in concluding my contribution to this Second Reading of this Fiscal Incentives (Amendment) Bill, 2001, I would want to assure the Honourable House of Assembly that the Government is very much committed to the manufacturing sector of Barbados. We recognize that this is a great time of change for that sector. We recognize that there will be some successes and there will be some difficulties, but we are very much committed to working with the individual manufacturer and with their industry association, and indeed, Sir, I must on the Floor of this Chamber congratulate the Barbados Manufacturers Association (BMA) for the excellent work which it has done over the past several years in articulating the case of the manufacturers, not just merely so from a point of view of advocacy, Sir, but from a point of view of putting forward viable suggestions, putting forward recommendations which were actually able to be implemented, and indeed, Sir, I would like to commend other agencies of Government, the Ministry of Agriculture, with whom we have worked very closely in implementing a number of safeguards for the protection of the manufacturing sector, as well as the agricultural sector, particularly in those areas of agro-processed food product in which there is a need to ensure that the safeguards that we take impact positively on both the agricultural and manufacturing sectors. For example, at the level of the dairy, manufacturing meets primary production. At the level of the poultry industry, there is basic production, there is manufacturing. At the level of processed meats there is basic production in terms of our pig production, and there is manufacturing in terms of our hams, meats, bacon and other canned products. Therefore, the commitment of all parties has to be noted by this Parliament and has to be commended.

Mr. Deputy Speaker, therefore, these amendments to the Fiscal Incentives (Amendment) Bill, 2001, already are but part of what we propose to do in order to ensure that we are able to see the manufacturing sector continue to be a major and viable part of the Barbados economy.

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

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

Mr. DEPUTY SPEAKER: The Honourable Member for St. Lucy.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, it is always interesting in this House of Assembly to recognize that sometimes matters that can easily be dealt with in fifteen minutes are drawn out for one and one-half hours to capture the imagination of the Press for the 12.30 news. But I want to say, Sir, that I will not delay the House, even though I was offered a better alternative...

Asides.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, one must recognize that we are in changing times. We must recognise that the world must now be seen as one market and if we continue to believe that the CARICOM Region is one market and that we have a special pathway to that market, we are really going to be fooling ourselves. Any manufacturer in Barbados today must recognize that he or she cannot just be looking at the CARICOM Region, or any Government which regards itself as a progressive Government cannot only be looking at the CARICOM market. One must recognize that in order to be competitive within the world, one must be prepared to offer incentives to those manufacturers who produce special products, and you cannot believe that the same types of incentives that you were offering five or ten years ago will continue to be important in this day and age. That is why sometimes, Sir, I find it rather strange that we talk a lot about being a country that wants to be competitive and we allow our fuel costs which, sometimes can be one of the major cost-elements of a particular product, to continue to be dictated to by those oil producing countries. One would have figured, Sir, that a country as small as Barbados – and sometimes we tend to believe that because we are small – cannot do things any different from anybody else. I am saying Mr. Deputy Speaker, that one must recognize that because the Arabs are increasing their oil prices, it does not necessarily mean that we must continue to pass that cost on to our manufacturers for the simple reason, Sir, that Government must recognize that the World Trade Organisation (WTO) does not allow you certain incentives, and that is why we sometimes must not use our energy cost as one way of allowing our manufacturers an advantage over other people.

Let me explain that, Sir. Some time in October I held a Press Conference downstairs when it was said that the oil prices in this country would have been increased. I warned the Government of the day that it had to recognize that there are certain things which we can control and that there are other things that cannot be controlled. I felt, and I will continue to make the point that we do not necessarily have to increase costs to our manufacturers every time the Arabs or the Organisation of Petroleum Exporting Countries (OPEC) increase their prices, for the simple reason that we must understand what impact it would have on our producers, and sometimes we must provide those necessary cushions to make sure that the end-product reaches the particular market at the lowest possible cost. I will tell you why I strongly feel we could have done something on that particular issue. We have just entered a tax policy called the bound rates, and one of the most hurtful things in Barbados, I would have to say, is what has been done with the monies from the bound rates, and I personally believe that that money should not be anywhere in the Consolidated Fund. It was never intended for the Consolidated Fund and that money should have been used to help the productive sector in this country.

12.35 p.m.

I said in October and I will continue to make the point

that any enlightened Government should absorb the cost of the higher fuel price and should have used the additional revenues from the bound rates as a cushion.

Asides.

Mr. D. St. E. KELLMAN: That is where we differ.

Hon. R. R. FARLEY: On a point of order, Mr. Deputy Speaker, the Honourable Member is clearly attempting to mislead this Chamber. It was in this very Chamber that during the Budgetary Proposals of the Honourable Minister of Finance, where the increases in the cost of energy was offset by a reduction of the tax on energy. I believe that was in the 1998 or 1999 proposals and it was specifically stated that this was to give the benefit to manufacturers, and that the Government shaves its tax on energy in order to mitigate what increase would otherwise have obtained in that particular instance and, Sir, that happened here.

Mr. DEPUTY SPEAKER: Proceed.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, one must admit that this happens to be a financial matter which the Honourable Member for Christ Church East is not capable of dealing with. The Right Honourable Member for St. Peter is not in his place so I hope that Honourable Members would fully understand what I speak of.

Mr. Deputy Speaker, the point I am making is that the Honourable Member can talk what he likes but no one will dispute, Sir, that the manufacturing sector would have suffered because of the higher fuel cost they have to incur. One would recognise that the Arawak Cement Plant, which happens to be in the constituency of St. Lucy, had to increase the price of cement and a certain businessman said that they should not have effected that increase. They had to say that because of the fuel cost they had to increase their prices. People even challenged the Arawak Cement Company to buy cement from somewhere else.

The Honourable Member for St. Lucy and not the Honourable Member for Christ Church East had to send a warning to those people who felt that they could threaten the industry in St. Lucy with buying cement somewhere else, reminding them that they are also involved in manufacturing and if they were to increase their prices, likewise treatment would have been accorded to them.

I am saying, Sir, that every time the price of fuel coming into Barbados is increased, it does not necessarily mean that the Government has to increase the consumers' fuel prices. And the foolishness about the Government reducing taxes; let me tell you something. Only the

Government could reduce fuel taxes in the country because they are the only ones who are making super profits off the backs of the consumer.

If one looks at how the fuel cost is computed, one would recognise that if we did not have a Government, every sector in Barbados would be productive. I am saying, Sir, that because of the fuel taxes inflicted by the Government, it has made the manufacturing sector and other sectors...

Aside.

Mr. D. St. E. KELLMAN: That is a fact because even the Barbados Light & Power and the Telephone Company, Sir...

Hon. Sir HENRY FORDE: Mr. Deputy Speaker, the Honourable Member is misleading the House. The percentage of fuel cost has been reduced and I think that the Government has enunciated a clear policy that it will reduce fuel prices accordingly.

The Honourable Member for St. Lucy says that the Government is making a fortune out of it. That is not so, Sir, except both sides accept that there will be no fuel charge from the Government. But if you look at the historical cost, you will see that there has been a reduction in the amount accruing to the Government over a period of time.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, I am not here to deal with percentages. When you go to the supermarket you do not buy goods in percentages, you buy goods in actual cost and the Honourable Member for Christ Church West knows better than that, and feels that whenever I am sharing lashes, he must come in as a buffer.

Asides.

Mr. D. St. E. KELLMAN: I want to thank the Honourable Member for the City for reminding me about Mobil because it is the biggest lie that has ever been played on the public of Barbados. That is, the impression was given in this country that when Mobil was closed down, the consumers of this country would automatically benefit. I am still waiting for the benefits for the consumers.

Asides.

Mr. D. St. E. KELLMAN: The consumers have not gained one single cent because of the closing of Mobil. Furthermore, they have been inflicted with having to pay higher service charges for the roads. If the Democratic Labour Party gave Mobil money, the Barbados Labour Party took it back and no one can see where they put it. We have

many potholes now because the Public Works Ministry could not get material to repair the roads. And furthermore, the new companies that have been set up, collected and took the money for themselves that Mobil would have received.

Aside.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, I want to make the point that if we are in a competitive world, we must recognise that as a Government, there are certain decisions that can be made which can help manufacturers and all other producers. You cannot tell me that on one hand you have higher revenues and because there are certain decisions made by the OPEC countries which reduced revenue on another hand that you cannot do a balancing act.

I will bet any amount of money in this Parliament today that the amount of money received by the bound rates are much higher than the amount of money that the Government had to pay for the increased fuel charges. I am saying that we must recognise that we have globalization and we have all of those negatives. And we, as a Government, must do things to make sure that the impact on the manufacturing sector that must produce the foreign exchange to keep this country running is that those impacts are cushioned.

I have said in this Parliament already that we seem to be a country where we are now seeing land, Sir, as a productive product.

Aside.

Mr. D. St. E. KELLMAN: No. We must make sure, Sir, that our manufacturers are given the guidance which they require and the necessary fiscal incentives to put them on the cutting edge and the leading edge in this country and in the world.

We also must recognise, Sir, that we can no longer feel that by extending tax holidays, we are doing something. We must do everything in our power to make sure that the cost is reduced, because it does not make sense to wait until the last minute to give an incentive. What they need are incentives up-front.

Aside.

Mr. D. St. E. KELLMAN: That is what is needed. You cannot continue to tell people that they must live in hope.

Asides.

Mr. D. St. E. KELLMAN: Sir, no company is sure whether or not they are going to make profits. The market

forces dictate that. What I am saying is that we must also recognise that because of the World Trade Organisation and globalization, we must be more dependent on our local manufacturing sector.

Asides.

Mr. D. St. E. KELLMAN: We need now to look at home base and the incentives that we have been giving to external companies, because when you speak about loyalty this is where it is important. But it seems to me that in this country, Sir, we think anything that is foreign is good and anything local is bad. We need to adopt the reverse strategy that anything local is good and anything foreign might be bad. I am saying that what we need today is for the Ministry and the Minister to sit down and work out a package that is going to put Barbados where we need to see Barbados.
12.45 p.m.

I will give you an example. Do you know, Sir, that as I speak the Pine Hill Dairy has a market in North America but they cannot produce enough products to ship to North America? I am saying that Government, as from today, must recognise that it is not only the duty of the Pine Hill Dairy to make sure that they have enough products to be exported but incentives must be given to companies like the Pine Hill Dairy and Rose & LaFlamme (B'dos) Limited to make sure that they get the maximum return from these companies in terms of foreign exchange.

Sir, there are certain companies the Government of Barbados may need to buy into if it needs to influence those companies to recognise that foreign exchange for this country is an important thing. It needs to make that bold decision and it also needs to make sure that the necessary capital is placed so that those companies can expand and that they can get their fair share of the world market.

For example, take the pepper sauce industry. There is no doubt that there is a market for pepper sauce throughout the world but strange enough we cannot get a company with a true financial base to really tap into the world market. I am saying, Sir, that this is not a neglect of the manufacturer but the Government must have the foresight to recognise that pepper sauce is a product with good export potential and it should do everything in its power to maximize foreign exchange from that particular product.

Can you tell me why it is, Sir, that the World Bank can recognise the importance of certain manufacturing companies if they belong to the G7 States but if they belong to a G77 State, they do not recognise its importance. Yet every time a Minister gets up in here the Minister can tell you what the World Bank, the Inter-American Development Bank (IADB) what the Organisation for Economic

Corporation and Development (OECD) grouping is saying and all of that foolishness.

We have to recognise that small countries are not only here to buy goods from the G7 countries but we are here to manufacture goods and sell it to those countries without any hindrance. We must be prepared to stand up all over the world and let the G7 countries understand that we are not only here to buy goods and that we have products that are just as good as or better than theirs and that we should have the same advantages as they do.

I want to hear from Government what are its fiscal incentives for companies to be set up in Barbados to produce our cotton from raw material to the finished stage. That is what I want to hear because if you are going to tell me that there is a demand and there is a market for our sea island cotton, then the Government must put a policy in place to make sure that we maximize the benefits from industries like that. What we do instead is to allow people to come and criticize us...

Asides.

Mr. D. St. E. KELLMAN: Yes, CARSICOT was a good company, it is just that people lacked the foresight.

I am saying, Sir, that because cotton might have a history that some people do not like, it does not mean that Barbadians should hide their backs, Sir.

Asides.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, I am saying that there are products which we have in Barbados that everybody will tell you that they have potential but when you ask for a clear government policy to make sure that we are maximizing these things we are not showing that clear government policy. The only thing that we seem to have a policy on in Barbados today is land. We know the foreign exchange potential of land. I am saying, Sir, that there is a limit to land but there is no limit to the amount of money you can get from cotton. They tell me that Barbados is 166 square miles.

Asides.

Mr. D. St. E. KELLMAN: Am I to believe that you are only about manufacturing because of the name or because of maximizing foreign exchange?

I always thought, Mr. Deputy Speaker, that when we speak about manufacturing that we are speaking about maximizing revenue and foreign exchange. I was not aware

of the fact that the Barbados Labour Party was quite different from the Democratic Labour Party because we perceive manufacturing in that light and they see it just as a name. Now I know that, Sir, maybe I can change my course and recognise that we are not on the same course.

I am saying, Sir, ...

Asides.

Mr. D. St. E. KELLMAN: No, I am still on manufacturing. I am not about today, I am about tomorrow. That is your problem.

Asides.

Mr. Deputy Speaker, we also have to recognise that we will always have problems if we only see Barbados as buying material from outside to make clothing. We must recognise that we have the raw materials and we must fully utilize the raw materials that are available to us. The regrettable thing about it is that our raw material is not a low-end product. Do you know what is strange? When we talk about electronics, tourism and all of those other things, we talk about the need to go to the high end but when we are talking about clothing it seems as though we can only go to the low end because we are buying from outside. We cannot use what is local because it is too good for us. Can you imagine that, Sir? When we are talking about tourists, we want the high-end tourists, the high-end technology, the best cars, we do not want Suzukis, we want Mercedes and all of those things.

Sir, we must recognise in this country that a lot of things that we never saw as raw material before we must start seeing them as raw material now. Let me give you a good example of what I speak, Sir. We have a company now called Barbados External Telecommunications (BET), but do you know what is strange, we do not even recognise that BET must be perceived as delivering a product that is a raw material. You might laugh but I am serious because if we are going to pass a Bill in here called an E-Commerce Bill and talk about how we relate to e-commerce and so on, we must recognise that the telephone, the Internet and all of those things must be seen now as raw material or we are fooling ourselves and are not really positioning Barbados where it should be positioned.

I would have hoped, Sir, that the Honourable Member ...

Asides.

Mr. D. St. E. KELLMAN: Well, it is difficult to enlighten you about anything.

Asides.

Mr. D. St. E. KELLMAN: I am saying, Sir, that we must recognise that we cannot continue the way we are accustomed to doing things in Barbados. We believe that people must continue to buy things from us. For example, we are still hearing people in Barbados arguing that because people bought sugar from us 300 years ago that we should still be able to continue to sell the same type of sugar to the same people 300 years after. What is happening? Are we not moving with the times? Or are we going to continue to beg people to buy things instead of demanding that they buy them because of the quality of the product that we are delivering?
12.55 p.m.

I saw in an article lately that sometimes we do not even know how to promote the sugar that we produce because the only argument that we use is that we are accustomed selling it for 300 years and they should continue to buy our sugar. There is no evidence to show that our sugar is unique that even the smell is different but we feel because we were a British colony that that is the only reason why people should buy our sugar. I am saying that that is foolishness.

A point that I would like to make, Sir, is that we also must recognise that we cannot continue to put critical decisions on the back burner. We have to make a decision whether we are going to have one sugar factory in this country and whether the incentives will be put in place to make sure that there is a relationship between the Light and Power Company, the sugar industry and sometimes another entity which I will not name at this point in time, for the simple reason that we cannot sit back and decide that the world is waiting on us. I think that is the biggest problem in this country, that we are just sitting back on important decisions that have to be made.

We also have to recognise, Sir, that there are some companies that can only produce for the local market and for the CARICOM market and there are some companies that will be able to do four or three. We must come up with a package to suit the particular area that these companies can produce for. If we are saying that foreign exchange is important, we have to recognise those companies that have the potential to rake in as much foreign exchange as possible and put the necessary incentives there for them.

I am not saying that we should not provide incentives for companies which are producing for the local market because one must recognise that when they produce for the local market what they are also doing is stopping foreign exchange from going out of the country. We must start recognising that all companies are important but we also must scale them because we are going to need that foreign exchange. If we feel that because the foreign reserves are high because we are borrowing a lot of money, catch-up time will soon be around the corner.

I am saying to the Minister who introduced this Bill today, just because you are coming in here to introduce a Bill and are saying that you are going to extend the tax holiday to 15 years, that it is going to have an impact on the manufacturing sector. It goes far beyond the number of years for tax holidays. There must be certain other incentives and the major incentive is to make sure that we cushion the impact of the energy cost on these particular companies and make sure that we reduce the cost that they have to incur, and that there is a significant reduction in the cost of producing the item for the product going out of Barbados.

No tax holiday is going to reduce that cost. That is a point that the Minister must understand. Where that is important is when the product is sold but, in this age it is the cost before the product is completed that is important if we are going to compete. That is the mistake that we are making.

We feel that we can inflate any cost and need not reduce the cost. Mr. Deputy Speaker, a manufacturer does not have to get on a plane any longer to fly somewhere to see a raw material. Modern technology allows him to remain in his office and he can know anything about a particular raw material, which means that the same way someone can do it in Trinidad, a man in Hong Kong is also doing it.

What is also interesting, Sir, is that the governments in those countries recognise the point that I am making and have always recognised that point, but the problem is that we in CARICOM believe that because we have protocols that they are relevant. The truth is that the protocols are not relevant anymore. I apologise to no one for that. The protocol would have been important before you had trade liberalisation and globalization. As long as the world is one market nobody can tell me that Trinidad is obligated to buy from Barbados because Hong Kong is the market for Trinidad too.

We fool ourselves and we tell people that we have CET, the Protocol and all that foolishness. They are just words now, Sir. The truth is that the competitive edge is the important thing and everybody is looking after their consumers. People must recognise it is not what Government thinks anymore but what the consumers think. Any country which feels that it can talk about having a trade agreement with another government and then you can produce an item and it will be sold is fooling itself, because the consumer in every country can go to the Internet and order a product from anywhere in the world. Barbadians need not believe that people do not know what is being produced in the world. That is the folly of the whole issue. We are still believing even though we brag that we are in the information age that only Barbadians are in the information age; and that is folly, Sir.

I am calling on this Government to recognise that even though we would want to be part of CARICOM and we have certain CARICOM obligations we also have the WTO to deal with. What was good in the early nineties is not relevant anymore. Thank you very much, Sir.

SUSPENSION

Hon. Miss M. A. MOTTLEY: I beg to move that this Sitting be suspended until 2.00 p.m. today.

Hon. Miss B. A. MILLER: I beg to second that.

The question that the Sitting be suspended until 2.00 p.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the Sitting accordingly.
1.05 p.m.

RESUMPTION

Mr. DEPUTY SPEAKER: This Honourable House is resumed.

Hon. Miss B. A. MILLER: Mr. Deputy Speaker, I rise to lend my support to this Bill which is before the House. I give credit to the Minister who introduced this matter and I also give credit to the Ministry of Finance.

Mr. Deputy Speaker, we are living in the days of trade liberalisation. We are living in the days when tariffs are falling and it is entirely possible that they will disappear before our very eyes. We are living in the days when the OECD and the developed countries, generally, are saying to us that we must do as they say but not necessarily as they do. Indeed, today, Sir, the reason why the Right Honourable Member for St. Peter and the Honourable Member for St. Thomas are not in their places, is because they are on a mission abroad literally fighting the OECD.

Sir, we have to be very careful that we do not liberalise too far. Speaking from the perspective of foreign trade, I am very aware of the requirements of the World Trade Organisation and its various rules and regulations but I am also acutely aware of the realities. We see in many developed countries that they are very busy protecting certain of their domestic markets.

Manufacturing has never had what we would call a strong foothold in Barbados. From the earliest days it was very tentative here and many brave souls have struggled with it. There were days when the screw-driver operations would create jobs for us in Barbados and in our lifetime. In the last forty years or so, we have seen it move from one market niche to another.

I remember the days when the industrial estates in Barbados were all in the screw-driver industry. I remember when garments dominated the manufacturing sector in the industrial estates. We have all lived to see the day when garments have virtually disappeared from the industrial estates now overtaken by the new technologies and, Sir, if we are not careful we will be overtaken there as well. We cannot have it every way in Barbados.

Mr. Deputy Speaker, we have perhaps one of the most sophisticated workforces that you will find anywhere in the developing world, some would say comparable to the developed world but there is a price that we pay for that. One does not wish to be invidious but it is published and known that what can be obtained in places like Haiti, Peru and China cannot be obtained in Barbados. The Barbadian worker or the Barbadian labour movement would not tolerate it, it could not happen because we are not in that market segment.

Mr. Deputy Speaker, Sir, I am quite satisfied that there are niches out there for us. As the Honourable Member for Christ Church East said, they are not going to come here looking for us, we have to go out there and look for them. With a population as educated as ours, as easily deployable and retrainable as ours, there are niches there for us and we need to go out there and find them. It is in our interest, as this legislation is seeking to do, to protect wherever the laws and the regulations of the liberalising and globalising world will allow us.

We do not have anything to apologise for. We do not have anything to be defensive about. This is another attempt from this Administration to give tangible support to the manufacturing sector.

We have to be very careful, Mr. Deputy Speaker, as I have said earlier, about the way in which we liberalise and the rate at which we do it. We have to be careful that we do not end up like the boy on the burning deck because we have rushed ahead of everybody else. We are seeing a few signs of that even within an attempt to put a Single Market and Single Economy on the ground in this region. We have to be careful not to rush ahead and liberalise and when we look around, it is only us and our jobs are in jeopardy while other people are still behind the fence protecting what they have as best they can. Sir, we have to hold the balance in the best way we can.

Mr. Deputy Speaker, in this connection I believe that Barbadian manufacturers in these early days of the 21st century have to be prepared to give the highest quality. There is no difference; we are talking the same goods but we have to be competitive and give the highest quality because high quality has been associated with the Barbadian product in

almost every sector for years. Barbados sugar and Barbados rum are of the highest quality and there used to be a time when even Barbados cricket was of the highest quality, but we do not talk about that much now. This is where the competitive edge is to be gained.

Mr. Deputy Speaker, we have to persuade our manufacturers and look for ways to help them. We have a university campus here in Barbados, we have a community college in Barbados, we have a polytechnic and we have to persuade our manufacturers to be creative. I want to reinforce what the Honourable Member for Christ Church East said about design, packaging, presentation and marketing because these are critical to the product. You can produce the loveliest product in the world and it will rot in the warehouse if you do not present it in a way that is attractive to people.

Mr. Deputy Speaker, two weeks ago the CARICOM heads met here in Barbados in their annual inter-sessional meeting and delegations came from all over the Caribbean. The Minister of Foreign Affairs of the Bahamas is a woman and she asked me where she could shop for something Barbadian. I did not hesitate, I told her to go to the new rehabilitated Pelican Village and she came back giddy with delight. She found batik work there, she bought a top and the man who sold it to her was so anxious to please her that when she said she would also like something in a plain material for the bottom he told her to come back the next day and he would have it for her before she left the island. It was delivered to her hotel before she left the island.

Mr. Deputy Speaker, everywhere she went, she could not stop boasting about what she saw, to the extent that last Saturday when I was coming from the gym, I decided to stop in at Pelican and have a look and I was very impressed with what I saw, lovely, new, state-of-the-art premises, but I was not as happy as I would like to have been about the inside.

Asides.

Hon. Miss B. A. MILLER: It needs more creativity. We have to get away in Barbados from everybody producing the same thing. If a shop is doing well selling a particular item, then twelve shops will appear on the same street selling the same item. The quality of product and the quality of the presentation is very good at Pelican. I went into the shop and congratulated the man.

Mr. Deputy Speaker, of all the shops at Pelican, only four were opened and it was 11 o'clock on a Saturday morning. Sir, we have got to be serious. The Honourable Member for Christ Church East said that the traditional Caribbean furniture and the old-time mahogany look is in vogue and everybody wants it. This is true and there is a

market out there for it. I can remember when people used to come here from Martinique and Guadeloupe to buy genuine antique Barbados mahogany furniture to the point where we had to try to protect the little that we had left. There are market niches out there.

2.15 p.m.

Asides.

Hon. Miss B. A. MILLER: Mr. Deputy Speaker, I think that the goodwill of Barbadians is there for local manufacturers. I will not buy from abroad if I can buy locally, and that goes for the food products, furniture or whatever. There is not anything that you cannot get custom made here in Barbados of the highest quality if you are prepared to wait, in some cases.

I am saying that we have potential and the Government is providing opportunity, as with this legislation, more and more incentives, and manufacturers must pick up the gauntlet and go with it. There is a market out there, not only regionally but internationally as well. We have to stop looking at the barriers, difficulties and the road blocks. You have it in farming too but you have to move away from this uneven performance that we see in manufacturing. They go up to a peak when something is in vogue; designs remain the same; they do not recognise changing trends and so on and you are down in the valley. You tend to stay down in the valley longer and it takes more effort to get up to the peak again. We need sustained performance. We cannot operate on the basis that a fellow is going to tell you that the van broke down, I could not get this or that and I cannot make the order. They will go to someone else who can answer their demands.

I do not think that it would be fair to say that this Administration is not doing everything that is possible, in many different ways, not only by virtue of fiscal incentives like this, to give the manufacturers a leg. I remember when this Administration first came in, in September, 1994, by October, the following month, the first sector in our economy, the Minister of Finance let go his hand to help, was the manufacturing sector and from there on, if the story is to be told, up to this point; and this will continue.

I cannot agree with the Honourable Member for St. Lucy that enough is not being done. I would agree that there is a lot more that has to be done and manufacturers have to help themselves. There are many different ways that Government is bringing its support. Sometimes we are fighting battles outside of these shores to make sure that the tidal wave does not come to Barbados to hurt them in the first place. You cannot always see that with the naked eye, as we like to say, Mr. Deputy Speaker, but we fight on many, many fronts and it is not an easy task.

I would not on this occasion go into any detail about the fray that we are now about to enter in Europe, which is determined to have its own way. I would not go into detail about where we think the new Bush Administration may lean or jump in the next few months because that is fraught with speculation. Suffice it to say that the environment out there is not easy. It is highly competitive. When Barbados was a younger country, when we had a less sophisticated population, when we were not nearly as developed as we are now, we were producing the best quality product, whatever we produced.

I deeply believe that if that continues to be so, we can look for those little niches which we can command simply because of our better educated population and a better incentive package that we can make available, then we can access those niches.

Mr. Deputy Speaker, I have absolutely no hesitation in giving my support to this Bill and hoping that as time goes on, wherever and however, this Administration can find it possible to put a plan in the way of the manufacturing sector of Barbados, struggling as it always must. Mr. Deputy Speaker, it is no different from other sectors in terms of the struggle. Sugar is now in a struggle for its very existence; non-sugar agriculture has been struggling; tourism is now going to become the subject of the attention of the OECD and we have to prepare ourselves for that. We cannot wait until it happens. We know that it is coming. They have said that it is coming and the same way that they want to attack us on the basis of taxation policy in respect of offshore financial services, tourism as part of the wider services sector is the next on their list and they have said so in Washington. I asked the question last November if it was true and I was told, "yes, these matters are being discussed in US circles".

They want to quarrel about the long tax holidays that we give the hotel sector. That is going to be the next fight that the Minister of Tourism will have to prepare himself to help the Minister of Finance to carry. We will all have to put our shoulders to the wheel. There is a role in there for the Honourable Attorney General from the legal point of view and there is a role in there for myself in the context of Foreign Affairs and Foreign Trade.

In every sector, as the Honourable Member for St. Lucy likes to say nowadays, "we set". That is how the early 21st Century has opened for us and we have to be prepared. This is how my father taught me – to work harder than the other fellow, longer than the other fellow if you want to do better than the other fellow.

I thank you for your attention, Sir.

Hon. Sir HENRY FORDE: Mr. Deputy Speaker, Sir, this amending Bill seeks to extend the period for which tax losses may be carried forward. It also seeks to extend the period of tax holidays given to approved enterprises in respect of carrying on what is regarded as manufacturing although there are a few enterprises that, probably, are undertaking some activity connected to agriculture.

Honourable Members referred throughout the debate to pepper sauce. Although you have to manufacture that, it is associated very closely to how you grow your peppers and how many you can produce and what happens in that field. So that is the purpose of the Fiscal Incentives (Amendment) Bill, 2001, and I believe that it can be supported by all of us in this House because to the extent that it betters the position of firms, companies and individuals who are undertaking manufacturing enterprises, it enables them to employ persons, to maintain employment and equally important, to earn foreign exchange for us. The Fiscal Incentives Act was an Act which was implementing part of the CARICOM Agreement which was to have almost common legislation in relation to the incentives which could be given to what were then developed and developing regions in the Caribbean. 2.25 p.m.

I have looked back, Mr. Deputy Speaker, to the Debate which took place on this Fiscal Incentives Bill when it was first introduced in the House on February 19, 1974. It was introduced then by the late Sir Edwy Talma, who was then the Deputy Prime Minister and it is significant that besides himself, only three other Members spoke on that Bill: the late Prime Minister the Honourable J. M. G. M. Adams and the late Most Excellent Sir Frank Walcott, and myself. So that, the Fiscal Incentives Bill passed this Parliament with four contributions, three of them have passed on, and I am still here, thank God, to look back with some satisfaction on this speech which I made then and the comments that followed that speech.

Let me say that I welcome the Fiscal Incentives Bill on behalf of the Barbados Labour Party, which was then in the Opposition and I said that we would welcome this Bill because the Barbados Labour Party was very strongly a federalist Party which believed not only in economic integration of the English-speaking Caribbean, but believed also in political integration. Now, we have not deviated in any manner from those philosophies and I said then that economic integration was necessary, not only to improve the standard of living of our own people but it was necessary for us if as a region we were going to withstand the winds from outside, and even then, in 1974 the winds were strong and fierce. We had to confront the transnationals and multinationals who were then dominating the world, particularly the Western multinationals, and nothing has changed, because the assault which we launched, those of us from the Third World, in the various international and transnational organisations against multinationals wanting to dominate the

world's economic scene for the benefit of only a few rich countries, helped to drive them back for a while, but we have never been able to conquer them. And one of the saddest aspects for me is that they have come under a new guise in the form of globalization and are again dominating the whole economic framework and pushing back, in some respects, the forward movements that developing countries have made.

I do not believe that all aspects of globalization are bad, but I am not such an adherent to the theory of globalization as not to recognize that its effects can be disastrous on small economies of the size of our own and even of the size of those within the Caribbean. And the effect is that we have to be careful not to be turned once again into a group of persons who consume services and are only to do matters that one would say are menial or do not call for intellectual challenge.

If there is something that the Caribbean happened to achieve in the period of the 1970's to date is that we were able, because of the human resources which we had and the accent which we placed on education, to bring our people to the stage that we knew they could produce as good a desk, as good a table, if we are talking about manufacturing, as they could produce in the United Kingdom, as they could produce in France or elsewhere. We also got to the stage that we could produce food products as good as they could produce in their own country, and so we came to believe in ourselves.

My fear is that if globalization goes in the way planned for it by the G7 and the OECD countries, we will be driven back, lose our self-confidence and believe that we have not got the same capacity as citizens in the United States of America or of France, or Germany to produce goods manufactured and other goods at the same level that they can produce and even better.

So, I regret very much that when the Uruguay round of talks and negotiations took place, both the GATT and post-GATT negotiations, that the developing world was tardy and was not up to its usual awareness of the consequences to have negotiated firmly what we have not got, as the rules of the organization are now known as the World Trade Organisation (WTO). I believe that we lost very badly then, and that is why today we have lost for various reasons; we lost because we were not adequately prepared, we lost because we were not adequately aware of the implications and we lost because, even among ourselves, we were not showing a joint approach. And to date it is therefore easy for the developed world, in particular, the Western developed world, to push back our people in every area of enterprise, whether it is in the production of bananas, whether it is in the undermining of our sugar; and let me say here that the United States of America still subsidizes its own sugar; whether it is

in the production of garments, and let me say here again, that the United States of America has reformed itself in this way that it now produces its garments overseas, pays very little but the garments then come back into the United States of America, or are being sold to other developing countries at higher rates. So we must understand that that is the world economy in which these five million people of the Caribbean and the 260,000 of Barbados are operating.

I am not saying that we cannot survive but we have to be conscious that although the world, as the Honourable Member of St. Lucy said, is becoming one global market that may be a market in which we are merely the buyers but not the producers and we have to be careful to ensure that we are still producers in that global market because we have the human resources to develop and to be as good as any American, Russian, German, or any Englishman. I studied and worked among them and I do not feel one wit less than any one of them.

2.35 p.m.

In these changing times, we have to have our heads on. I say to the Government, we must use all of our resources, diplomatic and otherwise (although we have not got an abundance of those resources) to out-manoeuvre the West in the negotiations that are going to follow. They are calling it the second round or the third round. We must out-manoeuvre the West at their games. We must not give way. We must be able to galvanise and keep the ACP countries together. It is very vital. We must be able to galvanise and keep them together and work as well with those other members of what was formerly referred to as the Bandung Group of Countries. We must try to keep them together because by our numbers we will make a difference and an impact.

Sir, at home we must do as much as we can to safeguard those areas in which we do well. But in doing as much as we can, we must be honest with our manufacturers and our consumers. We must let them realise what are the true facts. It is not possible for a small country on an economy that is BDS\$1.5 billion really to give all of the incentives that every sector of the economy asks for at every time.

Sir, do you know that I sometimes wonder whether people want to have services when I listen to the call-in programmes. It is most destructive. Everybody is always looking for a handout and very few people are looking for a workout.

Asides.

Hon. Sir HENRY FORDE: Really, you know, Sir, you can go through and everybody wants something free in these days. I do not know how you are going to run a country or a Government. So that we have to say to the people, the Government's job is to use the available resources in the most effective way it can in order to maximise those

resources and, having maximised those resources distribute them in the fairest way it can, in order to keep social cohesion and equality. That is my basic philosophy.

Sir, when I look at this area, I want to say again as I did many years ago, that when I was a member of the Lions Club with people like the late Louis Lynch, we came forward, not in Government although Mr. Lynch was then a Member of the House, and asked the country and ran the first 'Buy Local Campaign', not the Government. Everybody wants the Government to do something; but here was a service club, organising and running the first Buy Local Campaign because we recognised that if our consumers spent money in buying the things that our local manufacturers were producing, we were safeguarding the jobs for our people and creating further employment.

I want to join with those Honourable Members who say that if our manufacturers are to be kept in production, our consumers must recognise, as the Honourable Member for the City just said, that wherever possible we must spend on our local products. Obviously, we will expect our local manufacturers to attain a high standard and a high quality.

The second thing I want to say, Sir, is that even within regionalisation, we will lose jobs. The Honourable Member for Christ Church East spoke about our loss of jobs in the soft drinks industry and he also spoke about our loss of jobs as a result of Colgate-Palmolive's organisation to suit the Colgate-Palmolive Company; not to suit the Dominican Republic and not to suit Barbados, but to suit Colgate-Palmolive's earning more and remitting its profits overseas.

First, we must recognise that we are going to lose those jobs but we cannot be vexed with the Dominican Republic. What we must say to our people is that since Barbados is basically an importer of raw materials and it has to pay high energy cost – but we have a very high quality of education – our people must produce more in order to reduce the cost of every unit of production. That is what we have to say to our people.

It is not right for us to give our people the attitude that we can walk out on every strike that comes up. It is right to give them the attitude that they are entitled to more. We must move to the stage that the Japanese moved, where we are paying for high productivity and getting high earnings along those routes as much as we could get out of our people. We have the capacity and capability to do that. I think in this way, we will save some of the industries that are threatened within CARICOM itself and from extra CARICOM forces.

Thirdly, Sir, those people who are investing, the investors, the whole investing public and I am not only

talking about a few big companies but the individuals as well, must get into their heads that money is also a way and by investing money and using money, you can earn money. That is what we must get into our heads so if we lose a manufacturing plant here, for instance, like Pepsi Cola, let us go and invest in the Trinidadian company and own the Trinidadian company, if necessary. That is how we must make our money work for us.

One of the things that I have strongly advocated in this House from as early as 1971 when I came into the House of Assembly, is the necessity for cross-border investing. There is no reason why, if production is taking place in Trinidad that at the end of the day when the balance sheet shows whatever profit is gained that 25 per cent, 30 per cent, 51 per cent or 49 per cent of that profit comes back to Barbados. Barbadians must understand that in this period of challenge, we have to make our money work for us but there is another thing we can do as well.

Sir, as the industries rationalise their sources of production, we must use our wits to allow, for instance a company in Jamaica to produce some of the lines that go under our trademarks and trade names which we are then selling outside and within our own country.

Sir, in the United States of America, not every company that sells motor cars, tyres, garments or whatever, produces those within the United States but they sell them under their trademarks and they dominate in that respect. For example, Altman's has virtually disappeared, but go into the big department stores and you are buying the brand names: Nike, Adidas, *et cetera* and you believe you are buying American products. You are buying American names and the Americans are marketing and franchising their products under brand names and earning and raking in the coins from all over the world. Sir, we must begin to do that and I regret very much that the development of CARICOM has not taken up on the ideas that the early fathers and framers of the movement intended.

Back in 1974, in a speech I made the point that we had to have common trademark legislation if we are to produce the products that we were producing. It has still not come to pass so we have to, wherever possible, harmonise our trade laws, our national standards legislation and our laws passed for intellectual property so that we can withstand the competition that is coming to us.

It is not only carrying forward tax losses for longer periods or giving away longer tax holidays, it is our ability and Barbados is taking the lead and must continue to take the lead here to bring us to the stage where we do have common legislation, common standards and we are able therefore to compete in the world at large.

2.45 p.m.

Therefore, transnational investment, transnational

production and proper sourcing... Let me give you the very example the Minister used. The Minister made the point that there is still a market for Barbados' furniture because of the way in which people have seen not only our craftsmanship but also because of the mahogany material which we use.

Sir, in my house at Society, I have bits of furniture which were made in Barbados over 180 years ago by Barbadian craftsmen and signed by them that are antiques. I am sure if we had moved early to protect our antiques, we would have had many more like the two pieces that I have which I have acquired through my adopted mother which I hope to hand down so that they remain here as an example of outstanding craftsmanship. One piece is made of mahogany and the other is made of Cordia. There are not many people in this island who will see the Cordia tree and recognise what beautiful wood it is.

Sir, I regret to say that the disrespect which we show for our environment has led many people to cut down the mahogany trees and to destroy the Cordia trees without a policy of replacement despite the fact that I put on the statute books, when I was the Attorney General, an Act dealing with the cutting down of trees.

Sir, everybody is saying that the Government must do everything, but when the Government brings the legislation we must drill into the heads of our people that they have a responsibility too. I am seeing too much slackness in Barbados where people believe that they have not got a responsibility. They dirty up around them, they invite rats around them and then it is the Government which has the responsibility to clean up and it is never them. Likewise with the trees. They cut down the trees and then you are going to hear that the Government has to have 260 000 policemen to police these matters.

If we are to survive in this harsh world, make no mistake about it, we cannot be friends of all and enemies of none because sometimes you do not know who your friends are and our so-called friends are not going to ease us when it comes to their pockets as has happened with bananas and as is happening in financial services.

You would believe, Sir, that the mother country, as some of these people who still want us to believe that there is a mother country, would feel enough for us and would have been protecting us in the OECD, but instead she is the one leading the assault against us. You would have believed that the United States of America, that some people believe now that we can only play their songs on our radio programmes and sell their culture, would be protecting us, but no, they are interested in themselves first. That is the message when I read the late Excellent Sir Frank Walcott's

statement; and that still remains true. He made that statement in a debate. We have to drum into the heads of our people that we must be sure of ourselves, analyse carefully what others are doing to us and protect ourselves as much as we can.

Sir, the Honourable Member for St. Lucy spoke of cotton but I am tired speaking about cotton and its potential in this House. I hope that the Minister of Agriculture would bring us up-to-date with the steps that are being taken to retrieve our trademark. Many years ago we formed, I think it was in the 1920s or before that, I may be wrong, the West Indies Sea Island Cotton Association. We had a sea island cotton which was a special cotton with that trademark. The countries that owned it were Montserrat; St. Kitts and Nevis; St. Vincent and the Grenadines; Antigua and Barbuda; Barbados; Jamaica and maybe Belize, British Honduras in those days. I believe those were the core members. That cotton was of the best fibre that you could find in cotton in any part of the world.

Now, we have allowed the Japanese to come with their smartness along with a Canadian citizen and get a West Indies Sea Island Cotton (WISICO) trademark. Do you know, Sir, that I get correspondence from Japan calling their Japanese Sea Island Cotton, West Indies cotton? They have registered the trademark in Japan. They owe the company here in Barbados close to six million dollars, I am not sure whether that is US dollars or Barbados dollars, and we cannot get it out of them.

Sir, we have to be more proactive because cotton does have a special future not only in agriculture but in manufacturing as well. We have to move it to the stage where we not only produce it and produce the lint, but we must be able to move it up to the stage where we can produce top quality goods from it. That is the sort of product that I am talking about. That is the raw material that we must seek to keep if we are to maintain the niche markets of which the Minister spoke and be able to compete and find ourselves in areas that are not so easily open to our competitors.

I want finally to revert to our own region, Latin America and the Caribbean and to inform the House and the public about something some of our companies are already doing. The Minister spoke of some of the companies which were reorganising. He mentioned one in my constituency which has shown its expertise in the area of printing, labelling and branding which is very important. That company, Cot Printery, was started by a Barbadian from Rockley New Road, one of the well-known Worme family. That printery employs a lot of local Barbadians who were trained at the Garrison Secondary School and the Samuel Jackman Prescod Polytechnic (SJPP).

The Garrison Secondary School has obtained a reputation in the field of printing that shows what excellent people we have. Not every one of our children is going to be able to score extremely high in the academic subjects but each one of them has a potential. What we have been able to do at the Garrison Secondary School was to exploit the potential for those people with a real knack and intelligence to get into an area such as printing. The Minister is absolutely right when he said that there are fields like these that we could go on to develop.

Sir, we in the Caribbean have to answer the call and see how our companies are reorganising. That is one company that has reorganised. In the field services, let me say that Barbados today, in the area of flight kitchens, is in competition with those out of France and Switzerland and is holding its way throughout Latin America and the Caribbean; but we do not give credit where credit is due.

The Goddard Group of Companies is probably the most outstanding example of a Caribbean company today that has been able by joint venturing to go into the markets in Paraguay; Ecuador; El Salvador; Costa Rica; Guatemala; Columbia; Venezuela; the Dominican Republic; Jamaica; Cayman Islands; Panama, and Miami as well, delivering top quality food services to all of the world's top airlines and in many cases owning 51 per cent of the venture, and in others as a small joint venture, earning foreign exchange for this country.

2.55 p.m.

At the same time, our local citizens who work with the company have been told that everybody will have to be bilingual in order to move in and out of the island to go to locations where jobs are. That is the foresight that I am talking about and that is what we have to do if we are to make use of the opportunities in Latin America and elsewhere. Sometimes we say that we do not praise ourselves. We allow the divisions of colour and whatever else to cut this country in half without seeing that there are others who are not concerned with colour but concerned with getting on with developing Barbados.

Sir, I am a member of the board and I want to declare my interest, because I want to encourage every person to invest in the Barbadian companies, not only in the National Bank, but in the Insurance Corporation of Barbados in order to make a difference. There are other companies too who are doing the same now in moving forward and accepting the challenge and showing that we are as good, if not better, than some of the developed world in dealing with the selling of our services and our products manufactured or our agricultural products which we produce.

Sir, I want to say in my last words about agriculture because a lot of people believe that we should not protect our

agriculture, that there was a time when Barbados was more valuable to the British Crown than Quebec. That was because we produced sugar and we had entered the industrial revolution at the same time or before England itself. History shows that Queen Victoria, I believe, refused to swap Barbados for Quebec. Sir, that says something about the Barbadian although at the time we still had some of the most retrograde human rights on record. Yet the Barbadian worker was able to build up for the British Government a sugar industry that was the envy of many parts of the world. I still think that we have within us to bring our sugar industry back to that stage of production that we can maintain a sugar industry and use its products in many ways and achieve excellence as Mauritius and other places that have achieved excellence in the industry.

Mr. DEPUTY SPEAKER: The Honourable Member has one more minute.

Hon. Sir HENRY FORDE: What a pity, Sir. I think that the opportunities are there for us. I am not daunted even as I come to the evening of my days by the challenges of globalization. I believe that we can answer those challenges. We are not going to get a level market. We have to fight for it. We are not going to get any gifts from the developed world. We have to fight for them as well. We must not be so trusting of people who call themselves our friends in the developed world that we do not stand up and oppose them. We have to fight for our negotiating stances and positions. Even more important, Sir, is that we have to make sure that we do not fight among ourselves and destroy the unity that is so necessary if we are to maintain our dignity as human beings.

Mr. DEPUTY SPEAKER: The Honourable Member for Christ Church East.

Hon. R. R. FARLEY: Mr. Deputy Speaker, I rise at the conclusion of the Second Reading of this Bill. I first want to thank Honourable Members for their contribution but also to take the opportunity to correct a falsehood which the Honourable Member for St. Lucy, I am sure unwittingly made, because he had forgotten the facts and because of the mistake which he may have perpetrated in this Honourable Chamber. Sir, I know that he would not want the record to reflect that he did not recall actions taken by this Honourable House of which he is a Member. I now will take the opportunity to remind him of the record.

The Honourable Member for St. Lucy in his presentation was asserting that the Government's energy policy was hurting manufacturers. I indicated by way of a point of order at the time that that was not in fact the case. Reference to the Financial Statement and Budgetary Proposals of the Right Honourable Prime Minister for 1999 and reference to the Financial Statement, Economic and Financial Policies of the Government, October 24, 2000 will

indicate what the Government's energy policy has been. This Barbados Labour Party Administration...

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member for Christ Church East is misleading the House by giving the impression to the House that oil prices went down in October last year. I believe, Sir, that you are aware that that is not correct. So he has to withdraw those remarks, Sir.

Mr. DEPUTY SPEAKER: Proceed Honourable Member.

Hon. R. R. FARLEY: Mr. Deputy Speaker, I cannot even attribute the Honourable Member with the power of clairvoyance because I did not have such a ludicrous thought in my mind let alone to have it issued from my lips. The point in question, Sir, is not what happened to oil prices. We all know how they have grown but the Government of Barbados, this Barbados Labour Party Administration had a much more enlightened stance than several governments in the industrialized world. Indeed, Sir, in the United Kingdom the farmers had to take to the motor ways, as they call their highways over there, to cause havoc with traffic and for the farmers in France to dump fresh produce in the city in order to get the attention of the government there to take action which we in Barbados had taken a long time before that.

Mr. Deputy Speaker, in March 1998 we took some decisions concerning the level of taxation on energy products in Barbados for the simple reason, Sir, that we recognize the importance of energy as an input in our productive sectors. 3.05 p.m.

Sir, at that time we totally eliminated the excise tax on kerosene oil and fuel oil, recognising that fuel oil was used in the production of electricity and that kerosene oil was used as a fuel for the poor in Barbados. As far as gasoline was concerned, the total tax on that was reduced to \$0.83 per litre and transport diesel to \$0.64 per litre in March 1998, which meant that the retail price of gasoline went down to \$1.44 per litre and diesel to \$1.25 per litre.

Sir, against the background that the tax on energy varies significantly across the Caribbean region within the framework of the Single Market and Economy, we propose to do a number of things. For example, the tax on gasoline per litre was \$0.82 in Barbados, \$0.44 in Trinidad, \$0.38 in Jamaica, \$0.39 in St. Lucia, \$0.57 in St. Vincent; diesel was \$0.72 in Barbados, \$0.12 in Trinidad, \$0.32 in Jamaica, \$0.43 in St. Lucia and \$0.35 in St. Vincent. Sir, we inherited this from the Democratic Labour Party. We set about...

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member is misleading the

House. He forgot that his Side said that the reason why oil prices in Barbados were high was because of an arrangement between the Democratic Labour Party and Mobil. The facts are, Sir, that today we do not have Mobil so oil prices cannot be high because of Mobil.

Hon. Sir HENRY FORDE: Mr. Deputy Speaker, on a point of order. The Honourable Member for St. Lucy obviously does not know the facts concerning Mobil. He has not done his homework, otherwise, he would not mislead the House. The Right Excellent Errol Barrow in this House, in my presence, stated as a fact that Mobil was overcharging the people of Barbados and he had undertaken a study which showed that they were getting \$6 million more than they were entitled to. There is no Mobil now but, had Mobil been here, the price would have been higher to people and that is why we had to get rid of Mobil. The Honourable Member is out of sync with the father of his party and out of sync with the mood and thinking of the matter.

Hon. R. R. FARLEY: Mr. Deputy Speaker, I need to remind the Honourable Member for St. Lucy that recognition does not necessarily equate to elucidation. He can rise and make the same point one hundred times but all of us in here are well aware that the issue that he is purporting to place on the Government, concerning Government's policy on taxing energy, is one which speaks well in favour of our foresight, enlightenment and the failure of the Democratic Labour Party to act.

Sir, on assuming office we found an energy policy which put Barbados at a competitive disadvantage to that of its neighbours, that is a separate and distinct matter from the world price of oil.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member continues to mislead the House. The Honourable Member for Christ Church West said that the Right Excellent Errol Barrow said that Mobil was overcharging Barbadians to the tune of \$6 million. Mr. Deputy Speaker, today we do not have Mobil overcharging Barbadians but yet still the Honourable Member for Christ Church East, in his own words, has stated that in some cases the tax being charged by the Government of Barbados is as high as six times the amount of some other countries, whereas, we are charging \$0.72 some countries are charging \$0.12. You cannot continue to blame the Democratic Labour Party neither can you continue to blame Mobil.

Hon. R. R. FARLEY: Mr. Deputy Speaker, the Honourable Member wants to distort the record. I indicated the situation which had existed at March 1998 and that situation has been changed in the years 1999 and 2000.

Mr. Deputy Speaker, the Democratic Labour Party had no policy on energy in terms of making a positive input to the productive sectors in Barbados. As I indicated, the Democratic Labour Party's policy had Barbados leading the pack as far as Government's taxes on energy were concerned.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member one second ago said that the Democratic Labour Party had no policy and one second after, he is on his feet saying that the Democratic Labour Party had a policy. Mr. Deputy Speaker, the Honourable Member is confused and he is misleading the House.

Hon. R. R. FARLEY: Sir, I am only confused to the extent to which I am being interrupted by the Honourable Member for St. Lucy.

The Democratic Labour Party imposed taxes on fuel in Barbados to the extent that the Government of Barbados was the principal beneficiary from the use of fuel in Barbados and that policy put us at a competitive disadvantage compared to our neighbours in CARICOM.

Sir, for example, in March 1998 the Democratic Labour Party's policy was \$0.82 for tax on gasoline in Barbados. Sir, I will tell you what the Barbados Labour Party did. In 1999, having already in 1998 reduced our tax we continued to do that. We reduced the Government's tax for diesel from \$0.56 to \$0.34 per litre and the retail price followed as well. The revenue lost was \$6 million per year that the Government gave us for diesel. There were gasoline reductions as well. The excise tax was reduced from \$0.65 to \$0.56 per litre. Revenue lost in a single year was \$8.5 million.

In the year 2000, we continued with that policy and the tax on diesel was reduced from \$34.62 to \$27.27 per litre. Gasoline was reduced from \$56.82 to \$44.82 per litre. Sir, this is a very clear and consistent policy on the part of this Government to reduce the tax on fuel.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member continues to mislead this House. He is giving statistics without realising what he is saying. The Honourable Member told this House that up to 1998 the Democratic Labour Party's policy was still in place. He said that the tax was \$0.82 but when he got up to speak he said that it was \$0.56 and that it dropped to \$0.34.

Asides.

Mr. D. St. E. KELLMAN: I am glad you said gasoline because I deliberately used diesel to make you correct

yourself. Mr. Deputy Speaker, the Honourable Member said that gasoline was \$0.65 and that it dropped to \$0.56 in 1999.

Mr. Deputy Speaker, I will repeat what I said. The Honourable Member for Christ Church East said that in 1998 the tax was \$0.82 and that was the Democratic Labour Party's policy but in 1999 when the reduction was made, it moved from \$0.65 to \$0.56 which means that the Honourable Member misled the House by giving the impression that in 1998 the tax was \$0.82 when in truth and in fact it was only \$0.65.

Hon. R. R. FARLEY: Mr. Deputy Speaker, we know the Honourable Member is capable of some very creative logic. The figures that I indicated were for gasoline and he can compare from that. Sir, the bottom line is that this Administration slashed its take on fuel by half. Gasoline, for example, started from \$0.82 and we slashed it to \$0.44 per litre. The Honourable Member can check the record of this Parliament and he will see. I trust that he can read for himself.
3.15 p.m.

The bottom line, Sir, is that as an input into the production sectors in Barbados, it has been the policy of this Government to reduce the impact of Government policy on costs. As far as manufacturers are concerned, so aggressive has been this Government's policy on energy, that a member of the manufacturing industry is today generating its own electricity. The Barbados Light and Power Company is not amused but because of the access which the manufacturers have to duty-free fuel, they are able to generate the electricity and save considerably.

What is disappointing and what we have to ask ourselves, is how is it that an individual producer of electricity can come in at a lower unit cost than the larger producer. Perhaps the Barbados Light and Power Company needs to look at its own operations to ensure that they are being as efficient as they possibly can be.

The bottom line is that the Honourable Member's assertion in his presentation is that the Government has been lax in the matter of input costs is totally false. We recognised input costs as being important as incentives on profits at the end of the process. I gave the example of our policy on energy to clearly illustrate that. I think that this is the only point I really wanted to clarify for the benefit of the Honourable Member.

Mr. D. St. E. KELLMAN: On a point of order. The Honourable Member is misleading the House. I did not want to take the credit for it. These reductions and this stated policy only came about after a Press conference that was held by Senator Clyde Mascoll and I downstairs where we

called on the Government to reduce their tax on fuel so that it will not impact on the productive sectors in the country and that is when it came about.

Our Press conference was prior to these reductions. The Honourable Member cannot walk around talking about policy without first acknowledging that the Opposition had a Press conference and made such comments.

Asides.

Hon. R. R. FARLEY: Mr. Deputy Speaker, I want to thank all Honourable Members for their contribution to this debate. I think that we have had a very good debate on the status on the manufacturing sector in Barbados. I assure Honourable Members that I will keep them abreast of the developments in this most challenging and exciting era for the manufacturing sector and I thank Members for their contributions.

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

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

On the motion of Hon. R. R. FARLEY, seconded by Hon. Miss M. A. MOTTLEY, Mr. DEPUTY SPEAKER left the Chair and the House went into Committee, Mr. D. CARTER in the Chair.

COMMITTEE

Mr. CHAIRMAN: This Honourable House is now in Committee.

Clauses 1 to 3 were called and passed.

On the motion of Hon. R. R. FARLEY, seconded by Hon. G. A. CLARKE, Mr. CHAIRMAN reported to His Honour Mr. DEPUTY SPEAKER, the passing of one Bill in Committee and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. R. R. FARLEY, seconded by Hon. Miss M. A. MOTTLEY, the Bill was read a third time and passed.

FIRST READING OF BILLS (RE-COMMITTED)

Hon. R. N. GREENIDGE: Mr. Deputy Speaker, I beg to move that the Employment Miscellaneous Provision Bill, 2001 be read a first time.

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

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

On the motion of Hon. Miss M. A. MOTTLEY, seconded by Hon. Miss B. A. MILLER, Mr. DEPUTY SPEAKER left the Chair and the House went into Committee of Supply, Mr. D. CARTER in the Chair.
3.25 p.m.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN: This Honourable House is now in Committee of Supply.

ORDER NO. 8 – RESOLUTION TO GRANT THE SUM OF \$11,536,795 FROM THE CONSOLIDATED FUND TO SUPPLEMENT THE ESTIMATES 2000-2001 AS SHOWN IN THE SUPPLEMENTARY ESTIMATES 2000-2001 NO. 8

HEAD 19 – MINISTRY OF FINANCE AND ECONOMIC AFFAIRS – \$839 450

Hon. Miss B. A. MILLER: Mr. Chairman, in moving that Head 19 stands part, I would say by way of explanation that for the most part these monies are proposed to go towards the provision for calculators, filing cabinets, fire-proof cabinets, equipment, desks, chairs, that sort of item and also for certain other equipment.

Also, in respect of Economic and Financial Affairs, funds are required to meet acting allowances for the current financial year. As everyone knows, at 31 March, 2001 there are certain funds that are also required to meet that expense and to meet payment of salaries for the Financial Comptroller and related National Insurance Contributions. Also, to meet increased payment for over-time hours worked and acting allowances to substitutes in respect of Customs and Excise Department and the cost of technological upgrade to the Value Added Tax Department (VAT) and for the Customs and Excise Department, and in respect of Central Purchasing Department to meet the salary of a substitute Officer.

These are the kinds of items which are not unusual to be found in any supplemental vote before the end of the Financial Year – very much a tidying-up exercise.

So in that respect, Sir, I beg to move that Head 19 stand part.

Hon. Miss M. A. MOTTLEY: I beg to second that.

The question that Head 19 stand part was put and resolved in the affirmative without division.

HEAD 26 – MINISTRY OF ENVIRONMENT, ENERGY AND NATURAL RESOURCES – \$687 071

Hon. R. C. EASTMOND: Mr. Chairman, what is being requested is the sum of \$687 071 to supplement the Estimates. Under Head 26 – Ministry of Environment, Energy and Natural Resources, Program 040: Direction and Policy Formulation Services, Sub-Program 070: General Administration, Object Code 2EX 12 – Other Operating Expenses, a sum of \$130,489 is being sought.

It happened, Mr. Chairman, that sometime between March 2 and 8, 2000, there was a United Nations-style Conference held here in Barbados and the original provision which was held by this Honourable House was \$183,307, but that proved insufficient for the successful staging of the Conference. After all the Bills came in and all the incurred costs were totalled, we discovered that we were some \$130,489 short. We therefore, at this time, as we assess our finances in the Ministry of Environment, Energy and Natural Resources, are asking this Parliament to agree to vote this sum under the particular Head mentioned for the purpose of supplementing that specific Head and Sub-program of the Estimates.

There is also Mr. Chairman, before you and this Honourable House, an application for \$24 582. This is a sum of money required to make up the shortfall in finances normally applicable to the paying of rent by the Energy Division. At the start of the Financial Year when we looked at the cost and specific line items, we were of the view that during the currency of the Financial Year we would have found accommodation for the entire Ministry, including the Energy Division, but as things worked out we did not get full accommodation. We were not able to place the various units of the Ministry under one particular roof and we still ended up continuing to incur rental charges. Having not provided expressly for a global figure of rent for an entire financial year we ran short of funds during the year and we are, therefore, respectfully requesting this Honourable House to incline in favour of approving this sum of \$24,582.00.

The final component, Mr. Chairman, on this application is in the amount of \$532,000. As this Honourable House is aware, several months ago Government took a concerted policy to assess Carlisle Bay, Folkestone and Harrison's Cave and as Government's policy, we decided to hire the services of some external consultants, namely assess consultants and they came to do their work and charged a total figure of Bds\$942,350 for their work. They looked at the Carlisle Bay area and made recommendations in respect of the future use of the Carlisle Bay area, having taken into account the pre-existing conditions of the area. They looked at Folkestone Park and recognized that there were particular constraints which affected Folkestone Park. They assembled

a lot of data on the area and met with the users and residents thereat, and then they made specific proposals; but most of their work, Mr. Chairman, was taken up in assessing the future viability of Harrison's Cave. And it has happened, Mr. Chairman, that even ahead of any definitive decisions in respect of what will transpire at Harrison's Cave in the next two to three years, we still had incurred a total debt payable to these consultants. We had not provided enough, in that we did not think that we would have expended the entire \$942,350 and as it so happened, we had in our Estimates the sum of \$410,798 which would only have gone part-way towards meeting the fees to the consultants. We therefore, had a shortfall and in this Financial Year, Mr. Chairman, this Parliament is being asked to vote this figure of \$532,000 under Program 650: Preservation and Conservation of the Terrestrial and Marine Environment, Sub-Program 389: Environmental Special Projects Unit, Object Code 6EX26 – Professional Services.

3.35 p.m.

Mr. Chairman, without a totally anticipated debate, I must say that the consultants have made some very interesting proposals. In relation to Harrison's Cave there is no question that the consultants feel that the support services around Harrison's Cave must be expanded. My own position is that future expansion cannot proceed independently without taking into account the legitimate concerns and expectations of those whose livelihood will be touched by it. I will therefore be using my offices over the next few weeks to persuade those who might be inclined towards particular ideas to look at the whole matter to maximise and modify any potential fall-out or any potential problems that those who have inhabited the area for years would have.

We will be looking at scientific measures to see to what degree these scientific measures can be exploited. That would go somewhere towards addressing the types of environmental concerns that could, if not managed, interfere with the livelihood of those in the area. At this point, I make bold to be quite brief in what I am saying on this.

Mr. Chairman, having introduced the specific Head under which the request is made, I am respectfully asking this Parliament to lean in favour of voting favourably to the sum of Six Hundred and Eighty-seven Thousand and Seventy-one Dollars to supplement the Estimates under Head 26 – Ministry of Environment, Energy and Natural Resources.

Thank you, Sir.

Mr. D. St. E. KELLMAN: Mr. Chairman, I do support this measure but there are a couple of things I would like to say on this particular Head and I want to start with the last first.

We must recognise that people living in the same area previously described, and that is around the Harrison Cave area will be called upon to give up a lot. We would expect that the Government, Sir, in the same way they recognise the importance of those people living in Christ Church, who were in the flight path of the aeroplanes travelling to the Grantley Adams International Airport, would recognise the importance of the residents of St. Thomas. And the Government cannot just compulsorily acquire their lands and the owners put that money in the bank.

We are calling on the Government to recognise that land is becoming a scarce resource and that everything possible should be done to make sure those residents are given the opportunity to own a piece of this precious rock that is now evading the hands of Barbadians. So I hope the Honourable Minister will use his good offices to make sure that those residents in St. Thomas will be given an opportunity to be resited somewhere else and not just be given the opportunity to get money in their hands.

The point must also be taken that Harrison's Cave will be able to generate revenue, and it is not that you are just buying a piece of land. I see it as buying a special piece of land and those residents must be given adequate compensation to make sure that what they are giving up, they are fully compensated for. I have no doubt that is the intention of the Minister and I would also like to believe that is the reason why he held a Town Hall meeting a couple of weeks ago in that constituency. Do not let it be said, Sir, that money will just be placed there and those residents will be asked to go and then seek out the right to purchase a piece of land.

Sir, I would like to make the point that when you deprive someone of a piece of land and you give them \$40 000 as the cost of the land, there are other costs and the possibility is that when they are finished, that cheque can end up to be about \$35 000. When that same person then seeks to buy a piece of land for \$40 000, he can end up paying as much as \$45 000 for that piece of the land when you consider the total cost.

It is okay for us in this Parliament to make the point that we are paying them the fair market cost, but what we also need to recognise is that even though we are paying the fair market price, there are certain other related costs that the buyer will have to incur. Most of the times in debates, we tend to forget that particular point and I hope that the Minister will take this particular point into consideration.

Sir, we also have to recognise that if we are going to develop Harrison Cave in the way I have said, I do not honestly believe that a bus or a vehicle should be going directly down the hill to get to the Cave. I have already said

in this Parliament that that whole area at the beginning of the gap should be developed and the people in the area given the first opportunity to have craft businesses or other businesses. We cannot have a resource and just treat the resource just at its tip. We must develop the area leading to it and the tourists should be able to walk into Harrison's Cave by passing through those various shops.

I find that we in Barbados tend to short-change ourselves too much and we have to recognize that if someone appreciates what we have, we must fully maximise what we have by making sure we bleed every possible cent out of the hands of those who want to see these various attractions. I am calling on the Minister to recognise that this particular area is also going to be an area that will be heavily demanded by the private sector.

I would not be surprised, Sir, if before the Caves Authority of Barbados even puts out a tender inviting people to purchase or to buy into the area that there will be many people writing the Caves of Barbados, asking to be the owners of the Caves of Barbados. I would like the Minister to recognise that there is an opportunity to earn money at the same cave. I hope that what I am saying, Sir, makes sense to the Minister because if that does not happen, I will be the first to campaign against any Government who could go into a place like St. Thomas and have the opportunity to empower the masses by giving them an opportunity to develop a business structure but then allow someone else to feel that they have the first choice to develop such an area.

Sir, we know that we cannot continue to play around with our environment because we also have to recognise that the same way we put provisions in place to deal with waste from cruise ships, we have to look at another aspect, and that is to deal with waste coming from yachts, *et cetera*. There is no doubt that if we do not do that, all the good things that we plan for our environment, the yachts, because of their culture elsewhere, will come and destroy it.

I am not only talking about the coral reefs where they come and anchor wherever they feel like but I am talking about the waste generated by the people on the yachts, *et cetera*.

We also have to understand, Sir, that we need at this time to fully understand what is impacting and what is causing beach erosion in certain areas in Barbados. We have to recognise that if we do not do something sooner, rather than later, we are going to have a more serious situation where, after the end of the present fishing season, when the boats are to be hauled up, there will be nowhere on the west coast for those boats to be hauled up.

I am saying, Sir, if there is one thing we are sure about, it is our fishing industry and we cannot continue to believe that just because we have a new industry and it might be

generating revenue and foreign exchange that that industry is important, but the fishing industry is not important anymore. If one wants to recognise how important the fishing industry is to Barbados, one only has to wait until the Thursday before Good Friday and one will recognise the importance of the fishing industry to Barbadians. Sir, not only that, one only has to go to Oistins or down Cheapside, even Fitts Village, Speightstown, Six Mens, Moon Town and you will see, because of the fishing industry, how changes are being made to those particular areas.

3.45 p.m.

I want to use this opportunity to find out from the Minister of the Environment and the Minister of Agriculture, what is happening to the fish market in Paynes Bay. I would really like to know what is going on there, Sir, because I hope that there are two separate developments there and not one because this Parliament has been promised that there would have been one development before another development occurs. I have realised now that there is a development that is going on and it seems as though the other development is compatible with the development that is going on in the Paynes Bay area.

That is why I want to know from the Minister of Environment how the environmental changes which are occurring in that particular area will impact on the fishermen who fish in that Paynes Bay area. We have to recognise that we cannot continue to eliminate our own people, because if we continue to do that there will be too many people that we are putting stress on and that stress will also impact on the environment of the island.

I have recognized in this country that we tend to pay out a lot of money in consultancy fees. The Minister knows quite well my policy on this particular issue. I have said already in this Parliament that I want to see some more of these funds being used locally. We have too many educated people, especially when it comes to environmental issues, who have to do papers to send them to consultants overseas for them just to initial them, send them back to Barbados and collect a fat cheque, and then they just give a small stipend to the people doing the work in Barbados.

I hope the Minister would not see this as a criticism but will understand the point that I am making and recognise that we need to leave some of these consultancy fees in Barbados otherwise we cannot brag that we have free secondary education. We have educated our people up to the extent that they can become consultants elsewhere, but whenever there is work to be done in Barbados we can only see foreign consultants as important people, not recognising that our local consultants understand what is happening with the geography of the country and those are the ones who are in

a better position to solve the problem for us but we feel that once something is foreign that it is good.

Mr. Chairman, I hope that the Minister will be able to tell me how much of this money has been paid to local consultants. I hope it is not a case again where we have to pay out money but we have to pay it out in foreign exchange, because one must recognise that those consultants have their employees elsewhere, but if a local person gets the job that local person has to find people to do the job from within and a majority of the funds will remain within the country.

Sometimes we tend to accept a lot of foolishness from international organisations who feel that just because we are borrowing money from them that we must always listen to their dictates. I want this House to understand that I do not believe that any person who borrows money and has to pay back that money should be commanded by any lending agency as to who he or she should employ to utilize that money. If you are giving me a loan interest free you might have a say, but as long as I have to pay interest on that loan and you are making a profit from it, I have a right to refuse your dictate for the simple reason that I have to look at what is in the interest of my country and not at what is in the interest of an international organisation.

That is why, Mr. Chairman, ...

Mr. CHAIRMAN: Honourable Member, you have two minutes to wind up.

Mr. D. St. E. KELLMAN: ... you will always hear me criticising international organisations because they tend to believe that the only people who should live are the members that belong to the international organisation and that small countries should come begging even though they are paying.

I am saying to the Minister that this type of work must be localized. We must learn to develop our own people because if we do not do something about it, we are going to find that more of our good consultants and people who are capable to be consultants will be living in Guyana as some are now because they cannot find work in this particular field in Barbados. We must stop the brain drain because there is no doubt that we need our environmental people now more so than ever, because if we are to impress upon the world that we understand what is happening in the environmental field we must keep our local people at home so that they can deal with these particular problems.

I thank you, Mr. Chairman.

Hon. R. C. EASTMOND: Mr. Chairman, the intervention from the Honourable Member for St. Lucy has indeed been a most refreshing intervention. He has been in enormous form today and I shall essay, Mr. Chairman, to answer a question which he put about six minutes before he concluded which was the question of the policy in relation to

the preservation of the coast.

As the Honourable Member is aware, in recent years the Coastal Zone Management Unit has been established especially to protect our coasts and to prevent coastal erosion. Indeed, we are now looking at major coastal restoration works at Welches in the fair parish of Christ Church where the sea comes in below Oistins and was trying literally to come across the road. You will notice when you pass this evening, Mr. Chairman, that we have done major restoration works there. We are assessing the extent to which the person who did the work and who incidentally comes from a nice parish, that of St. Lucy, has been able to meet the specifications that we designed.

The Honourable Member for St. Lucy must be told this. At 9.45 a.m. tomorrow, the director of the Coastal Zone Management Unit and I will be meeting with two representatives from the Inter-American Development Bank consequent upon an application that we have made for further funding for the Coastal Zone Management Unit to look at the degree to which they can fast-track the process and make more funding available so that we can intensify the restoration of our coast.

The Honourable Member for St. Lucy asked about Paynes Bay. It is interesting how things tend to be inter-related. The Honourable Member would notice, when he passes Paynes Bay, that what is being done now at Paynes Bay in the constituency of St. James South has actually followed restoration works on the coast directly below the Paynes Bay Methodist Church. What are the restoration works to which I referred, Mr. Chairman?

Sometime ago, Government became concerned that the sea at Paynes Bay was coming in. Once or twice, even though the road right opposite the sea at Paynes Bay is higher than the sea, the sea came over there more than once. The Coastal Zone Management Unit erected a revetment there in anticipation that there had been a proposal put to Government to modernize the fishing facility at Paynes Bay. The Government consciously decided that it would be prudent to first put right the problem of the threat to the coast, the problem of the encroachment of the sea over the road, and we therefore establish a revetment there to stop the sea from rushing gallantly to the shore and, indeed, to stop the sea from undermining what would then become the foundation for the fish market.

At the moment, as the Honourable Member for St. Lucy knows, the old fish shed at Paynes Bay has been torn down. It is amazing how as times change we get more sophisticated and how in past eras what had been determined

as being satisfactory ceases to be satisfactory with the passage and the fluxion of time. Forty-five to fifty years ago, Barbadians would have been content with a fish shed whether at Moon Town in St. Lucy, at Weston in St. James or at Paynes Bay. In this modern era where fishermen themselves have become more sophisticated, they are now fishing beyond one day. You used to get some fishermen doing what we called day-boat operation, but some fishermen go out into the deep and come back after one or two days, and there is now a need to rethink our approach to facilities for the fishermen.

3.55 p.m.

The Honourable Member who is very popular in Weston, St. James would know that many years ago there was a fish shed there which could not even withstand the fury of flood waters. The fish market at Paynes Bay to which the Honourable Member referred is identical to the one at Weston and may very well have been identical to the one that the Honourable Member for St. Lucy mentioned. Government decided to erect a modern facility at Paynes Bay in the hope that fishermen from as far up as Fitts Village and right there on location by the Paynes Bay Methodist Church and fishermen from further down Paynes Bay in an area familiarly called Brooklyn would come together and use the facility.

Mr. Chairman, there is no question that the fishermen wanted and deserved proper fishing facilities. At last, Mr. Chairman, the strip of land available for the operation was narrow and susceptible to coastal erosion. So we put in the revetment, Mr. Chairman, and now we have started to clear away the side with the aim towards erecting a modern fishing facility in St. James South on the coast taking into account every environmental concern, but also taking into account what the fishermen wanted. This project if I had my own way would have been off and running two years ago, but the planning phase was protracted precisely because of environmental and technical problems.

The Honourable Member early in his intervention correctly referred to the need to embrace the residents in St. Thomas whose livelihood annexes with the Cave over time. I support what the Honourable Member for St. Lucy has said. Indeed, looking back now at the planning that went on towards the establishment of Harrison's Cave in the 1970s and 1980s, we must know that what we call the Interpretation Centre was designed then and by any modern standards it would be inadequate. What we are doing, therefore, is re-evaluating our approach to managing that Interpretation Centre and all of the supporting ancillary services around it.

Sir, the Honourable Member was right in that when I first took the portfolio I was aghast to learn that some small craftsmen including a fellow who had gone to school

at Coleridge and Parry with the Honourable Member for St. Lucy were actually met with hostility when they sought to sell craft and art down there. I had literally personally to intervene and tell them to install booths so that they too could make a living.

Now the suggestion coming from the Honourable Member for St. Lucy is not at variance with some suggestions made by the consultants that heavy vehicles should not traverse and go down the road into the Cave, but that there should be proper parking for them whilst support services similar to what the Honourable Member for St. Lucy mentioned will be put in place. All of this is being considered now. The Honourable Member is on good territory. It is amazing how Honourable Members despite being generally politicians often manifest a technical expertise when it comes to appreciating things like ergonomics, the management of space and such things. The Honourable Member for the City is brilliant at architecture and ergonomics. The Honourable Member for St. Lucy is showing similar skills now.

Sir, we are sure that in the future the whole ambiance outside of the Cave has to be adjusted to make it congruent to the demands of modern times. In his first contribution, the Honourable Member suggested that Government should be sensitive in how it should set about dealing with the property owners whose properties are either on Harrison's Cave, adjoining Harrison's Cave or whose properties Harrison's Cave is a part of. This Government is going to proceed sensitively.

Mr. Chairman, if anyone checks the proposals made by the consultants, they forecast that this Parliament would have passed legislation protective of Harrison's Cave and designed to ensure its continuing integrity. But what did this Parliament do? Mr. Chairman, as you are aware, this Parliament passed law in here setting up Caves of Barbados requiring special environmental issues to be addressed. The air quality within the Cave has to be reported on from time to time. The water quality within the Cave has to be reported on. The ventilation and the condition of the entrances and exits whether artificial or natural must be reported at least once a year for us to be able to understand precisely what is the state of the ambiance around the Cave.

The consultants have indicated, Mr. Chairman, that they, like every right thinking Barbadian, are concerned that over time the uses of properties above the Cave have lent to the trickling down through the earth of substances like sprays, deodorants and droppings coming from canines, felines and pigs.

Mr. Chairman, if we are to maintain the integrity of the Cave, we must be sensitive to the fact that pollution could

undermine the sanctity and integrity of the Cave. Our precious asset will, therefore, possibly be lost in the future. At the same time the consultants have conceded that there could very well be ultra modern scientific methods that could address those problems. Now I am interested, Mr. Chairman, in these ultra modern scientific techniques because if I discover that science can arrest the pollution problem and if science can prevent threats to the health of the Cave, then I personally would be more inclined towards exploiting scientific methods and let the people who live there remain rather than driving the people who have lived there for years and years off the land.

I, too, like the Honourable Member for St. Lucy and as a poor boy in behaviour and as a poor boy today, Mr. Chairman, cannot go against ordinary people whose blood, sweat and tears allowed them to be able to buy property and to pursue specific activities on those properties over time. I then in conscience cannot allow people's livelihood to be disrupted for an uncertain future. I cannot see, Mr. Chairman, how I can support the wholesale removal of working class people in droves off their properties even though it is true, Mr. Chairman, that a precious and delicate resource must be protected.

Sir, I will talk to the consultants further and I will do my own investigations. If it is true that science can allow us to keep the Cave clean, then I can only see the need to remove a few residents as the Honourable Member for St. George North might be able to tell you. The Honourable Member for St. George North and myself did at least two site visits and we are sure in our minds as two responsible working class boys from the country that only two really have to be moved. It is inevitable that two will have to be moved. One is an unfinished house. In regards to the others who have concerns, Sir, we will continue to address them. Mr. Chairman, we will do our utmost to appreciate where they are coming from.
4.05 p.m.

We recognise that they are going to be faced with financial and other constraints and that their way of life can be disturbed. I will, therefore, be seeing the extent to which ultra modern technology and science can mitigate any scenario where a whole community in Allen View is shaken to a degree where they will feel dislocated.

Mr. Chairman, I recognise that we do have time constraints. I am thankful for the intervention of the Honourable Member for St. Lucy. Today has been his day, he has now been able like a student, to be well taught and receptive to the learning sent his way. There was a time when he was well taught but was not receptive. He actually spoke like a statesman.

Mr. Chairman, I beg that Head 26 stand part.

Hon. G. A. CLARKE: I beg to second that.

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

HEAD 27 – MINISTRY OF TOURISM AND INTERNATIONAL TRANSPORT – \$5 163 008

Hon. N. A. LYNCH: Mr. Chairman, this sum is being sought to supplement a number of subprograms under Head 27 of the Ministry of Tourism and International Transport. Mr. Chairman, let me state from the outset that this creates a wonderful opportunity to justify the supplementary, and also speak in broader terms about tourism development and some aspects of recent tourism performance.

Sir, let me say from the outset that tourism is on strong and secure footing. The statistics that we utilise in the Ministry are now being provided in a very timely manner. As a matter of fact, from as early as the middle of January we were able to produce statistics for December. Sir, all of this pointed to a spectacular performance by the tourism industry in terms of absolute arrivals. It was only the second time in our history since we were recording these statistics that we were able to record over one million passengers in Barbados. Sir, the only other time this occurred was in 1998 when we had over one million as well. This is when you combined both long-staying and cruise tourism arrivals.

Sir, it is not only the absolute numbers in tourism that you must focus on in terms of determining your performance; other issues must come into play. Other statistical measures are important like looking at your regional analysis, the country of origin of the passenger, diversification in terms of your source market, trends and patterns of your visitors.

Sir, in all of this, what is important and what must be focussed on in terms of our performance is that some of our markets continue to do very well, particularly the United Kingdom market which provided us with 41 per cent of our arrivals last year. We were up 11.2 per cent over 1999. Also, the United States, for a long time, was up by 7.8 per cent over 1999 but only provided us with 21 per cent of our visitors. Canada which has been in decline for a number of years was up again but provided only 11 per cent of the visitors.

Sir, one of the major issues which we need to address in terms of the supplementary is that Germany and wider Europe continue to be a source of concern for tourism planners in Barbados. Sir, let me say that it is not only a Barbadian concern but that it is a regional concern because Germany used to be a major source market for Barbados and

the region in the past. However, we continue to see declines in the German and wider European markets. There are a number of issues that will be focused on in terms of trying to rebuild that market.

Fundamental to this supplement is a sum of \$3.398 million that is being sought to supplement the work of the Tourism Authority. In that respect, Sir, this money covers three specific items. A shortfall of funds in terms of the Estimates for the Barbados Tourism Authority for the last fiscal year. They were only able to draw \$42.5 million of their budget leaving another \$1 million under what they were supposed to receive.

In addition to that, \$998 000 is being sought to supplement the Estimates in respect of an item that was not budgetted for last year, 'The Spirit of Unity Tour', in which Barbados participated. This tour sought to carry Barbadian artistes to a number of major cities in the United States seeking to strengthen the awareness of Barbados in the United States marketplace. Sir, this is important because the United States, which used to be our major source market a decade ago, is now only providing half as many passengers as the United Kingdom and this a major source of concern.

The 'Spirit of Unity Tour' was a well-targetted tour which went into some of the major cities on the eastern coast, the mid-western United States and the middle of the United States and sought to carry Barbadian artistes, music and culture to people in the United States. We believe that this should create a base for Barbados in the United States marketplace and then we can do more.

Mr. Chairman, a sum is being sought for Barbados' participation in Hanover 2000 which will strengthen Barbados in that market and literally set us up for recovery in the German and wider European markets. It was determined that over twenty million people passed through Hanover during that time. Barbados had a substantial presence there and we believe that it will pay great dividends in the future in terms of Barbados seeing new and better numbers out of Germany and wider Europe.

In addition, Sir, there is a sum of \$1 147 599 which is to be paid to Design Collaborative in respect of the Urban Rehabilitation Programme. Bridgetown is finally taking shape and is becoming a great asset not only for tourism but for Barbadians first and foremost. We can see the boardwalk, the Swan Street rehabilitation, the restoration that is to come in the Lower Green and we are going to have, in the very near future, a very vibrant and alive Bridgetown again.

Sir, there is also the sum of \$326 768.00 in respect of work being done in terms of the new airport company, the

Grantley Adams International Airport Inc. We have spoken many times in the recent past about that company, a company incorporated under the Companies Act, which will carry on the commercial side of the operations of the Grantley Adams International Airport. There has been no seed capital provided since that company has been formed. Before the legislation is passed to allow the company to collect funds paid into the Consolidated Fund, the company obviously needs seed capital to facilitate the operations.

Mr. Chairman, \$150 000 is being sought in relation to Board related expenses for the company until the end of the financial year. This amount will cover Board fees, secretarial fees and search and selection of key staff. We are looking at that company to put in place a Chief Executive Officer, a Financial Controller, a Human Resource Director and a Marketing Manager by the end of the year.

In addition to that, staffing at the facility is of supreme importance to the Government. The staff will be transferred from the Government department into the new company. At this time we are collecting data on the employees at Grantley Adams International Airport including air traffic services operational staff by date of birth, job title, qualification, age group *et cetera*. A questionnaire has been circulated at that institution and we are engaged in ongoing discussions with departments, Ministries and the Union in respect of how we will deal with employees at the Grantley Adams International Airport.

Sir, those are the major highlights of the supplementary being sought under Head 27.

I beg to move that this Head do now stand part.

Hon. H. F. LASHLEY: I beg to second that.
4.15 p.m.

Mr. D. St. E. KELLMAN: Mr. Chairman, I rise to speak on Head 27. I must say from the outset that the tourism industry is one of the main industries as it stands today. No one would try to deprive this Ministry of having the necessary funds to operate. One would expect, Sir, that in allocating these funds to this particular Ministry, all options are taken into account.

There is no doubt in my mind and I have been saying since 1994 that the most progressive market, in my opinion, for Barbados is the Canadian market. Yet, one would not get the impression that the tourism officials understand this point. They are not going after the Canadian tourists as they are trying to go after the American or British tourists.

If one looks at the statistics, especially in 1991, when you had the Gulf War and there was a slowdown in tourist travel, one would recognise that during that year the number

of people coming out of Canada remained constant or probably increased. One must ask oneself if tourism travel is declining and a particular group of people still continue to travel to a particular country, what is it about that country that would encourage people to continue to want to visit?

One must also recognise that the Canadians cannot be seen in the same light as you would see the British or American tourists. Their interaction among Barbadian people is quite different. We cannot continue to believe that we can only throw a hotel room at this type of tourist. That is why I fully support those who feel that it is time that we move towards community-based tourism and that we encourage the masses to get involved more in tourism and not only believe that tourism is there for that group of people who can supply villas and hotels.

We must recognise, Sir, that there is a role for normal Barbadians in the tourist industry and not only working on the beaches or selling craft, but also for providing accommodation. One would ask why in the year 2001 is it more important than before. Prior to this, Sir, we did not have the Internet services where a person could market his property using the Internet. As we go into the technological changes, one would recognise that the need for someone to get on a plane to market their property is no longer demanding. For a lot of people who previously would not have gotten involved in the tourist industry, there is a good opportunity now for them to do so. A lot of people who were previously turned away from Barbados because they had the perception that Barbados is an expensive place to have accommodation, can now change that view. That is why I am calling on the Ministry of Tourism to make sure that they have a proper internet system in place to encourage community-based tourism to enhance Barbados.

I know what I am speaking about, Sir. A few Friday nights ago, a Minister and I were fortunate to be in Holetown together and we had an opportunity to speak to some Canadians, Sir.

Asides.

Mr. D. St. E. KELLMAN: We had the opportunity to meet some Canadian tourists who were very happy to know that they could come to Barbados and interact with Barbadians. Do you know what was interesting, Sir? Those people do not want villas and hotel rooms anymore. They want to be where the Barbadians are. Yet, Sir, I am not seeing a clear policy that would allow Barbadians to create the atmosphere to allow those people to have the opportunity to come and stay in the surroundings that they want, and also allow Barbadians to develop themselves to be landlords in the tourist market.

I am saying that we cannot have a tourism policy without first recognising that if we are to maximise our tourist product, that community-based tourism must be the key policy. It does not make sense, Sir, to continue to flog something that you have won already. You need to flog those areas that you have not fully developed. In my opinion, the only area that we have not fully developed is the community-based tourism.

Mr. Chairman, do not believe that they want stone structures to live in, they are quite happy living in chattel structures. Those persons living beyond the Moon Town area can tell you of the demand for that type of accommodation. That is why I am calling on the Minister of Tourism to acknowledge that fact and to make sure that he puts a policy in place, not yesterday but before yesterday, to make sure that we fully maximise our tourism product. I hope, Mr. Chairman, that the Minister of Tourism would not take the advice that the only tourists that we have in Barbados are the upper end tourists because Barbados must be a place for all types of tourists, those at the upper end, the in-betweens and the lower end. We have the capacity to accommodate all types of tourists and that is why it is very important to make sure that we do not allow all of our beach area, especially our beaches, to be built upon to deprive people from inner Barbados from having an opportunity to advertise their properties and with facilities such as the beach. Sir, the more windows to the sea, the more rooms we will be able to develop in a multiplying effect.

Sir, once there are beaches, one does not care where one stays in Barbados. The important thing is the ability to get to the beach. If someone is living in Boscobelle, St. Peter and they know that they can get to a beach in Shermans or Half Moon Fort, St. Lucy, he does not mind that because that is not a far distance. If he is living up there and he cannot get to a beach then the property owners cannot attract the tourists. We must recognise this point. That is why I support Sir Harold St. John on this matter. We need to take some bold steps in this matter and we need to come to this Parliament and compulsorily acquire certain areas in Barbados to make sure that we have permanent access to beaches.

I feel strongly about this matter because as long as we have them we can develop our tourism product. As long as we alienate people from those areas and allow people to build on them, we will not be able to expand our tourism product the way that we want to.

It is a waste of time fooling ourselves about the American market. We have to realise that people tend to gravitate to countries with which they have a relationship.
4.25 p.m.

The truth is that when the American Naval Base was here there was a natural relationship for other family members to come to Barbados. The truth is that it is not so anymore and that is why I will show by example that a hotel like the North Point Hotel was important in that day and age, because the Hotel was not too far away from the American Naval Base and most of the families that came to visit their relatives stayed at North Point Hotel, so we need now to build something that we can relate to the American tourist.

The reason that we can relate to the British is because they still see us as Little England, but this and most of their relatives still command a large amount of property in Barbados. But take the Americans. Why would they come to Barbados? We do not have anything to encourage them to gravitate to Barbados and that is why I am always saying that we need to have a policy on the old American Naval Base, pay someone to create some paper or document about the history of the Naval Base and keep certain buildings down there that persons can identify with.

I will give you an example of what I am talking about. There is a gentleman, Sir, and I am sorry that I did not give you his name before, by the name of Will Merritt, who comes to Barbados every year to visit the Naval Base, and if you doubt me on this particular matter, Sir, I can show you the post cards that are sent to me every year by Will Merritt. Do you know why, Sir? Will Merritt worked at the Naval Base, he lived at Checker Hall and was able to build a relationship with the people at Checker Hall, and the area needs something to remind Will Merritt by...

Asides.

Mr. D. St. E. KELLMAN: Because every year, persons like Will Merritt and many others come to Barbados so that they can visit the North Point...

Asides.

Mr. D. St. E. KELLMAN: That is the problem with you all. You all cannot be progressive in your tourism talk. So I am saying Sir, that as long as we do not have a direct connection to the American tourist, we will continue to have this particular problem, and we need not go back and harp on what might have happened in the 80's. We must recognize that it has happened already and we need to go forward and in a positive way. If you feel...

Asides.

Mr. D. St. E. KELLMAN: No, we do not need another Naval Base. That is the problem; you see the Naval Base as being a negative. I have passed that; we do not have it anymore, and we need to go forward. We need to use the

property down there in a useful and productive way. We need to build a hotel on the property that relates to what the American tourist would want. And that is the problem; even if we need to put a baseball field down there, we can do that too, because we need to get...

Asides.

Mr. D. St. E. KELLMAN: You do not worry about the Airport, that will be done because the \$180 million you spent on repairing one, I would have spent building a modern one in St. Lucy. There is a difference in policies between these two Parties, one progressive, one not too-progressive...

Asides.

Mr. D. St. E. KELLMAN: ...And of course the Democratic Labour Party is the progressive one. So I am saying, Sir, we cannot bring...

Asides.

Mr. D. St. E. KELLMAN: And let me say something to this House. One can easily watch the shopping patterns...

Asides.

Mr. D. St. E. KELLMAN: I want you to stand up to yours... one can watch the various shopping patterns of someone from England and someone from Canada. When they enter the store they always make sure to check the prices as they walk around.

An American comes in and the first thing that he sees he picks it up and he goes. Maybe some will argue that the American values time and sees it as an important factor, not only price. And once we face and recognize that there is a difference between the tourists, we must recognize that we must change our marketing tools to suit the particular market that we are dealing with.

A lot of people are saying that the English and Canadians are cheap, but that is not true; they are what we call "sensible shoppers"; they look for value for money, so there is nothing called cheap. Anytime that someone spends money they should look for maximum returns on their particular dollar they are spending. There is also another person who might be prepared to come and pick up an item and leave because of time. That person values time and recognizes that time is also a cost. So there are more than one way of looking at this particular issue.

Mr. CHAIRMAN: The Honourable Member has got one minute to conclude.

Mr. D. St. E. KELLMAN: Thank you, Sir. So, I am saying to the Ministry of Tourism and International Transport, as I said before, I will support this Supplementary, but the Ministry of Tourism and International Transport must understand that there are not only market players for the upper market, and that they must understand that community-based tourism is important and that is the type of tourism that if it gets off the ground you will not have to spend large sums of money on marketing, because the people of Barbados will be the ones doing the marketing at the ground level and they will be the ones to cause people to gravitate to Barbados.

If you were to carry out a survey, Sir, you would find that the majority of the tourists coming to Barbados only come because of the relation that they have with the citizens of Barbados, and they must also recognize that there are technological changes and that the Internet must now be used to maximize the marketing of Barbados. We cannot only take money and spend it blindly but we must tap into the information given by the tourists when they come through the Immigration Department. We need, Sir, to add another line to that form that is given to the tourists, the Arrival/Departure Form. We need also to get their E-mail addresses on that form so that those persons from whom information is collected can be easily used as a marketing tool to directly relate to those tourists who come to Barbados.

I thank you, Sir.

Mr. DEPUTY SPEAKER: The Honourable Member for Christ Church West.

Hon. Sir HENRY FORDE: First let me say, Sir, that I want to congratulate the Ministry of Tourism and International Transport for the excellent job that it has done over the last four years and particularly last year. When I look at the Visitors Arrival figures, we must be doing something right that we continue to attract and to increase the number of visitors coming here and to show an improvement too, in the length of stay. I think we have to emphasize this for Barbados because, Sir, these days I get the impression that there are many persons, or a significant number of persons out there who can only spread the negative. We do not hear the positive things, the positives that have been achieved by Ministers or by the Government, or even by the people of Barbados. Whenever some things are not exactly right we hear about it.

But from looking at the figures, since the change of the Government in 1994, I have seen a growth in total visitor arrivals. I am going to deal first with tourist arrivals, Sir.

1993 – 395 979	1996 – 447 083	1999 – 514 614
1994 – 425 632	1997 – 472 290	2000 – 545 027
1995 – 442 107	1998 – 512 397	

Those are long-stay visitors, Sir, and the same pattern has repeated itself in the Cruise Passengers, so that our total visitors last year exceeded the one million mark. Now, Sir, we have to emphasize this.

Our Cruise Passengers last year totalled 533,278 and long-stay visitors totalled 547,027 making a total 1,078,305. That is quite an achievement when we have reached the one million mark because, I am sure, as the Minister of Tourism will tell you, he probably has a ceiling over which he feels it may be dangerous for Barbados to go, given the size of the country and obviously, he is planning and working towards that ceiling. And I see in these Estimates many areas of creativity in which the Government is seeking to introduce new measures of attracting tourists, or new ways of marketing Barbados and selling our product, and a new product mix.

4.35 p.m.

Whether it is us looking at updating the facilities at the Grantley Adams International Airport and making sure that the Airport is more efficiently run, you will see in these Estimates some money to support the Airport Authority. In this case, we are getting a corporation to run the Airport to ensure that it is managed efficiently and well run. We have already started the modernisation of the Airport and that programme is going to be continued. I believe the Minister will tell us about the next two or three years which will make a significant impact on first arrivals here.

Also, in these Estimates the Minister has provisions for training traffic control cadets and officers, looking at the safety of visitors. When you look at the cultural side, you will see there is money here as well for a cultural tourism programme, on the Slave Route project, doing it in conjunction with the Ministry of Education and the Ministry of Tourism.

Sir, I want to assure the Honourable Member for St. Lucy that obviously this Government is deeply conscious of the importance of tourism to Barbados for the immediate future. It is going to be the main earner of foreign exchange and therefore, we are taking all necessary measures to plan its development and to ensure that at the same time, we can carry a tourism product that is fully acceptable to the residents of Barbados.

It is in that context that I want to address a couple of issues. The Honourable Member for St. Lucy has spoken about community tourism, Sir. That is practised in Christ Church. As you know, I represent a constituency that

caters to a large number of tourists and to Barbadians. If you even think in terms of Rockley Beach, you will begin to see what I am talking about. My constituency, as well as the adjoining constituencies of Christ Church South and to some extent Christ Church East and your own constituency, Mr. Chairman, Christ Church West Central, cater for community tourism and have catered for years.

If the Honourable Member for St. Lucy would take a walk with me early on mornings or late on afternoons and evenings, he will see that the tourists walk from Regency Park right down to the beach in Worthing by the Stream. I have been discussing with the Minister, I think only a couple of weeks ago, that the pattern of tourism in Barbados has now expanded where persons who are retired and whose children have gone away or single families are now taking in tourists at all levels and obviously intermixing with them, contributing to the tourism plant as a whole and developing Barbados.

Sir, at times when I hear the criticisms being levied at the Government, in my view, they are very myopic and in many cases very unfair. On the other side of the island, the West Coast in particular, you have what again I would call development that is very necessary.

The Christ Church development is not of the same nature but it is extremely necessary. You also have to have the villas. If you have not got the villas to cater to the upscale market, then you have one-sided tourism. I cannot understand the carping criticism that continues at the fact that Barbados has gone into villa tourism...

Asides.

Hon. Sir HENRY FORDE: Well, wherever, from the platforms, from people who call in on the radio. Again, I am going to go back to the most outstanding leader among the Democratic Labour Party whom they called their father. I have had the privilege of serving in here when the late Right Excellent Errol Barrow was at his height and I remember very vividly when he got criticism about the fact that Sandy Lane was developing as it was, with people building what in those days would have been, large houses at horrendous cost, because back in the 1970s US\$2 million or US\$3 million was like US\$15 million today. He always said that they can build the houses but they cannot carry them with them.

I think Barbadians have to understand this that we have not got the five-star hotels other than Sandy Lane and Fairmont. We have not got the five-star hotels like Cuba is going to attract now or like there is in the United States, but we do have the villas which have made up for that shortfall, and Barbadians are going to have to get out of their minds the schizophrenic approach to investment in their country, otherwise eventually they will destroy the very goose that

lays the golden egg for a lot of Barbadians to improve their positions.

Sir, I say that after many years in public life and having seen the arguments to and fro on a partisan basis. It does not mean that because you are a tourist, you have licence to do as you like in Barbados, and the big issue on this is the issue of beach access. Sir, let me agree with the Honourable Member to the extent that he says there should be more acquisition of approaches of access to the beach. That is an idea that was pushed significantly by the Reverend Andrew Hatch at a time when it was unpopular. I remember the Democratic Labour Party was in office then, and he got some blows for putting it. He was right and the idea remains right today.

What worries me again is that we are very short-sighted in this country because I have read reports that were prepared for the Government back in the 1980s, early 1990s – they are still in there – when the Democratic Labour Party was in office and when the Honourable Member Sir Harold St. John was Prime Minister, he stated that a price was paid on the acquisition of those sites but between 1986 and 1993 no acquisition took place.

Those documents should be laid in the House and the public have access to facts, rather than to mere emotion. The point was made then and the study was done to show that we had to acquire open areas to the sea but that did not mean that we were not going to continue to develop seaside land to maximise the uses of it. It is compatible to have both things going together provided we spend the money for access to the sea.

Sir, I want to talk about my own constituency and I am going to start from the Garrison. We have an access by the Garrison. We had a further access up by Pavilion Court but unfortunately that was allowed to be developed to the stage that there is only a six-foot track which is sometimes overgrown, to get down to the beach in Hastings.

The Government is about to acquire another area going to the east of that by St. Matthias in order to provide not only access to the beach but to preserve the beach in that area. Coastal preservation is very necessary...

Asides.

Hon. Sir HENRY FORDE: ...We have to. Only today, I was talking to the Minister about the matter. When you go a little further up, you have Hastings Rocks. Private citizens and friends of Hastings Rocks raised the money, along with the assistance of the Honourable Member for St. Michael

South Central who was leading the position to restore Hastings Rocks and to make it again a thing of beauty in use and access for citizens of Barbados.
4.45 p.m.

We go a little bit further and get to Rockley. Once again we have had the co-operation of private citizens from Blue Waters in that area along with the Government where we are spending over \$3 million to rebuild Rockley, in addition to the conservation work done outside, to improve the taxis stands, parking areas and putting up proper areas for toilet facilities and what not.

We go a little bit further up by Worthing where we, when the Honourable Member for Christ Church South and myself were in office in the 70's as Ministers, ensured that the land which the Government owns up there had a window to the sea. Now, that window should be widened as far as I am concerned.

In my constituency, I do not get the same pressures that other Honourable Members get because we have shown some foresight in planning that area. This should be repeated on the West Coast and what not to prevent the troublemakers from using this area legitimately sometimes and illegitimately at other times.

People want to preach the issue of race and the black man versus the white man because it sounds politically attractive. At the same time, it has a negative effect that could drive the tourists away. So I do not know if you win a Government that people are running from you or that you are in anything.

The other negative aspect of it that bothers me is that we do not realize that some of our citizens do not always understand when politicians speak in partisan language, but they take what they say as gospel and that can destroy an industry. I believe that we have to deal with that just as we have to deal with those in the community who believe that they should earn a living without working. I have some of them in my constituency too you know. Once before, when I first came into politics, a person would ask you for a dollar. That has moved to five dollars, then it moved to a 'Barrow' and then it moved to a 'Grantley'. I do not know what it has moved to now because I have some of them in my area who believe that they should get a thousand dollars when you come around.

Mr. CHAIRMAN: Honourable Member, before you move any further, you have got one minute.

Hon. Sir HENRY FORDE: I will finish in that one minute, Sir. There are only a small number of them with that attitude and each one of us in this country must say to them that they have a duty to accept the jobs that are available, they have a duty to obey the laws of Barbados and they have

to stop the violence that they are perpetrating so that people will not get the impression that we are a violent society.

Sir, I want to say one thing. My friends in the Press do not like me to talk about the Press. I have been looking at 'column inches' on the reporting of court matters and the incidence of crime in our country. I recognise that these matters sell newspapers. I am not saying that we should not report it; so understand I believe in freedom of the Press. A few days ago, I think it was last week, in news coming out of Florida, there was a report of a visitor being shot on the street. That did not get any publicity you know especially in the American papers.

What is worse, when Mr. Black, who played cricket for us, got beaten up by thugs in Australia by the same sort of thugs you might find creating violence in Barbados, both of our newspapers put that in the inside of the paper in a small column. I do not really understand what we are doing to ourselves. It is all right for Australians to beat up a black man from Trinidad and Tobago and the Press hides it up inside the newspapers and all of us still want to go 'down under' but when an incident happens here it is blown up on the front page and we are shooting ourselves in the foot. I rest my case, Sir.

I am saying to Barbadians that we must have a certain amount of balance and we must also be fair in dealing with those people who would destroy themselves and in the process destroy this country. We must stop the guns. Sir, the Government does not sell guns. The Government does not give away guns nor as far as I know does the Opposition. There are some worthless people who are making a trade out of selling and leasing guns and they must not get any political succour from the Opposition or from this Government. We must speak out and say to them that this must stop. It cannot be the politicians. People are running down the politicians but I want to run down those citizens of Barbados who are not carrying their responsibility in this country. They are the ones, not the politicians, not the Government, not the Opposition who are destroying Barbados and its good reputation.

I want to hear the Press tell them that they must understand that the country belongs to all of us and not to a little group of people who would not do a good day's job in this country but are willing to put out their hands when you pass around and tell you they do not want a 'Barrow' or a 'Grantley' anymore, they want a thousand.

I thank you, Sir.

Mr. D. St. E. KELLMAN: Mr. Chairman, I must say that I have enjoyed the speech from the Honourable Member for Christ Church West. This shows that sometimes you can get him to stay on course.

Asides.

Mr. D. St. E. KELLMAN: The major point of the Honourable Member's speech is the point where he said that there are a lot of tourists who stay in Sheraton Park and Regency Park and who find themselves to the beach. That is a very vital and important part for the simple reason that I personally believe that if there were no beaches you would not see people preparing to make those bold initiatives.

That is why I said earlier in my speech that you can attract people for community-based tourism as far as Boscobelle, St. Peter providing they know where to go to get a sea bath. We must recognise that that is important and that as long as we have the windows to the sea that our tourism product can be expanded to any level but we must have the facilities.

That is why sometimes I find it extremely difficult to understand why people cannot understand the point that is being made by the Opposition, that we are not simply criticising for the sake of criticising but that we understand where tourism needs to go and we are making sure that no government will be able to limit the progress of tourism, because we feel that the same way that they have ideas, that we have better ideas and that we must have the facilities to fully maximize tourism and to carry it to its highest height. That is why we recognise that the beach must also be important. We see the beach as an important component of the development of tourism and we will continue to make our case recognising that the beach must be there for Barbadians and tourists alike. Because people have money, it does not give them the right to come to Barbados and feel that the only place that they can live, is to have a property on the beach and that is the only prime land in Barbados.

I want to say to you, Mr. Chairman, that it is my honest opinion that any piece of land in Barbados is important provided you have the necessary amenities to relate to that piece of land. We cannot limit ourselves because the day we sell out all of our beach land, the inland land will not be there for us to promote tourism development and we will have shortened the life of our tourism product.

It is not about numbers. It is about the ability to expand the particular product to the limit and to maximize the total earnings from that particular product. That is why I feel that we must also understand that if we do not allow Barbadians to share in the cake, they are going to behave as if they are not part of the particular product.

That is why you can see on a daily basis a relationship between Barbadians, especially on Friday nights in Oistins, in Baxters Road, in Moon Town and in Six Men's because there is a coming together and a camaraderie. You cannot pay any amount of money in marketing to get tourists to this

island that can beat that type of camaraderie.
4.55 p.m.

Once Barbadians truly are allowed to show their hospitality, you will find that people will gravitate towards Barbados because they will feel the love of Barbadians. This is the most important thing, Sir. It is not about giving the Minister of Tourism \$42 million to market Barbados. It is about allowing people to come to Barbados and recognise the friendliness of Barbadians and understand how Barbadians live, work and congregate.

Sir, as long as we have that, we will not get hostility in the tourism product. The problem in Barbados is that some people feel because they own large capital that they are the only ones who have the right to gain from the tourism product in Barbados and, Sir, I say no. The tourism product must be shared fairly between every single person in Barbados who would like to tap into that product.

Sir, I strongly feel that there are certain services that the hotel should not provide. Hotels are in the business of providing rooms and they should maximise that and make sure that the tourists are happy, while the other services, like providing beach chairs and so on, young business people should be allowed to develop that service and feel that they are part of tourism. No incentive scheme, given by a Government of Barbados, should be used to abuse a business person who wants to share in the tourism cake of Barbados. If the Government recognises that incentives are being used to undermine the people of a country, it should be prepared to reverse those incentives because they are creating conflict, which will create turmoil within the industry, which will be anti-tourism and not encouraging tourism. Sir, this is why I feel so strongly on issues like these.

Sir, I remember when the jet ski was the enemy of the tourism product in Barbados. Nobody would believe that the jet ski is now being used by large hotel owners and the same thing they accused the black owners of, they are now allowing to happen but we do not see any reports on this particular issue.

Sir, I am saying that in any country where you have a local group of people who were owners who now find themselves as operators, that cannot be progressive and we must do everything in our power as legislators to make sure we reverse that trend. Sir, our people should not only be seen as workers in the tourism industry. They must be seen as owners within the tourism industry, and that is why I will always support the operators and community tourism.

We have to find a way to make sure that hotel owners cannot put out beach chairs on the beaches as if the beaches

belong to them. We must find a way to get our people to see it as a business and develop it as a business because the tourism cake belongs to every single person in Barbados.

The tourism industry is for everybody in Barbados and priority number one must be the people of Barbados and then anybody else. This is why I am calling for community tourism because, in my opinion, that is where everybody will be accommodated. Sir, Barbados has a good opportunity of becoming the most progressive tourism country in the world but we have to do the right things.

Sir, we talk a lot about numbers but I am not one for numbers. When I walk areas and see people congregating and spending, I believe that things are well. When the Minister speaks about one million visitors, it means nothing to me because I am also aware that the Bridgetown Port is now used, I almost said as a transshipment point, Sir. I was on a plane lately coming out of New York and the majority of people on that plane were landing at Grantley Adams International Airport and going straight to the port. Sir, I disagree with that because if they are going to be using our facilities, we must find a way to make sure that they spend at least one day in Barbados. If we are just bringing people here to land at Grantley Adams International Airport to be taken straight to the harbour, I cannot count them as tourists. They must be able to feel the soil of Barbados. We have to find a way to keep them in here at least one day. I am calling on the Honourable Member for St. Michael North East to do something about it. You cannot be a senior Member of this House and accept that a tourist is a person coming to Barbados on a plane and going straight to the seaport. Sir, even if we have to build another airport somewhere else in Barbados so that at least the coaches will stop at a rum shop, let these visitors spend some money. We do not want figures, we want to actually feel the visitors and the only way we can feel them in Barbados is when they are spending money in the country. Mr. Deputy Speaker, we brag about one million tourists but it is a possibility that out of that one million tourists we may have two hundred thousand who do not know what Barbados looks like. How can we feel proud about that when we have...

Hon. N. A. LYNCH: Mr. Chairman, on a point of order. The Honourable Member for St. Lucy continues to mislead this House. He has no idea how the industry works. He continues to confuse himself and the people of Barbados with this nonsense. People who come into Barbados on an aircraft...

Mr. CHAIRMAN: I would ask the Honourable Member to withdraw the word "nonsense".

Hon. N. A. LYNCH: Mr. Chairman, I withdraw the word "nonsense". People who come into Barbados on an aircraft, who land at Grantley Adams International Airport

and are transported to the port to take a cruise ship, are not counted in the arrival statistics as visitors.

Mr. D. St. E. KELLMAN: Mr. Chairman, I am sticking to my point, let the Honourable Member produce the facts to prove that. I have it on good authority that they are included and I know why I say that. If you ask people where these million people are staying, they cannot tell you.

Hon. N. A. LYNCH: Mr. Chairman, they do not pass through Immigration and, therefore, they are not counted as visitors on the island. When they return to Barbados on the cruise ship, they are counted as cruise passengers. They are not counted in the statistics as long-staying visitors.

Mr. D. St. E. KELLMAN: Mr. Chairman, I thank the Honourable Member for St. Michael South for confirming that I am right. He said when they get to Grantley Adams International Airport they do not come through Immigration. I have no problem with that but he also said that when they come back here on the cruise ship and go to the airport, they are counted. Sir, I have nothing more to say.
5.05 p.m.

Mr. M. Z. WILLIAMS: Mr. Chairman, I too would like to give my approval and acceptance of this Head in relation to the debate before us. I would also like to express the fact that it is a privilege to be in this Chamber and to hear the Honourable Member for Christ Church West deliver what I consider to be a learning exercise for Parliamentarians in terms of sitting and not in terms of age.

Asides.

Mr. M. Z. WILLIAMS: It is devastating, Mr. Chairman, to the Opposition who have been critical of this Government for the last four or five years and we have just heard it from the Honourable Member for St. Lucy in relation to tourist arrivals as far as Barbados is concerned.

We have heard the ranting and the raving of a former Member of this Chamber, who now sits in the Upper Chamber, who has been critical of tourist arrivals in Barbados. I am wondering in the last figures on tourist arrivals, why it is that we have not heard the Opposition being fair to the fact that there has been an increase in visitors to this island, instead of ranting and raving that the crime situation in this country would create a problem for visitors?

Last month I read in one of the dailies where Jamaica, which is considered to be a crime spot in the region, boasted of having more than one billion visitors to their shores.

Asides.

Mr. M. Z. WILLIAMS: Yes, I will repeat it. If you check back, I do not know if you read that much, in the *Nation* newspapers you will find that Jamaica has given a report that arrivals to their country were one billion. You can check it clearly because I read it.

Mr. Chairman, I believe that the work of the Minister responsible, the Honourable Member for St. Michael South and the BHTA, seems to be paying off in getting results from their plans. Tourism is our business and it does not make sense for responsible people in this country, whether it is the Press or the Opposition, to try to reduce Barbados to the point where visitors will become scared and would not want to visit our shores.

On Friday night the Honourable Minister and I were in a situation where we saw visitors and Barbadians mingling and we saw visitors enjoying an atmosphere. This was not in Oistins, Six Mens or Second Street, and I was the most surprised person. I said to myself, why is it that people are trying to give the impression that visitors come to these shores and do not go out of the hotel because they are scared. That is not true and it is unfair to make people believe that visitors come to this island and because they are so scared they do not leave their hotel. That is not a nice thing for the Opposition and certain people in this country, who should know better, to do.

Asides.

Mr. M. Z. WILLIAMS: The Honourable Member for St. Lucy knows very well the visitors that come to these shores hang out at places like The Pub, Speightstown, Six Men's and Half Moon Fort and also spend time mixing with the locals. I do not think that it is fair to come to this Honourable Chamber and present the case that he presented. There are some concerns that I would like to draw to the Minister's attention. Although things may be working well, there may be some little things on the horizon that if not nipped in the bud can escalate and become very annoying.

I know of a serious crime in Barbados as far as the taxi-drivers are concerned. I know that some of the hotels in Barbados are putting shuttle service on the route and affecting the business of the taxi-drivers. I am concerned that recently one of the major night clubs in this country has put on a shuttle service moving passengers from the Bridgetown Port to their nightclub. I am extremely upset to think that the Boat Yard Nightclub can be given the right to operate a shuttle service into the Bridgetown Port and take passengers out of the Bridgetown Port and drop them to the Boat Yard Nightclub for free.

The reason why I am annoyed about this is because when the average person buys a drink there is a benefit which goes to the establishment. In the meantime they are

leaving the taxis parked on the outside of the Bridgetown Port and the Boat Yard Nightclub. This is one of the things that I will ask the Minister to be aware of because if every hotel or nightclub on this island decides to put on a shuttle service, we are going to see a situation where taxis are going to be parked along the streets. These taxi-drivers have bank loans, families to support and also by right have to make sure that there is a survival point in their lives.

5.15 p.m.

I think this is something that we need to look at in terms of this shuttle service element that is creeping into Barbados as far as night clubs are concerned, and that is one of my concerns at this point, and I will draw it to the attention. The vehicles are operating, not with the Licencing Authority ZM or BT permits, they are operating with private numbers. I think that if they can buy a vehicle and put on a private number on it, paint it up and introduce it as a shuttle service, then it is going to create a problem in the long run and this is the point that I am concerned about.

The other point of my concern, and this goes along in the same boat here, is that there is so much entertainment in Barbados. Barbados' entertainment industry has increased and improved over the last, I would probably say, ten years, and I would like to thank the Ministry of Education, Youth Affairs and Culture, for the effort they have given to entertainment in this country and the development of entertainment in Barbados, but I challenge the 'Spirit of Unity Tour', Mr. Chairman, in the sense that I believe that show did not present as much of our local music as it should have because the cast of the 'Spirit of Unity Tour' seemed to be presenting what I would call a "reggae element" more so than a "Bajan element", and I may be subject to correction, but when I look at the cast and the entertainers that presented the show, I would have loved to see more Barbadians representing this country on the 'Spirit of Unity Tour'. I would probably want to see the Red Plastic Bags, the Mac Fingalls, the Serenaders, the Dancing Africas, or the Pinelands Creative Group, because I believe that when we present that front to the North American, or across Canada, we would be presenting a true Bajan aspect of our culture and not a Jamaican aspect of it. I do not think that we need to piggy-back on the Jamaican music in order to expose Barbados.

Our music industry is extremely strong, and in saying this I would just like to see the return of the Bandwagon Promotion tours where the Barbados Tourism Authority select Barbadian entertainers, similar to what was done many years ago, and present those entertainers across the United States of America, Germany, Canada, wherever it may be. I think that this will also augur well for the development, and more arrivals to this country, and I hope that that message in terms of our music being exposed would be carefully

studied. I repeat the point that piggy-backing on Jamaican reggae in order to sell Barbados does not make sense.

The other point which I would like to raise is dealing with what the Honourable Member of Christ Church West said. Yes, the South Coast has been developed to the point where a hundred of us know what is likely to happen from Oistins in terms of tourism promotion in that area. I think the time has come to look at the West Coast, from as far as Brighton, because when we look at the development of Brighton over the last couple of years and look at the arrivals of the cruise ships, and at the persons who occupy Brighton Beach on a weekly basis because of the daily arrivals on the cruise ships, I think there needs to be a plan put in place so that not only the establishment at Brighton can benefit but also the persons who are involved in the ancillary services in the tourist industry: people who are involved in braiding hair, people involved in selling souvenirs, water sports persons. Other persons of that area too will benefit from what is now becoming a very strong tourist area.

I heard the Honourable Member for St. Lucy speak about the jet skis. Yes, there was a time in Barbados when there was a campaign carried by certain persons against the jet skis in this country. Fortunately for us today, I think that we have responsible persons operating these jet skis, so we are not hearing... I am not saying that the jet skis are owned by certain persons in this country; I still have friends operating the jet skis. I still go on the beach at certain times and get a ride with some of my friends who own the jet skis, hobi-cats, and speed boats. It is not fair to come to this Chamber and make persons believe that the water sports industry is owned by major concerns on the West Coast. It is not fair to do that, because I have friends who are still in the water sports business on the West Coast, who, as far as my memory tells me are tied into the hotel in terms of their ownership of these boats, and they are not owned by the hotels. So I will not agree with the Honourable Member for St. Lucy when he stands up in this Chamber and makes us believe that the water sports industry is not in the hands of the fellows on the West Coast.

I will not use this opportunity, because the Honourable Member for St. Lucy knows very well that I know what I am talking about in relation to the ownership of those boats on the West Coast, who owns what, what type of boat they operate, the type of jet skis they run. It would not be fair to those owners of the boats, but it is not a nice thing to say in this Chamber that those boats are owned by the hotels on the West Coast and not by those young gentlemen and ladies who own them.

Mr. CHAIRMAN: You have one minute to wind up.

Mr. M. Z. WILLIAMS: Mr. Chairman, in closing one of the other important points that I would like to get across at this time is the point on crime within the tourist

industry.

It is all right for us to believe what we read in the newspapers sometimes, but sometimes if you go deeper into some of the things that you read, you would have to ask yourself some serious questions and try not to give the answers aloud because the answers are so close to the happenings that you would rather not voice them.

I think that there are some persons who come to these shores of Barbados with criminal intentions. There are no two answers about it. They have criminal intentions, they are criminal minded. There are some visitors who come to this country who are involved in the drugs trade; there are some visitors in this country who go into hotels, leave their jewelry inside the hotels and come out and tell the police that they have lost their jewels, when in truth and fact, the jewels are within the very hotels. The media, not understanding fully, get the Police Report and the next thing you see in the newspapers is "Tourist Robbed". Tourist robbed of what? The jewels that are left under the divan in the hotel? The jewels that are left locked away in a bag in the hotel? It is not fair and I think that it is unfair for the media and it is unfair to the members of the Royal Barbados Police Force when these devious people come from their respective countries with a criminal mind to try to create problems within our industry. And I say carefully, as I have just said, there are times when you read things and when you study them you should not voice them because the answer will be accurate if you voice them.

I have known of cases in this country where the police were called in to investigate. It happened on the South Coast, Mr. Chairman, where it was made known that two visitors were robbed of their jewels while walking the St. Lawrence Gap area. The police were called in and investigations were carried, and fortunately the gardener at the hotel saw when the visitors left and realized that they did not have any jewels on them, so he was able to say that he saw when the visitors were leaving and he did not see any jewels or bags on these visitors, and when the police checked the hotel room, the same jewels were under the divan. It is not fair, and the Opposition is running around this country presenting a case that crime in this country has prevented visitors from coming to Barbados, when the figures show us different.

Mr. CHAIRMAN: I think at this point, you should really conclude.

Mr. M. Z. WILLIAMS: I would like to close, and I think in closing that we have seen the faces of the Opposition clearly; they do not mean well as far as this country is concerned. Thank you.

Mr. CHAIRMAN: The Honourable Member for St. Michael South.

Hon. N. A. LYNCH: Mr. Chairman, I am thankful for the intervention of the Honourable Member for St. Lucy. First of all, when he began, he spoke of the Canadian market, whether or not Barbados was focusing on the Canadian market as a natural fit for Barbados.

Let me say, Sir, that Canada used to be our major market, but difficulties in that market for many reasons including airlift and the like have caused that market to decline in recent times.

However, Sir, we are more than looking at the Canadian market as a major source market again, and we are trying our best to rebuild that market. Now, out of the five regions of Canada, Ontario still provides up to 75 per cent of the visitors that come to Barbados, with the two most significant gateways, Montreal and Toronto with Toronto providing the major airlift. The issue, Sir, is with the other regions like British Columbia. The problem is that visitors have got to overnight in Toronto and that has made that market particularly difficult to deal with.

On the Prairies and in places like Alberta which is a strong growth market, the departure of Ward-Air in 1991 has caused a significant problem.
5.25 p.m.

Sir, one of the issues in the Canadian market which continues to be a problem – and the Honourable Member for St. Lucy should hear this – is that that market poses a problem in terms of airlift, but not only that, it is a tour operator-driven market in which they dictate where visitors actually go. They also, Sir, in terms of horizontal and vertical integration of product, now control a significant amount of product as opposed to destinations. Therefore, what is happening in those markets should see significant growth in cheaper destinations like the Dominican Republic...

Aside.

Hon. N. A. LYNCH: ... and Cuba. You are right. You are learning a little something.

Therefore, Sir, we have to target our marketing more specifically at people whom we have studied and have statistics to show us that they are naturally fit for Barbados. We can no longer scatter our advertising or our promotional efforts all over but should try to target people specifically that fit.

We have been able to identify, Sir, that there is an aspect of loyalty for Barbados in people between the age ranges of 35 and 50, people who have visited Barbados

before and whose families have come to Barbados before. Therefore, the strategy in the future would be to concentrate on being able to develop people in those markets.

Sir, there is also an issue of meetings and incentive business. There are many people interested in holding meetings and conventions in Barbados. However, the issue of airlift has become a significant problem and therefore the issue now is to concentrate on smaller groups rather than these large meetings and incentive groups.

Let me say, Sir, I thought that the Honourable Member for St. Lucy, when focussing on the markets that were strong...

Aside.

Hon. N. A. LYNCH: ...One of the strategies is that we have a Commonwealth Caribbean market at our doorsteps which has continued over the last couple of years to produce significantly increasing figures to Barbados and it is a market that we have not concentrated on enough.

Sir, that particular market has been able to yield. It gives us a much better yield than most of the other markets. As a matter of fact what is significant is that while Canada only provided 11 per cent of our visitors last year, the Commonwealth Caribbean provided as many as 16 per cent. In that particular market, people who come from Trinidad, Jamaica or anywhere in the Caribbean, the yield is higher because these are not many tour-operator led programmes. These people are more likely to pay closer to a rack rate in a hotel or a more improved rate than anyone coming from any other market around us. We have neglected to concentrate in the past upon that Commonwealth Caribbean market but, Sir, this is an issue that we are going to deal with very seriously in the future.

Sir, I heard the talk from the Honourable Member for St. Lucy of whether or not we should continue with the US market. It is really a shame to have the world's strongest economy right at your doorstep, have significant airlift or adequate airlifts out of major markets and not be able to capitalise on that market in a significant way. I guess, Sir, we have not concentrated on marketing and done enough marketing in the way in which it should be done but the issue is that the US market must continue to be a serious one for Barbados.

I do not know where the Honourable Member for St. Lucy gets his statistics or how he can base any tourism policy on one man, "Will Something" that comes to visit some place in St. Lucy...

Asides.

Hon. N. A. LYNCH: ...He is family to Lil Rick or somebody.

You cannot create tourism policy around one man that you know. It has to be created off significant studies and information.

Sir, the issue is that the US will continue to be stronger but there are a number of issues that we need to deal with. I take the point of the Honourable Member for Christ Church West in terms of the other levels of accommodation that need to be provided, but Barbados has never been, as the Honourable Member for St. Lucy would like us to believe, a market that concentrates only on upmarket tourism. We have built our tourism product on having one of the most judicious mixes of tourism anywhere in the Caribbean, and that has always been a brand element that has stood out with Barbados and that is an issue that will continue.

The issue of community tourism and what we are doing in community tourism will also continue to be important because, Sir, it is wrong to say that this Government, at any level, is focussing on any upmarket tourism only. There are significant numbers of initiatives which are being carried out by the Ministry of Tourism in respect of awareness programmes within communities: the concept of the "adopt a beach programme"; what we are doing with Springvale; the Holders Hill projects. These are serious tourism led tourism projects that are going to deal with embracing the community and bringing them more into tourism development in Barbados. There are also ongoing projects with the NGOs that we have been focussing on as well.

There are a number of projects that are being undertaken right now to be able to deal with bringing the community closer, giving people in Barbados a better appreciation for tourism, how tourism develops but also creating entrepreneurial activity within the centres of people who are non-traditional players in the industry. So to say that this Government or this Ministry is not focussing on community-based tourism is not at all true and the Honourable Member for St. Lucy continues to bring this kind of talk to this House.

Sir, the other issue that I want to focus on is that Barbados is now seeing fewer trough periods than it has seen in the past, in terms of patterns of business-ship. What we used to call traditional trough periods in the industry are now disappearing.

Let me state, Sir, because there are no longer trough periods in the industry, it means that a lot of hotels that used to close during traditional slow months in the Fall now continue to be opened during the Fall period and people continue to be employed year round in hotels and other

establishments where they would have been laid off in those traditional trough periods.

I heard the various spokesmen on economics and tourism making the point that no employment has been created in the industry even though there is significant increase in visitor arrivals. Sir, many of the special events like the Jazz Festival and Crop Over have also contributed significantly now to lessening those trough periods. For example, it is interesting to note the second highest month for visitor arrivals to Barbados last year was July. It tells you something about the patterns and how the patterns have been changing in the industry. It is significant to note that these events like Crop Over are contributing significantly to how we get visitors in those non-traditional months. Sir, the months of October and November which were also non-traditional months for tourist arrivals are now also contributing significantly and the visitor-ship is not spread out a lot more.

Asides.

Hon. N. A. LYNCH: Sir, finally, I want to say that with respect to one other element which is the carrying capacity, the Honourable Member for Christ Church West spoke about 'the length of stay' that is also up. The 'length of stay' is up and also 'visitor spend'. I heard people make the point that 'visitor spend' is down. There is nothing to conclude that 'visitor spend' is down but certainly when you knock out two of your more luxury hotels, with Sandy Lane and the Hilton out of commission, and not having visitors at that upper end, obviously your spend will be affected.

Let me also say, Sir, that one of the issues that we will be focussing on as well is the issue of how e-commerce will affect our business in the future and that is why there is an E-commerce Division coming for the Barbados Tourism Authority. A lot of our business, as the Honourable Member for St. Lucy said, is now focussed on electronic commerce and we are focussing now on being able to attract more visitors through that means.
5.35 p.m.

Sir, tourism in Barbados is for everyone and I would not like it to go abroad that anyone is concentrating only on allowing certain people to get a piece of the pie in tourism. Tourism is being focussed on by bringing and embracing every Barbadian in this mix. As I have said before, a judicious mix has always been the focus and the brand element most important for Barbados *vis-a-vis* its Caribbean neighbours will continue.

With those words, Sir, I beg to move that Head 27 stand part.

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

The question that Head 27 stand part was put and resolved in the affirmative without division.

HEAD 34 – MINISTRY OF EDUCATION, YOUTH AFFAIRS AND CULTURE – \$4 847 266

Hon. Miss M. A. MOTTLEY: Mr. Chairman, the amount which we are asking this Honourable Committee to agree to supplement, Head 34, is in fact spread over a number of areas but it essentially falls into three categories.

1. Salaries and wages;
2. Utilities; and
3. National Insurance.

In respect of the issue of salaries and wages and utilities, those fall under the general ministry and the primary schools subprogram basic education development. In respect of the general ministry there is also a small amount to deal with supplies and materials given the fact that we have run out of some basic stationery supplies, and in respect of the Archives there is a small amount to meet salaries to the end of the financial year as well as the national insurance contributions. There is also an amount for maintenance of property which is required to be able to do a comprehensive cleaning and servicing of the air-conditioning system at the new headquarters. We say new but we have been there more than three years already. In circumstances where they are used on a daily basis we have been having some problems with them and we need to be able to do effective servicing and maintenance of them on an on-going basis.

With those few words, Sir, I beg to move that Head 34 stand part.

Mr. D. St. E. KELLMAN: Mr. Chairman, I would like to draw to the Minister's attention on this particular Head that the St. Lucy's Primary School is in urgent need of some repairs. I have said already that I strongly believe that that school should be removed from the precincts of the secondary school. I do not like the mix. I believe, Sir, that there are lands to the south of that particular school premises and that our junior children should not be allowed to be influenced by the behaviour of the senior ones. One must recognise that the St. Lucy Secondary School attracts students from all over Barbados and that the primary school attracts students from the St. Lucy area and that the relationship is not compatible. I would like, as a matter of urgency, that the secondary school be given all of those properties as already they have taken over what we used to know as the junior school which is now the hall for the secondary school, and that an appropriate location be found near to the Nestfield area where we can have a proper

primary school built so that those juniors cannot be influenced by the culture that is brought into St. Lucy because it is a worrying factor. I prefer to leave it there at this time, Sir.

Asides.

Mr. D. St. E. KELLMAN: If I do not see the urgency, as I understand it, then I will have to speak on this matter at a different length.

I thank you.

Hon. Miss M. A. MOTTLEY: Mr. Chairman, I have heard the concerns raised by the Honourable Member for St. Lucy and I can give him the assurance that in respect of the need for repairs, the Ministry will investigate it, but suffice it to say that we have a system where all primary schools across Barbados are capable of reporting the need for repairs as well as when there is an emergency. We carry out general repairs as you know during the summer vacation and during the Christmas vacation but we carry out emergency repairs obviously when they are required.

In respect of the relocation, I cannot speak to that issue off the top of my head. I do know that St. Lucy Secondary is a Year Two EduTech school and a substantial plan has been drawn up. There has already been the pre-qualification of bidders and we expect that the persons who have pre-qualified would tender very shortly for the repairs of St. Lucy's Secondary, Queens College, Princess Margaret Secondary, the Alleyne School and I believe the Louis Lynch Secondary. Those will go out very shortly.

However, as to what year is St. Lucy Primary, I will give the Honourable Member an undertaking that I will check it for him and to the extent that it makes sense all round, we will review our planning, but I cannot give any commitments as to relocation at this stage without consultation with the officers who are charged with doing this work, but I give the Honourable Member for St. Lucy the assurance that whatever we do, I will speak to him privately on this matter.

Mr. D. St. E. KELLMAN: Mr. Chairman, I am also aware that the St. Lucy Secondary School is also part of the EduTech programme, but what worries me about that programme is that one would have thought that any structural changes would have been done more so in the chattel element of it rather than in the stone element because as far as I understand, the changes are supposed to be coming in the stone side of it. I think that the Minister needs to have a first-hand view of this and recognise that it does not make sense to make the changes in the stone structure when a year or two after, you might have to come and do likewise in the

wooden structure. So I would prefer the Minister to look at this situation again and recognise that the chattel structure that has been there since 1971, should be changed from chattel to stone, and if any changes are to be made in the configuration in the exterior that those changes can be made from the primary stage instead of trying to do them at the secondary stage, because if you do not do that I personally believe that the Ministry of Education, Youth Affairs and Culture will be incurring expenditure that, could easily be avoided, and you might have a situation where you have duplication of expenditure when you could have solved the particular problem in a one-time span.

I thank you.

Hon. Miss M. A. MOTTLEY: Mr. Chairman, I welcome those comments. In fact, I can say to the Honourable Member that the whole issue of using the stone structure not only at St. Lucy's Secondary but also at a number of primary schools across Barbados is being reviewed by the Ministry. It is certainly my view and I have asked the officers to investigate whether we would not be better served and the children would be much cooler if we were to use a greater degree of wooden structures, obviously using a hard wood, across the island, properly painted and properly ventilated. In those circumstances, particularly at the St. Lucy's Secondary School where the aesthetics of the compound already reflect that style it would be preferable to stay in that vein rather than seek to impose new structures that are totally inconsistent with what has been there before. We may also, as I said, be reviewing elements of our primary school design programme across the island because we do feel as has happened at a number of the private schools and as has happened at some of the public schools in the past that in some instances wooden buildings will not only be more cost effective but cooler and more pleasant to look at. We can also incorporate more design functions with them than simply building stone.

With those words, Sir, I beg to move that Head 34 stand part.
5.45 p.m.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

The question that Head 34 stand part was put and resolved in the affirmative without division.

Hon. Miss M. A. MOTTLEY: Mr. Chairman, I beg to move that Your Honour do now report the passing of one Resolution in Committee of Supply to honour the DEPUTY SPEAKER.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

The question was put and resolved in the affirmative without division and Mr. CHAIRMAN reported the passing of one Resolution in Committee and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, I beg to move that this Resolution be now read a first time.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

The question that the Resolution be read a first time was put and resolved in the affirmative without division.

On separate motions of Hon. Miss M. A. MOTTLEY, seconded by Hon. Miss B. A. MILLER, the Resolution was read a second time and passed.

ADJOURNMENT

Hon. Miss M. A. MOTTLEY: This brings us to the end of Government Business for the day.

I beg to move that this House do now adjourn until Tuesday, 6th March, 2001 at 11.00 a.m.

On that day it is anticipated that the Estimates of Expenditure for the financial year 2001-2002 will be laid.

Hon. Miss B. A. MILLER: I beg to second that, Sir.

The question that the House do now adjourn until Tuesday, 6th March, 2001 at 11.00 a.m. was put and resolved in the affirmative without division, and Mr. DEPUTY SPEAKER adjourned the Sitting accordingly.
5.50 p.m.