
THE

House of Assembly Debates

(OFFICIAL REPORT)

FIRST SESSION 1999 – 2004

HOUSE OF ASSEMBLY

Tuesday, October 30, 2001

Pursuant to the adjournment, the House of Assembly met at 11.20 a.m. on Tuesday, October 30, 2001.

PRESENT

His Honour I. A. ROETT, G.C.M. B.A., Dip. Ed. (Speaker)

His Honour J. M. EDGHILL, J.P. (Deputy Speaker)

Rt. Hon. O. S. ARTHUR, M.Sc. (Econ.) (Prime Minister, Minister of Finance and Economic Affairs Minister for the Civil Service)

Hon. Miss M. A. MOTTLEY LL.B. (Attorney General and Minister of Home Affairs) (Leader of the House)

Mr. D. J. H. THOMPSON, LL.B. (Hons.) (Leader of the Opposition)

Hon. Sir HAROLD St. JOHN, K.A., Q.C., LL.B.

Mr. L. R. TULL, Q.C., M.A. (Oxon.)

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

Mr. G. W. PAYNE, LL.B.

Hon. R. C. EASTMOND, B.A. (Hons.), Dip. Ed., LL.B. (Hons.), L.E.C., J.P. (Minister of Labour and Social Security)

Mr. D. CARTER (Chairman of Committees)

Hon. R. N. GREENIDGE, B.A., LL.B. (Minister of Education, Youth Affairs and Sports)

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

Hon. Miss H. E. THOMPSON, LL.B. (Minister of Physical Development and the Environment)

Hon. Miss C. Y. FORDE, J.P. (Minister of State in the Ministry of Education)

Mr. M. Z. WILLIAMS

Mr. T. A. PRESCOD, B.A.

Rev. J. J. S. ATHERLEY, B.A., B.Sc., J.P. (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, B.Sc., M.Sc., M.Phil., J.P. (Minister of Agriculture and Rural Development)

Hon. R. R. FARLEY, B.Sc., J.P. (Minister of Economic Development, Industry and International Business)

Prayers were led by Rev. Canon Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, October 23, 2001.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I beg to move that the Minutes for the Honourable the House of Assembly for its meeting of Tuesday, October 23, 2001, which Minutes have been circulated, be taken as read.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

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

PRIVILEGE

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, there is a matter which I would wish to bring to the attention of this Honourable Chamber.

On Wednesday, 24th October, 2001, the *Nation* newspaper carried two articles which I believe to be in breach of the privileges of this Chamber. One of them related to the tabling of six new questions by the Leader of the Opposition, an act which did not occur during the course of the proceedings on Tuesday, 23rd October, 2001.

The second one purporting to the nature of a conversation that I had with the Leader of the Opposition behind the Chair, because in truth and in fact, the only persons who can know the substance of that conversation was myself and the Leader of the Opposition, and I certainly have not said and I believe the Leader of the Opposition has not said either. Therefore, in those circumstances, I think that there needs to be a greater degree of accuracy and a greater level of faithfulness to the truth of the record.

In those circumstances, Sir, I would wish to have these two articles referred to the Committee of Privileges so that that Committee may determine what is the appropriate action in respect of two matters which offend the proceedings of this Chamber and which stand as a blemish, since they do not reflect the truth of the events taking place on Tuesday, 23rd October, 2001.

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, speaking on a matter of privilege, I perhaps should rise to particularly clarify that matter of the question.

I submitted to the newspaper questions that I had proposed to ask. At no point did I say they had been tabled. Therefore, I was a bit surprised – I had not read the article – but I was a bit surprised myself to discover that it had said they had been tabled. They had been submitted to the Clerk and therefore, I was a bit surprised. As we know the procedure, that having submitted them to the Clerk, they need to receive your approval to be tabled. Obviously the newspaper made an error in saying that they had been tabled. I think this is a fit matter to be put before the Committee of Privileges, particularly to clarify the difference between questions that are submitted and questions which actually receive the approval of Parliament to be asked.

Sir, in relation to the second matter, I certainly had no conversation with anybody from the media, either that date or subsequently, relative to any matter and I was surprised.

It is important that discussions that are held between Members behind the Chair are not subject to speculation, because by and large they relate to matters of procedure and

the way that we conduct this House and not even you, Sir, are aware of what is agreed there and it may very well be subject to being overruled at the end of the day. Therefore, it is mainly a courtesy that is extended to Members and is not a sinister act by Parliamentarians, either to subvert the processes of Parliament, or should it be subject to public commentary, in my view.

Mr. SPEAKER: Yes, I am glad that Members did raise these concerns because I, myself, have noticed a trend. I think a *prima facie* case has been made out against the *Nation* newspaper.

I, therefore, have no hesitation in referring this matter before the Committee of Privileges. I believe it is a gross misrepresentation for a reporter to claim that a matter has been laid in Parliament when the matter has not even been called, and to state what Parliamentarians have presumed to have said.

May I remind those who report the business of this House of the Laws of Barbados, Cap. 9, 1963, Parliament (Privileges, Immunities and Powers) Act, 34(b) which states:

“Any person who publishes any writings containing a gross willful or scandalous misrepresentation of the proceedings of either House or any Committee thereof, or of the speech of any Member, in the proceedings of either House or any Committee thereof, is guilty of an offence and liable on conviction thereof by a Magistrate’s Court to a fine of \$1000 or to imprisonment for 12 months, or to both such fine and imprisonment.”

The seriousness of this matter requires an immediate meeting of the Committee of Privileges. This meeting will take place tomorrow Wednesday, 31st October, 2001, at Parliament in the Committee room at 4.00 p.m.

Members of the Committee, may I remind you are:

Hon. Sir HENRY FORDE,

Hon. R. C. EASTMOND,

Rev. J. J. S. ATHERLEY,

Hon. R. N. GREENIDGE,

Mr. D. J. H. THOMPSON,

Mr. D. St. E. KELLMAN.

The Editor-in-Chief of the *Nation* newspaper, or his representative, is hereby summoned to attend this meeting.

Members are reminded that questions must first be presented to the Officers of this Parliament to be vetted

before these questions are submitted to the Press. Thank you.

ANNOUNCEMENT BY HIS HONOUR THE SPEAKER

I am to report that I am in receipt from the Accountant-General of the Accounts and Statements for the Month of July, 2001.

PAPERS

Hon. R. R. FARLEY: Mr. Speaker, I am commanded to lay the National Emergency Economic and Financial Programme (NEEFP).

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I am commanded to lay the Annual Report and Financial Statements of the Caves of Barbados Limited, for the Year ended December 31, 2000.

GOVERNMENT NOTICES

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I beg to give notice of:

1. Money Laundering (Prevention and Control) Bill, 2001.
2. Mutual Assistance in Criminal Matters (Amendment) Bill, 2001.

FIRST READING OF BILLS

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I beg to move the First Reading of the Money Laundering (Prevention and Control) Bill, 2001.

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

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

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I beg to move the First Reading of the Mutual Assistance in Criminal Matters (Amendment) Bill, 2001.

Rt. Hon. O. S. ARTHUR: I beg to second that, Sir.

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

ORAL REPLIES TO QUESTIONS

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, I beg to give notice that the reply to Parliamentary Question No. 27,

asked by the Honourable Member for St. John on 5th October, 2000 is ready.

I also beg to give notice that the reply to Parliament Question No. 30, asked by the said Honourable Member on 5th October, 2000, is also ready.

Hon. R. D. MARSHALL: Mr. Speaker, I beg to give notice that the reply to Parliamentary Question No. 39, asked by the Member for St. Lucy is ready.

SUSPENSION OF STANDING ORDERS

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I beg to move the suspension of Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44.

Hon. R. N. GREENIDGE: I beg to second that.

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

GOVERNMENT BUSINESS

ORDER NO. 14 – RESOLUTION TO SUPPORT THE MEASURES PROPOSED AND TAKEN BY GOVERNMENT TO COMBAT THE EFFECTS OF THE UNFOLDING GLOBAL ECONOMIC CRISIS ON BARBADOS

Hon. R. R. FARLEY: Mr. Speaker, this Resolution in support of measures which have been laid in this Chamber today, has been brought about by a series of events which no one could ever claim to have been able to predict. We in this Chamber have already, by way of a Resolution last week, passed condolences with respect to the loss of lives of Barbadians primarily, and indeed, citizens from all over the world.

You will recall, Mr. Speaker, that this Honourable Chamber would have been treated to a full presentation of a series of policy measures, which were designed to reposition and restructure the economy generally and the productive sectors. The fact that we are back here today, Sir, to deal with an emergency economic and financial programme really is a matter that was not anticipated.

Sir, the background to this goes beyond September 11th 2001. In fact, you will recall that in May of this year, there was a national consultation on the economy, which was called to deal with a clear indication that there was a slowdown in the world economy and measures were required to stop that slowdown affecting Barbados, as well as scheduling to reposition and rebuild.

Further to that, Sir, measures were introduced into this Parliament on August 8th, to address the issues that I mentioned previously, and for the benefit of the Chamber, I will recall a number of those measures. The fundamental point must be made, Sir, that the crisis to which these policies speak, is very much different from the crisis which occurred in Barbados in the early 1990s.

The 1991 economic crisis was induced by policy failures. The then Administration made a number of poor strategic choices. They were extremely poor in the fiscal management of the economy and that precipitated the 1991 economic crisis. In fact, Sir, the very fundamental difference between then and now on the matter, happens to be, what was the primary objective.

The primary objective in 1991 was the protection of the exchange rate, the saving of the Barbados dollar. The protection of jobs, the protection of the liability of businesses was not a primary concern at that time. They had to be relegated to being issues of lesser importance because the primary issue which was very important at that time, was to save the dollar.

This particular crisis, Sir, is not characterised by any threat to the Barbados dollar. There is no shortage, whatsoever, of foreign exchange and therefore these measures do not have to address that issue in any fundamental way.

The primary objective here, Sir, is the protection of the employment of Barbadians and these measures today represent, and will reflect that as our primary objective. In order to do that, the measures which speak to the stimulation of the economy and the protection and enhancement of the viability of businesses are really just means to that particular end of its protection of the employment of Barbadians. Sir, that represents the difference between then and now. They are both economic crises, but with different causes and objectives.

I want to say that in terms of the cause of this particular crisis, it is primarily a paradigm theory. Sir, several of the assumptions which we have made, not only concerning economic performance by way of tourist arrivals and other particular forms of earnings, but also by way of the assumptions that we had made concerning how the world operates in terms of: the freedom of movement of people, by way of sea and air travel; the freedom and movement of capital across borders and through international financial systems; the assumptions that we would have made concerning the integration of world markets, all of that have been, Sir, to a large extent, cast asunder by the events of September 11th 2001.

It is therefore necessary to evolve a response which deals with the immediate issues as we see them but which also recognises that the events are still unfolding. In fact, Sir, there is a view that those events were so dramatic in terms of their impact on the assumptions we make about the world, how business is conducted and therefore, the very underpinnings of our economic system, that we are indeed at the start of a whole new world.

These measures therefore will speak to what we propose to do over the initial 90-day period, at the end of which a review will be undertaken. Sir, based on information available, we will make adjustments to our plan, as we go forward. But to arrive at this point, Sir, we have not done it alone and at the start of this presentation, I offer thanks and appreciation to the Government and the full social partnership of Barbados.

In the same spirit of the main consultations was the convening of a national consultation on the economy on the 28th September. We invited the unions of Barbados and they attended. We invited the private sector of Barbados and they attended. We invited the Opposition of Barbados and it boycotted. Sir, that robbed us of the opportunity of evolving what would have been, not only a national response by way of involvement of the Government, the private sector and the unions, but a truly bipartisan cause, in terms of dealing with an issue which is of national significance.

We are pleased, Sir, that the social partners participated fully, not only in the activity on that day but in the ongoing consultations which were conducted by an economic emergency council and whose work was supported by a technical subcommittee. I want to thank them on the one hand and to castigate the Opposition for once again paying more attention to their internal affairs and parochial matters, than dealing with national matters. Sir, we are here and we have to move on.

11.35 a.m.

The National Emergency Economic Council which is chaired by the Prime Minister, the Right Honourable Owen Arthur and include the Minister of Foreign Affairs and Foreign Trade, the Attorney General, the Minister of Economic Development, the Minister of Commerce, Consumer Affairs and Business Development, the Minister of Tourism and International Transport, the Minister of Agriculture and Rural Development, the Congress of Trade Unions and Staff Associations of Barbados (CTUSAB), the Barbados Private Sector Agency, the Central Bank of Barbados, Professor Frank Alleyne and Dr. Michael Howard both of the University of the West Indies and very distinguished Barbadian economists represent the tripartite approach to the development of these matters.

Sir, the technical group was made up of technical representatives of the organisations called so far in which the private sector entities were able to participate fully. These private sector entities were the Barbados Chamber of Commerce, the Small Business Association, the Barbados Agricultural Society and the Barbados Manufacturers Association. They were able to participate on a daily ongoing basis with the Government in the fine-tuning and preparation of this plan which is before us. So once again, I must express the thanks of the Government to our partners.

Sir, where we are today is a combination of what happened on September 11, 2001 to which these measures now seek to address and must be considered within the context of the measures which were introduced in this Parliament on August 08, 2001 which dealt with a general slowdown in the world economy and its potential to cause a decline in the Barbadian economy.

The Government, during the first half of the year, recognised that the way the international economy was moving was going to lead to a slowdown in the Barbados economy. The Minister of Finance and Prime Minister of Barbados would have made several major public statements in this matter but more particularly by way of the letters of invitations which would have gone out to the stakeholders inviting their participation in the May 28 consultations on the economy. The tone and tenor of the remarks which were delivered to the Government by the private sector and, indeed, the unions at the opening of that consultation all reflected the fact that it was widely known and widely recognised that the world led by the United States of America's economy after ten years of strong growth had now gone into a decline. In fact, economies such as Japan were in recession and other major markets were in stagnation or showing much the slower rate of growth.

So the nonsense that is being put abroad that there was a decline in the economy before September as if that was an original discovery and that we are focussing on September 11 as if it was the start of everything, needs to be shown up for what it is, which is unadulterated nonsense, because the Government has been leading the charge by being in full, clear communication with the public of Barbados and as usual by taking the public into our confidence to let them know that they should prepare themselves for some of these times.

So for commentators led by persons in the Opposition, most of whom are not in this place, to suggest that they are now revealing to the public that there was a slowdown in the economy before September 11 suggest that they were fast asleep for the first nine months of the year. Indeed, I believe their performance would suggest that might very well have been the case that they were very much fast asleep.

If you look, Sir, at the presentation of August 08, 2001 you will see that the Minister of Finance on page 8 of that presentation indicates that, and I quote:

"The global economic outlook is therefore deteriorating rapidly, as problems originating in the USA spread around the world."

He made that point in his own words under the caption of the domestic economy and I quote:

"In our case, there is now clear evidence that there has been a slow down in economic activity in the first half of 2001."

We have explained all the reasons for that. For example, in the United States of America where much of the economic growth has been driven by rapid and sustained increases in consumer spending and by a tremendous wealth effect caused by the fact that the tremendous growth in the securities market in which at least 50 per cent of the United States of America's population has investments either by way of direct trade or by way of their ownership in mutual funds and related investments that the fall in the value of the market would obviously have dented the wealth of the American consumer and would have caused them to start to exercise caution in terms of sustained consumer expenditure.

That obviously had its first and immediate direct impact on the tourism and leisure sector which constitutes the first line of discretionary expenditure. As a result of that, it caused a slow down in the Barbados economy.

The measures, therefore, as announced in this Parliament on August 8, were proposals informed by the national consultation on the economy of May 28 which recognised the slowing down of the world economy, particularly the economies of the United States of America, the United Kingdom and Canada which are our principal markets for goods and services.

Indeed, the objectives as announced by those measures of August 8 were to stimulate economic activity in the short term so that Barbados could return to the three per cent economic growth up from the one per cent path on which it had been cast at that time. It was also to implement a series of measures which would continue the process of fiscal, sectoral and human resource reforms including measures like enhanced productivity which were so necessary to make Barbados competitive and to put us in a position meaningfully to participate in the economy of the future.

The measures were also intended by way of our fiscal stance to use measures such as tax reform. You will recall, Sir, that we made reductions in corporation tax effective

from income year 2003. We also announced that we would be reviewing by way of reduction personal income taxes during that period as well.

There was a carefully planned and a very targeted programme of financial and technical assistance to the productive sectors aiming to complete the restructuring exercise but also to lead the charge as far as boosting their competitiveness. The vulnerable groups in our society were not forgotten. Those measures, by way of increases in the old age pensions, by way of increases in maternity grants and by way of generally shoring up the social security system, ensured that the vulnerable groups in our society were protected. Of course, we were able to do all of this while maintaining a low fiscal deficit which, as you know, is fundamental to our continued economic stability.

11.45 a.m.

These measures were expected when they had taken their full course from August 8 until at least the end of next year to return us to the three per cent growth path which is our ambition. Within a month and a few days, these measures had all of their functions cast asunder by the events of September 11. Sir, it is important to note that this particular crisis finds us with an economy which through careful management and nurturing is in a position where we have very strong foreign reserves – \$1.1 billion, low inflation, low fiscal deficit and low unemployment. That puts us in a position where we can respond with confidence but with caution where it is warranted.

We have the confidence of a good base from which we can fire our responses. What we are proposing to do today, Sir, represents a package of financial and policy intervention to a cost of some \$31.8 million, the majority of which, \$30.5 million, will be allocated to the tourism sector because that is the sector, Sir, which has been most directly and immediately affected by the crisis, and that is the sector whose stability we must ensure if we are to achieve our objectives of maintaining employment in this economy.

I must make the point, Sir, that these measures today must at all times be considered within the context of the framework which we had established on August 8, and those measures that we had announced are still very much in vogue. In many cases, they will accelerate implementation and these measures are additional to those. It must also be borne in mind when one considers the figures which are involved that sums have been voted in the Estimates of Revenue and Expenditure, 2001–2002, for example, for the marketing of Barbados by way of the Barbados Tourism Authority.

On top of the \$44 million to cover the cost of the operation of the Barbados Tourism Authority that additional

\$20 million would have been granted in August to launch a three-year, strengthened and expanded marketing programme of which \$6.5 million was made available. For example, the \$9.6 million in marketing expenditure which is being presented today would be on top of those expenditures which have already been announced.

Sir, I should perhaps start by providing this Chamber with an overview of our recent economic performance. In the period January to September, the economy is estimated to have declined by 1.5 per cent for the first nine months of the year. There was growth in the first quarter but after that both the trading and non-traded export sectors of the economy and the domestic sectors of the economy registered decline. Tourism declined by some 3.1 per cent. Long-stay arrivals had fallen by some 4.9 per cent between January and September with all major markets showing decline. Cruise ships arrivals, however, would have increased by 7.6 per cent over the period.

Agriculture and manufacturing would have registered decline during the first nine months of the year. You will recall that in our August statement the Government would have made the point that the measures which were being introduced at that time were to stem the decline registered by manufacturing and agriculture which were triggered by the fact that these two sectors would have borne the brunt of the trade liberalization exercise. That result, therefore, is not surprising. The measures which were introduced were measures which would attempt to turn that particular result around.

In terms of inflation, Sir, the inflation rate at the end of June stood at 3.2 per cent which is less than 1 percentage point, to be precise, .6 of a percentage point, higher than it was at the end of June, 2000. In effect, inflation is stable.

Unemployment, Sir, made a slight movement from 9.3 per cent to 10 per cent during the period as well. Our foreign exchange position remains healthy. The net international reserves rose by \$137.9 million at the end of this third quarter ended in September and this is compared to \$204.2 million for that period last year.

In terms of the Government's own outturn of fiscal performance, you will recall, Sir, that in the Estimates last year we had set out as Government's fiscal framework the target of having a deficit of some 3.2 per cent. Current revenue we had projected at that time would have been \$1.795 million and current expenditure inclusive of amortization was to be \$1.845 million. With respect to capital expenditure, our capital expenditure programme had a price tag of some \$332.8 million. I should say to this Parliament that revenue has fallen as has expenditure.

The revision which we propose to make to these targets will be to provide a deficit of \$207.7 million which will represent a deficit of 3.9 per cent of GDP at the end of the financial year.

Sir, how does this crisis affect us? As I indicated earlier, the major impact has been in the area of tourism and impacts have also been felt in international business and financial services sector though these will impact more on the quality and nature of our supervisory and regulatory stance than on the quantum of business which is done. Indeed, there is an opportunity which presents itself which I will discuss in detail later in the presentation.

The reality, Sir, is that given the nature of the attack involving the use of commercial air flights and the loss of lives, not of military personnel and other persons considered in hazardous occupations or in high-risk locations, such an event, obviously, would have severely tainted confidence in air travel, and destinations such as Barbados and other destinations around the world depending on tourism and other aspects of business services which depend on ease of air travel would have immediately felt the impact.
11.55 a.m.

Additionally, Sir, the dent in confidence in the economies of the USA, Canada and Europe when added to the decline in the stock market and the reduction in consumer confidence will also have led to greater deceleration of the economy, to a faster slow down to put it in contradictory terms. In essence, those economies will slow down and that will have an impact on us.

In terms of tourism, persons have adopted a wait and see attitude. They know what the crisis is, the full extent of USA's response has to be quantified and the subsequent threats which have been made against the retaliation are factors which not only we on this Side will be examining closely but which the travelling public, by way of the tourists who come to our island and the business executives who travel to our island to conduct their business, would also be keeping under review.

Sir, we must understand that in terms of potential impact that tourism represents a major component of the economy and accounts for 15 per cent of GDP and at least 50 per cent of our foreign exchange and has done so consistently over the last eight years. The sector itself is a significant employer of Barbadians. At the end of June, the sector employed 12 800 in direct employment. This figure does not include the number of persons who are employed indirectly in the tourism sector. This is one of the fundamental tenets on which this intervention package is based that any interruption in tourism activity for Barbados will reverberate across all the business sectors in this country

and clearly, therefore, would have negative effects on the economy. What is less clear is the extent of the impact. Sir, I am not in the business of looking into crystal balls. If I were, I would have been able to predict many things to my advantage and to the advantage of several other persons. Sir, what we can do, however, is to use the best analysis available to us to ensure that our decision-making is not based on wild guesses and that it is based on analysis and the examination of a number of alternative scenarios.

Sir, we believe that our best bet is to plan for a worse case scenario because if we plan for the worse case scenario in terms of its impact on the economy, it means that we will be in a position to more than ride out any lesser impacts should that be the case.

Sir, based on the discussions of persons in the tourism industry, the airline industry, historical research, forward bookings and several other criteria, we have decided to work with a program which looked at a worse case scenario which involves a 30 per cent decline in long-stay visitor arrivals to Barbados and a 15 per cent decline in cruise ship visitors to Barbados, that is the worse case scenario against which we are planning.

More fundamentally, we are satisfied that the measures which we will introduce by way of the response to this crisis will cut any potential impact of this economic crisis by half. This is our strategic objective, to cut the impact by half in terms of the impact on the economy. Therefore, without Government's interventions we would have had a projected loss of earnings and related matters based on a 30 per cent decline in the economy but with the intervention package which includes a wide range of measures designed to boost marketing and stimulate the economy we will cut the impact by half.

Sir, this brings us to the actions which we propose to take. We are going to do a number of things. Whilst we are looking to stabilize our macroeconomic situation, this will be done at all times keeping our eyes firmly focussed on the economic fundamentals. We will not squander our long-term growth prospects or our future viability merely to have immediate stabilization. We will balance these two imperatives.

We will, therefore, be seeking to maintain low inflation and employment levels as well as stimulate economic growth. The principal objective is the maintenance of employment. As indicated earlier, these measures which we are announcing are focussed on the 90-day period in the first instance because the situation is very dynamic and fluid and no one anywhere in the world at this stage can make definite plans. We can state our objectives and the measures we will take, but these obviously, will have to be adjusted to meet the situation. The plan will, of course, keep in very sharp

focus the need to continue to build and maintain capacity in the economy.

Sir, even though there is likely to be a downturn in business during the crisis it is important, in our estimation, to protect the viability of domestic enterprises in the productive sector such as would enable them to capitalize on opportunities as exist now and also to be in a position to capitalize on opportunities when the world starts to rebound.

Sir, I will give an example. At some point in time the situation will turn around and persons will travel in increasing numbers for tourism or business matters. We need to make sure that the viability of the tourism sector is such that hotels continue to be in business and we believe very seriously that now is the time to build capacity. Now is the time to address a number of the structural and long-term issues as they affect several of the productive sectors including tourism. Now is the time to undertake expansion, now is the time to deal with issues of the quality of service and to give better value for money. Now is the time to deal with the issues of productivity and cost and now is the time to ensure that when persons in tourism markets around the world decide to travel that Barbados is the first at the top of their minds and when they do, that they are able to derive maximum satisfaction.

Now is not the time to retreat, now is time to build, to reposition, to be ready when the world returns to a state of normalcy, and, indeed, growth.
12.05 p.m.

Sir, these are fundamental measures which we are taking. These measures are also intended, by way of setting monetary measures, to provide cheaper finance to business enterprises, to lower the cost of doing business and the cost of producing. It also aims to ensure that precautionary measures are taken by way of our approach to the capital markets to ensure that in the event access to the market tightens in future, which we expect it will, we would have used our good position, as it stands now, to good effect.

Sir, incumbent to these measures, I must make the point that the Opposition, through its spokesman in the Other Place, has made some proposals and has given some gratuitous advice to the Government. It would have been better if he had come to the consultation on September 28, 2001 and made them there, and he would have had the opportunity to point out his folly of the proposals as they were presented. I am getting to understand why we have taken the other course.

Sir, he is proposing that by way of measures, Government should, for example, raise interest rates at this time. Sir, to raise interest rates, obviously impacts negatively

on the cost of doing business. The high cost of doing business will be passed on to the consumer by way of higher prices and reduce competitiveness locally and internationally. Also, many businesses will be driven to the wall by way of being unable to afford financing for their business operations. What good will it do us to drive our businesses to the wall today and then when the economy should recover, we do not have a base of viable businesses to undertake the productive activities in this country?

It was also recommended that it would be something akin to gouging on the part of the Government. It would be an unconscionable act for a Government which recognises that interest rates are the lowest that they have been for a long time – it is unlikely that anytime in the near future that the stars will be in such an alignment – that would see eight consecutive interest rate reductions in the United States of America, the major capital market, which have triggered interest rates reductions around the world; for Government and the financial sector to have access to lower cost capital and for a Government to raise interest rates to gouge the productive sectors of Barbados and individual consumers who would need access to finance of one sort or the other.

Therefore, we have not taken the advice rendered by the Opposition on this matter of interest rates. We do not believe that we should inflict such torture on the public of Barbados which already has to deal with the matter of the world's recession and its impact on Barbados.

The spokesman for the Opposition further suggested that we should lower taxes. I want to say that the Government has, over the last several years, made significant adjustments to the rates of taxes, particularly, as they impact on individuals in the lower income bracket. There are few places in the world where persons who do not pay taxes get tax refunds. You will recall the reverse tax credit where persons in the lower income bracket, who do not have to pay income taxes, have been able on filing to get a refund of \$500. We had, over time, raised the threshold for which no income taxes are paid. Sir, that benefits both the lower and higher income earners because everybody has the same exception on taxes up front.

The Value Added Tax represents a reduction in level of indirect taxation in Barbados by a significant degree. It has broadened the base, therefore, allows for a greater participation by all aspects of the economy. It will ensure that the tax is able to perform and contribute to the development of our society, not only in times of plenty but in times of need.

Sir, the matter of lowering taxes also has to be seen against the background of the need for Government to be in a position to intervene in the economy, for example, by way of this intervention package, and anything that is needed

in the periods, as we examine them until the end of the crisis. I would want the Opposition to say how they would be able to respond by way of the intervention, where necessary, in the face of revenue, which is already falling by way of the slowing down of the economy, but also by way of further reductions in tax.

The spokesman for the Opposition, as in the case of the no-show Opposition these days, clearly did not listen to, read, mark, learn or inwardly digest the Budget of August 8, 2001. Sir, the lowering of the level of taxes was announced for the corporate sector by way of the announced reduction of the corporation tax in the upper level of 40 per cent to 33 1/3 per cent over a series of steps in the next few years, starting with a 2.5 per cent reduction in the income year 2002.

It was also indicated that there will be a review of the announcement made of the proposals concerning personal income taxation. Sir, that measure was overtaken before the gratuitous advice, useless as it is, was rendered by the spokesman for the Opposition. Mr. Speaker, it is against that background that we have undertaken these measures. 12.15 p.m.

What are these measures, Sir? In addition to the measures which were previously introduced in the August 8th Budget, these measures now intend to ease the cash flow of businesses by reducing the cost of doing business at this point in time and also to the recent steps that we have taken to reduce interest rates in Barbados by 3 per cent, to leave an average major lending rate of some 8.5 per cent.

Through the Central Bank, we are also preparing to reduce the requirement in the commercial banking sector which will be done if the liquidity situation tightens. This will ensure that not only the cost of finance will be low, but that access to finance continues to be opened.

During this particular package these measures have, as its first objective, to protect jobs. Government will lead the way by protecting and maintaining private sector employment during the crisis and that represents one of the fundamental points of departure from the 1991 issue.

We also will ensure that these measures will put us in a position where it will enable the productive sectors to maintain private sector employment and to take opportunities of future growth where that occurs.

How do we do that, Sir? We have already undertaken a review of expenditure within the Government. As indicated the expenditure has been below the projected levels because of the serious measure that we have introduced.

What we will do is to continue to keep all discretionary expenditure under review. That is expenditure which does

not relate to wages and other key commitments in recurring expenditure. We have already redirected available funds to deal with the issues that relate to this crisis. For example, in the area of tourism, the start of the measures that are the subject of this table, has not awaited the introduction of this measure to Parliament. It did not await the completion of all the consultations. We have already utilized funds which were budgeted for the entire year for tourism and other areas in the Estimates to be spent during this third quarter period, to ensure that we are able to meet the requirements and to make sure that we are able to have swift responses.

Later in the year, if it becomes necessary and we have to seek supplementary expenditure to top up those Heads, where we have already redirected the expenditure in order to tidy up those responses, we will do that so that there has been no slowness, no delays, no hemming and hawing in terms of our response to these very important matters.

With respect to our Capital Works Programme, this had been designed around a series of projects which were intended to build capacity within the economy. There were no grandiose projects, no show pieces, no capital projects which were purely aesthetics in nature. All of the Capital Projects which were announced in the Capital Works Programme were intended to contribute to our capacity to earn into the future. They were geared particularly towards our capacity to earn foreign exchange in the future. Therefore, such a very ambitious programme of capital works was announced, and I would want to say that all of those projects will proceed as planned.

We have taken the caution as well of ensuring that several creative means of financing those projects were explored and have been put in place. Therefore, we are able to continue these projects, which also represent an investment in the future.

The expansion of the Grantley Adams International Airport, is an essential project that must continue. That expansion is not only due, but we all will agree that in terms of passenger traffic, it is even overdue in relation to the country going forward.

The expansion of the Bridgetown Port is also a vital project and will be done. The Government's Housing Programme, an important investment in the future of our people, an important element in the social stability of Barbados, an important investment in the infrastructure of Barbados, this will also be done.

Sir, as far as we are able to discern, the private sector projects, primarily in tourism, will continue.

The Urban Rehabilitation Programme, a joint private/public sector project of which the Government's component is some \$75 million, will continue. Work is well

underway in the St. Lawrence Gap area to make that tourist spot a more attractive and user friendly one. Work is also underway to make Bridgetown a Capital City of which we can be proud and which can contribute to our tourism potential. The Pierhead Development Project, a private sector project, along with several other investments will continue. Therefore, our Capital Works Programme will continue to contribute to the stimulation of the economy, but more fundamentally, will contribute to building the capacity which is required for us to be able to earn our way into the future.

Mr. Speaker, we can say that our fiscal stance during this period is an expansionary one. The Government will not be going into retreat in the face of this particular crisis. We, Sir, can say that our fiscal approach is built around the maintenance of employment. We do not plan to force the workers to bear the brunt of this crisis. We can also say that we will, and have already reduced discretionary expenditure and redirected existing allocation for the emergency at hand.

We will use a public sector investment programme to build capacity for the post-emergency future because, again, this crisis will come to an end at some point in time in the future. We are keeping our eyes firmly on that moment and are ensuring that we are able to participate meaningfully and fully at that time.

The programme of price support and debt relief to the productive sector is geared at the protection of the private sector jobs through the viability of a number of enterprises.

In terms of the capital markets, we believe that this time it is wise, though not necessary, to approach the capital markets and we propose to raise some US\$150 million on the capital market. Sir, this has to be taken in context because it is all a matter of timing. We already have \$1.1 billion which covers 26 weeks of imports. The international norm where one is considered to be safe, sound and adequate, is 13 weeks of import cover. Therefore, there is a full adequacy of foreign exchange cover.

Note Sir, that devaluation is not part of the dictionary for Barbados, but it is important to note that the cost of capital is at the lowest that it has been for a long time and that all indications are that the capital markets will tighten considerably over the next 18 months.

12.25 p.m.

Sir, we are also in the happy position, after years of sound economic management, to have a credit rating which is extremely high. Our credit rating by Moody and Standard and Poor's has improved tremendously. It has always been very good, but it improved by 9.6 points during the last year. In terms of rapid growth of rating, it was about the fifth or sixth highest rate of growth, of a credit rating, in the world.

Sir, independent observers of this economy are satisfied and they are prepared to put their reputation and their money where their words are to improve our credit rating. These are not people with an axe to grind. They do not have investments in Barbados and they do not want to take over the Government. These are people who examine countries all over the world and in their professional opinion, say that this is the level of confidence which you can have in the ability of Country X or Country Y, to be able to repay a loan, if granted.

Sir, these ratings simply say that Barbados is in a better and a stronger position than it had been in any time in the past and, further, that between last year and this year, Barbados is in a better and even stronger position to be able to take on and repay a debt. Sir, it is nothing to do with fate: this has to do with analysis. This has to do with reality. This has to do with projections into the future. Sir, these ratings are saying that these analysts, having examined the structure of the Barbados economy, having examined the productive sectors of the economy, having examined the way that the Government is administered, having examined our economic policies generally, particularly our monetary policies, our fiscal policies, are satisfied that Barbados is a fit and proper country with which to do business.

Sir, we are in the position of having the third highest credit rating in the entire Latin American and Caribbean region. We have a credit rating which is the envy of many. I must also make the point that we are in a position by not having abused the fact that we have a good credit rating, by not having borrowed excessively. Sir, you could have a good credit rating and you could borrow yourself to death, but the Government of Barbados has not done that. In fact, this Administration is in the position where we have reduced the level of debt in Barbados over the last several years. We are in the position, Sir, where the level of debt, as a percentage of GDP, was 30 per cent in 1992. We brought it down to 13.1 per cent in the year 2000 but the more important measure is when we look at our export earnings and our debt service because that, at the end of the day, is the equivalent to making a cash flow analysis; because you can be asset rich and cash poor, whether as a business or as a country and find yourself in serious trouble.

Aside.

Hon. R. R. FARLEY: ...ask Plantations Limited. That is reality.

Sir, we are in the position where our debt service ratio, that is, the percentage of debt or the percentage of our export earnings which we have to pay out as debt, which was 17.8 per cent of exports in 1992, at the end of the year 2000 was some 7.3 per cent. This is very low. The international norm

for this indicative statistic is in the region of 20 to 25 per cent and that is not our preferred norm in Barbados. We do not plan to go there but that gives you an idea of our status.

Sir, it is interesting to see whom we compare with and looking at the statistics in terms of the debt ratio, Barbados is lower than China, Korea, Trinidad, Mexico, Israel, Chile and even Qatar. Therefore, you can understand that in terms of our ability as a country, when the need arises, being able to go to the markets say to them that we have this proposal, we want to raise US\$150 million or whatever is the figure, we are in a stronger position and our ability to do so is even more respected than some of these countries that I mentioned, because our debt service ratio, the amount of our export earnings that we have to pay out by way of debt repayments on an annual basis, is extremely low compared to these countries that I mentioned. Therefore, that speaks to the issue of affordability.

I mentioned earlier that the rate of interest is very low. The cost of finance today is as low as it will be for a long, long time. We anticipate, based on existing numbers that we should be able to achieve a rate somewhere in the region of 8¼ to 8½ per cent and we will be looking, Sir, to have the longest possible term maturity on this financing, perhaps something in the region of 20 years. Sir, those details are obviously subject to traditions in the market when we do, in fact, go.

Sir, I want to say that this visit to the market can be undertaken, for all the reasons that I have advanced, without any threat to the viability of the economy, and without any threat to future generations of Barbadians. Sir, those are the macro-measures to the package.

As I indicated earlier, Sir, we are working on a worse case scenario but if the worse should come to the worst, these are the numbers we project but we are anticipating that they will not come to that. That worse case scenario would see a 30 per cent fall in long stay visitor arrivals to Barbados which along with a 15 per cent decline in cruise ship visitors in the last quarter, would translate into a decline of 7.1 per cent in the tourism sector and lost earnings of \$102.9 million during the last quarter of the year. Our policy intervention is designed to cut this impact by half if the worse should come to the worst. For tourism, therefore, we are proceeding along the following path.

12.35 p.m.

Now, I should mention, before I specify the package that in terms of this loss that we have calculated that we must factor in again as a worse case scenario not only a decline in the number of tourists visiting the island but also the likelihood that hoteliers would have to provide discounts in

order to encourage businesses to come to our shore and therefore that is going to be taken into account.

The measures for tourism have to be seen in conjunction with those which were granted in August. You will recall, Sir, that a major incentive package was unveiled all of which would be included in the new sustainable tourism bill and will include additional incentives for mega investments for eco-tourism projects and other projects. It will also broaden the incentive to cover not only hotels but restaurants and others in what is called the ancillary sector.

Twenty million dollars of additional marketing money was made available with \$6.5 million being made available for the current year. In light of this present crisis the new measures, therefore, which would form the 90-day package are measures which are aimed at giving a boost to marketing, tightening the airport and seaport security and maintaining the viability of the businesses in the sector.

So by way of expenditure of the \$30.5 million on tourism we will spend \$2.4 million on enhanced security for the airport and the seaport. We will spend \$800 000 in support of the airline industry, that is, the scheduled air carriers. We will spend \$2.5 million in support of the tour operators because they contribute some 70 to 80 per cent of tourist traffic coming to Barbados and also operate airlift capacity into Barbados. The marketing boost will be some \$9.6 million in addition to all that has been granted before. For the accommodation sector support will be to the tune of \$10 million. We will take the opportunity to create what we like to call a more welcoming environment, and a package of \$2.5 million has been devised for that.

In addition to providing support to businesses in the tourism sector, the funds currently residing in the Industrial Credit Fund will be utilised through the Central Bank of Barbados to provide financing for overdraft facility which would allow for working capital support to affected tourism businesses during the crisis period.

We are also stipulating that the interest rate on this overdraft facility for working capital purposes must not exceed 6 per cent and would be available for the period December 2001 to December 2002. That would be created as one of the guarantee schemes.

We are satisfied that this additional expenditure is urgent, unavoidable and is required in order for us to boost the sluggish performance at this time as well as to ensure that we have an industry intact which is able to take advantage of future opportunities.

Security concerns are obviously first and foremost on the minds of everyone. In fact, if the truth be told, it can best be described as a security paranoia that has developed in the world, particularly in the United States of America, as a result of the incident which has occurred. But the bottom-line reality is that whatever we choose to call it there is a need for greater security measures to be adopted around the world because we never know where the terrorists may choose as a weak point.

The other reality is that economies such as ours which depend to a significant degree on international air travel for the movement of goods through the air and on the sea must of necessity protect our international ratings for our airports and harbours in order that there is no compromise or remote possibility of international airlines or international shipping services being forced to discontinue services to this country because we did not meet some international standard.

Barbados has always, I am proud to say, maintained very high standards for civil aviation and maritime activities. Indeed, we have been a member of the international civil aviation organisation for many years as well as a member of the international maritime organisation.

Sir, the Federal Aviation Administration (FAA) of the United States of America has mandated new standards as well. As a result, some of the work which has been in train by way of improvements at the airport has now to be put into fast forward.

It is required that we immediately provide enhanced security for our terminal buildings, our airfield facilities, the runway and associated facilities, our civil aviation navigation facilities and the like by providing surveillance cameras or other forms of electronic surveillance on the perimeter of the airfield. For example, the fence that goes along the Fairy Valley Road has to be monitored, the various gates around the airport have to be monitored on a 24-hour basis and entry into the terminal buildings has to be further controlled. Accesses to the control tower, the radar installation at Charnocks and the repeater station at Gun Hill all have to be restricted and security enhanced. It is not a matter of programming this into the future. These measures have to be taken now as a result of this emergency at hand.

There are several other matters relating to security which I am not at liberty to discuss. However, matters relating to certain procedural issues and other matters have already been considered and will be kept under constant focus by the National Security Council which will continue to meet on this particular matter.

You will notice as well, Sir, that passengers have already felt the impact of these heightened measures. For example, American Airlines has been required by the FAA to introduce hand searches of luggage at the airport in

Barbados for flights into the United States of America. I am told this is being done by all carriers and not just American Airlines. The security searches and checks will start whilst you are still here in Barbados and even before you get to the United States of America. You will find that certain arrangements concerning traffic flows have had to be introduced at the Airport in terms of where you can disembark to enter the terminals and departures at the insistence of the FAA. In short, we have had to undertake expenditure to change our procedures in order to defend our continued position as a major hub to the Caribbean region and a location to which major airlines will continue to fly. 12.45 p.m.

In terms of airlines, we have been approached for a range of support by the airlines, tour operators and others. The airline industry has been very hard hit by this crisis. I believe that between the major airlines the layoffs have been in the region of 100 000 persons. The losses have been in billions of dollars. Some airlines which have their major hubs at airports which have been at the heart of the terrorist activity have been negatively affected more so than others, but the bottom line reality is that Barbados has, as its primary objective, the preservation of existing airlift capacity and, as another objective, the increase in the load factors, putting more bodies into those seats that we have maintained into Barbados.

As it stands now, Sir, we have coming into Barbados on 34 flights a week from the United States of America some 5 710 seats. We have out of the United Kingdom a capacity for 6 225 seats on 19 flights per week. We want, in the first instance, to maintain that capacity. We also would have announced a programme in August where, based on the work of the Government we have been able to secure an additional 2 110 seats per week. We will not now attain that full target. For example, US Airways is still coming but on a reduced schedule of four flights per week rather than seven. Others have had to revise their schedules. We want to maintain our base load and still strive for the increased capacity, where possible, and the marketing support will be aimed at having bodies in those seats. This is where the support for the tour operators will be critical.

Tour operators operating out of the United Kingdom account by way of Britannia, Virgin Tours, Thompson and others form 78 per cent of traffic out of that market. In many cases of cost-cutting measures, these tour operators have substantially slashed their marketing budgets. We will be entering cooperative marketing programmes with these entities to ensure that we are able to keep our market presence alive and that we are able to fill these seats which, through support for the airlines, we are able to have coming into Barbados. These measures, of course, are intended to mitigate the downturn in tourism and therefore protect jobs.

Further measures in the tourism sector impact on the accommodation sector. The accommodation sector needs to be kept in business so that the benefits of enhanced marketing, airlifts into Barbados, begin to take root and to bear fruit so that there will, in fact, be capacity to have rooms in which visitors can stay. It will not help Barbados if hotels all around Barbados decide to close for a month or two or three months, whatever the case may be. As I indicated earlier, in addition to reduction in the number of persons arriving, in order to encourage persons and indeed to respond to what the market has now determined to be its *modus operandi*, that is, the market is in a mood where they are bargain hunting and where they are forcing discounts, it is expected that discounts in the region of 20 per cent have been offered. In some cases, some persons may be even forced in a worse case scenario to go to 30 per cent or 40 per cent or worst.

It is important by whatever way the discounts are offered, whether by reduced prices for the rooms or an additional three days or other inducements, for us to ensure that businesses in this sector are able at least to meet their basic operating costs. The Government is not attempting to create a mechanism by which investors in hotels in Barbados do not share in the losses made by their properties or by their businesses during a downturn in business.

Government is not proposing to put money into the hands of hoteliers. Government is recognising that we have to protect jobs in this sector and one way of doing that is by ensuring that if by way of reduction of occupancy, by way of loss of revenue because of discounting, by way of loss of revenue based on the bankruptcy or failure of tour operators and their inability to pay the sums to hoteliers that are due to them, we are able through a price support mechanism to help hotels at least to cover their costs, thereby ensuring that workers are not a casualty. They must be in a position to pay their wages so that the effects will not impact on the workers of Barbados.

Hotels will be required to submit documentation in support of their claim of losses. It is not a cash cow. It is not there as a free for all. It is not a slush fund where the number of hotels was taken and the total of the money divided by the number of hotels and grants given. It is a situation where the needs will be assessed and the plans applied accordingly. That fund is to deal with cash shortages. Cash-rich hotels obviously are able to ride out reductions in income more so than those that are cash-poor.

Of the funds, \$10 million will be made available from the resources of the Tourism Investment Loan Fund. That Fund of \$30 million which was created will be able to allow us to provide this support without worsening our fiscal position, and that is an important point.

Mr. Speaker, before we break I will just conclude on tourism and resume on the other sectors afterwards.

In terms of marketing, it is clear that in this environment we need to keep the message of Barbados being open for business and Barbados being the perfect choice very much in the face of persons in the market. It is also necessary, Sir, that with some of the advertisements, we would have had to refocus and refashion these ads so that they do not appear to be unsympathetic to the situation that is occurring in the United States, in particular. We need to empathize with persons in the market while at the same time offering ourselves as a viable, pleasant and enjoyable place to be by way of a holiday, to get away from stress, a place to relax but, generally, to let people know that Barbados is open for business and ready to welcome them.

We have therefore taken a decision that the Barbados Tourism Authority in association with the private sector which will be putting some money into this project as well – \$2 million – for the joint marketing of Barbados. Government will put \$9.6 million in addition to the \$6.5 million of August and the significant millions which would have been included in the Estimates of Revenue and Expenditure for marketing purposes to heighten our market presence in New York, Atlanta, Miami, Toronto and, generally speaking, across Canada and across the United States of America.

Sir, we have to be mindful of the fact. We have always been but we want to pay particular attention to it at this point...
12.55 p.m.

When these measures pay off and we are able to welcome visitors to these shores, what are we welcoming them to? We all agree that we need to take all urgent steps during this 90-day period to ensure that we have a more welcoming environment generally by way of how we treat ourselves and visitors and also by way of the physical environment to make sure that it is clean and tidy.

Barbados needs to ensure that it takes on the image of a guardian country. Work has already started with the Beautify Barbados Program which started last year. A team has been working from the roundabout at the Airport down the ABC Highway, they have removed grass and bush from the side of the road and have planted bougainvillea and other sturdy flowering shrubs along the corridors of the highway. This work will continue and be expanded.

We also need to encourage the private sector and citizens to engage in a series of paint-the-town competitions and we need to provide some finances for this. The agency which currently executes these programs will be involved and this project will augment the existing exercises of the

National Conservation Commission, Sanitation Services Authority, the Ministry of Health and the Ministry of Public Works.

There will be a co-ordinated committee by the Ministry of Economic Development which will include the Ministry of Health, the Ministry of Tourism, the Ministry of Public Works and the Ministry of Physical Development to ensure that we are able to develop a more welcoming environment for ourselves which will have a positive impact on visitors as well.

Mr. Speaker, those are the details of the programs for tourism. When I return after lunch, I will conclude by discussing the measures we will take for international business, agriculture, manufacturing, the small business sector and energy.

SUSPENSION

Hon. Miss M. A. MOTTLEY: Mr. Speaker, Sir, I beg to move that this House be suspended until 2.15 p.m.

Hon. R. N. GREENIDGE: I beg to second that.

The question that the House be suspended until 2.15 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the House accordingly.
1.00 p.m.

RESUMPTION

Mr. SPEAKER: This Sitting is resumed.

Hon. R. R. FARLEY: Mr. Speaker, the international business sector is the area that I want to deal with in relation to the National Emergency Economic and Financial Programme of the Government. The international business sector had a rather soft performance in the first nine months of this year. This is in part due to the cessation of the foreign sales corporation regime at the beginning of this year. Sir, notwithstanding the World Trade Organisation's ruling against Foreign Sales Corporations around 1998 there were still registrations of new entities at a slower rate. For example, last year there were approximately 180 registered Foreign Sales Corporations; but this year there was none.

In addition, there was a slower rate of registration for international companies and other entities due to the uncertainty which has been caused by the OECD Harmful Tax Initiatives which continues to be a threat to the sector in Barbados.

In terms of the impact of this particular world crisis on the international business and financial sector, it is

envisaged that great attention will be paid to the sector as if it is a crisis. What does that translate into, Sir? You would be aware that the origin of the OECD Harmful Tax Initiatives was on the interest of a number of countries, particularly countries in the European Union, to seek to curb the activities of the international financial centres and to seek, in other cases, to drive business back to the few large developed countries which had traditionally provided such services.

For example, Delaware, Manhattan, London and Switzerland are the places which have been the traditional centres of finance. Therefore, the motivation was not always a matter of simply tightening regulations and things of that sort. Sir, this put us in a position where we had, on our own initiative, taken a number of actions, including the strengthening our supervision and regulation of the international business sector. We have expanded the number of tax treaties which we had. We have produced new legislation to offer a wider range of products and services in the sector and we have engaged in more aggressive marketing of this sector.

Sir, this present crisis, obviously, heightens concerns by the international community as far as this sector is concerned. It also provides an interesting opportunity in the area of the insurance sector within the international business and financial services sector. As you would be aware, the insurance industry worldwide would have been under the heavy claims which were made on the property side in relation to buildings and aeroplanes, on the life side from the loss of life. In this climate, it is anticipated that there will be a great opportunity and interest by the insurance companies and by companies which own large assets. In terms of buildings, vehicles and other assets, there will be an interest in people forming captive insurance companies.

A captive insurance company is a self-insurance mechanism which is still subject to the regulation and supervision of the Supervisor of Insurance in whichever country it is formed and which performs insurance services but for the benefit of itself. Therefore, the companies are able to save on insurance premiums.

It is anticipated that as a result of the crisis, insurance premiums around the world will increase by 30 – 40 per cent and Barbados can expect to face that challenge as well. All of the insurance that is taken in Barbados is further reinsured on the reinsurance market. When you purchase your car or home insurance from a company in Barbados, the insurance company diversifies the risk by reinsuring and protecting their own financial liability and to ensure that in the event of a major claim on that individual company, they are in a position to pay. The reinsurers are large international insurance companies, some of which have offices here in Barbados.

Therefore, we can expect when new rates are put out, we may face increased rates for insurance. The Government is currently working with the local insurance industry to look at ways in which we can mitigate the impact of such increases on the public. This does not form part of this particular 90-day programme because the possibility of the increase of insurance on domestic rates will occur next year when the insurance industry puts out new reinsurance rates for the year 2002. This information is not available and we are, therefore, not in a position to deal with that.

In terms of the international insurance sector, we will move very aggressively by way of marketing, to take advantage of the opportunity which has been provided. It is estimated that each additional insurance company in Barbados, given the cost of operation and related matters, makes a contribution in the region of \$800 000 a year to the economy of Barbados. Sir, you will, therefore, appreciate and understand that attracting an increased number of insurance companies to Barbados, by way of the captive insurance companies, will result in great economic benefit. The bottom line is, international owners of assets will be moving to create captive insurance companies and we, therefore, want them to come to Barbados rather than anywhere else in the world.

Sir, during the 90-day period, an additional \$100 000 will be provided for the marketing of the insurance sector, specifically, by way of attendance at two major trade shows in relation to captive insurance, including the World Captive Forum, which is the leading international trade conference which relates to this particular sector.

Sir, we urgently need to address the matter of the propaganda which has implicated offshore financial sectors as aid to terrorism and which by definition would suggest that there will be need for closer scrutiny in place on offshore financial centres and any other kind of business centre. We need to utilise the resources of our foreign missions and other governmental resources to ensure that Canada, the United States of America, among others, that they understand what Barbados has to offer and that they recognise that we have no role to play by the utilisation of Barbados in any way to facilitate this particular terrorist activity or any other terrorist activity. Therefore, meetings of that sort have to be arranged and an additional \$60 000 is being provided to cover such.

Also, Government will focus on the level of foreign affairs of the State departments and the level of the Treasury, that the officials understand these matters and the law makers in those countries understand these matters as well.

We have already committed resources to deal with the matter of the public perception of our country as far as its

financial system is concerned. For example, in Canada, the *Maclean*, which is their leading business magazine has, from time to time, along with the *Globe* and *Mail* run a number of stories about these new Canadian investments in Barbados. These stories are written by persons who believe that the Government of Canada should move to take some steps to curb the flow of investment from Canada into Barbados.

Clearly, those types of stories will give greater prominence which will attract the attention of more people and we would be working to counter that with stories of our own, giving the other side of the story. An additional \$50 000 is provided for that during this 90-day period to ensure that with the public relations and propaganda game which is going on, that Barbados' business sector does not end up being the loser.

We will ensure that a clear statement is made about these important things of Barbados. We know, but the world may not know, that we support the international fight to track funds that go to support terrorism. We also support the international fight against money laundering. Legislation will come to this Parliament which will seek to strengthen our already strong leadership, which we have shown in this fight against international criminal activity.

We will also make the point to the world that we have to place the necessary capability to detect and attract such funds if there are attempts to go through Barbados with the establishment of the Financial Intelligence Unit and the establishment of our Anti-Money Laundering Authority. Therefore, persons could not easily use Barbados as a location for this kind of unsavory international activity.

Sir, we all make the point that Barbados has long adhered to the principles of transparency, openness and fairness as far as the administration of the granting of licences and relating matters in relation to international business is concerned, but more blatantly, we have been, along with the United States of America, among the leaders as far as developing mechanisms for the exchange of information on international financial activity. As far back as 1984, Barbados signed a Tax Information Agreement with the United States of America. It does not require any OECD or any other third party to come to Barbados or the United States of America for that matter to tell us how to structure a mechanism for the exchange of information by tax authorities.

We have been in this business for a long time. We are pastmasters at it. Therefore, it is out of place for the OECD or anybody to attempt to tell us how to do what we have invented.

Asides.

Hon. R. R. FARLEY: We will make the point as well that Barbados believes, and we lead by example, that double taxation treaties, bicameral taxation treaties and similar instruments known to international law, are the best way for a bicameral cooperation on these matters. Therefore, there is no need to create new instruments to do what is already effectively done.

We also make the point that we are very much committed to international practice in the supervision and regulation of financial services. The standards will change from time to time and we are always up there with them. We need to ensure that we are not perceived as some other jurisdiction in the world where the focus is not clear.

Sir, we also believe, like the United States of America, that tax competition is legitimate. We set our rate of taxes, the United States of America sets theirs and everybody sets their rate of taxes and that is a fundamental principle on which we will not shift.

Sir, the bottom line is, that out of the event of the terrorist attack on the United States of America, all the fighting words coming out of the United States of America have been on two fronts, military action and efforts to stop the flow of financing the terrorists.

Asides.

Hon. R. R. FARLEY: Sir, essentially, with the intention to slow down the capital around the world – billions of dollars flow around the world every day, to disrupt the movement to terrorists. Of course, collateral damage will occur from the slowdown in the movement of money in the course of legitimate business. There is also a firm agreement around the world that there will be great scrutiny on the movement of money around the world, and which has nothing to do with terrorist activities. So, the long battle in public policies which had ranged between security on the one hand and privacy on the other is still in favour of security rather than on privacy.

2.30 p.m.

Therefore, from a public policy perspective, Government always has to be careful not to invade the privacy of its citizens and not to breach confidentiality. There has always been the understanding that in appropriate circumstances and for the greater public good with respect to security, there will be a willingness to compromise. Countries are being asked to move further along in the direction of security. Already, even before any international agreements, the US Treasury has already instructed that banks in the United States which are doing business with foreign banks or other financial institutions, have to undertake a higher level of financial reporting. Indeed, the

initiative such as the Financial Action Task Force Listing on Money Laundering and the list that they have produced concerning the level of cooperation, or non-cooperation in money laundering, will increasingly be used to determine whether the US Treasury will approve a United States bank having a corresponding bank relationship with these foreign banks. Therefore, the bottom line reality is that Barbados must move with this practice and with a clear and unshakeable determination to ensure that Barbados continues to have a good rating as far as in its fight against money laundering, so that we do not end up on the negative list of the Financial Action Task Force, that we do not lose the status we have with the United States Treasury which allows banks in Barbados to have good corresponding banking relations with other banks in the United States and, generally, that there is no impediment of that sort to the flow of business between Barbados and its trading partners, mainly the United States.

Of immediate impact is the fact that there are two things which are interrelated and which also relates to this 90-day period. Between November 13 and 15 there will be a mutual evaluation; that is, an examination of all of our financial systems to determine the extent to which they prevent or aid in the act against money laundering. This can be done by the Caribbean Financial Action Task Force, which is the regional arm of the larger body of the Financial Action Task Force. This will be a more detailed examination than in the past. We have had this examination several years ago. The first one was concerned with the general legislative framework, therefore, as long as there were laws in place, you were fine.

Today, however, the standards have been raised, so that there is a need not only to have laws in place, but to have an effective public institution to police those laws and to have the administrative capacity to undertake the various commitments which have been given. Therefore, in order to prepare for this a Committee has been established to ensure that we are on good grounds.

The Anti-Money Laundering Authorities are responsible for the fight against money laundering and falls on the office of the Attorney General. The Attorney General will therefore chair this Committee which will include:

1. Director of Public Prosecutions,
2. Chief Parliamentary Counsel,
3. Director of International and Economic Affairs,
4. Commissioner of Police,
5. Solicitor General's Office,
6. Ministry of Foreign Affairs,

7. Financial Investor Business Unit,
8. International Business Unit,
9. Registrar of Corporate Affairs,
10. Registrar of Cooperatives.

Even credit unions these days are being examined by international communities to see whether that system in any way facilitates money laundering.

11. Comptroller of Customs,
12. Chief Immigration Officer,
13. Postmaster General.

Here again, the post office is increasingly being used as a means of transporting money or other financial instrument in getting around some of the regulatory requirements which have to be met by moving money through recognized financial institutions.

14. Supervisor of Insurance,
15. Commissioner of Inland Revenue,
16. The Securities Exchange of Barbados,
17. The Ministry of the Civil Service.

This is an urgent and pressing matter because, by the time of this evaluation, we have to ensure that we have reviewed all of our systems and are satisfied that no loopholes exist which would end up with this sector being negatively listed by way of its capacity to fight money laundering.

In order to help us to do this, we will be providing institutional strengthening for the Financial Intelligence Unit, which is part of the structure for the fight against money laundering. In addition to the existing budget, an additional \$200,000 will be provided to the Financial Intelligence Unit to enable them to do their work.

Given the fight between privacy and security, it is important, of course, to let the public be aware of these new tightened requirements and, therefore, a public awareness campaign would be undertaken at a cost of some \$50,000. Additionally, the other immediate thing hanging over our heads is the Resolution No. 1373 of the Security Council of the United Nations. They have passed this Resolution recently which calls on Member States to institute a programme to make their legislation and administrative

practice compliant with the aims and goals of the fight against terrorism. Members should know that their member country has a 90-day period within which to implement these measures that are very widely written in this Resolution and that Security Council Resolution unlike Resolutions of the General Assembly are mandatory. So, the future for the international business sector in the immediate period is one where we do have some challenges of strengthening our regulatory systems, but there is also a clear and strong opportunity in the insurance sector which we will move expeditiously to exploit.

Agriculture has a very expansive coverage by way of Government's incentive programmes which were outlined in August 8, 2001, presentations by the Right Honourable Prime Minister. Agriculture and manufacturing were the two sectors which have borne the brunt of the trade liberalisation programme. It was indicated then, and I shall repeat now, that both sectors had shown a decline in their performance during the first half of the year and which has continued up to September, 2001.

It was the difficulties which were encountered by these sectors in the trade liberalization programme that prompted the Government, in the first place, to introduce comprehensive measures to give facility to those sectors. What we will do, of course, is to accelerate the implementation of those sectors along with any new measures which are warranted at this point in time. One would recall that in terms of agriculture, measures were introduced to expand the available market. For example, greater trading protection and also by Government's leading by example as requiring its institutions to buy the majority of its fresh produce and process foods, *et cetera*, from local sources. In fact, those have not been idle words, for we have already had meetings with the respective institutions to ensure that they have been following the rules on the Government's policy commitments. Sir, I am pleased to report that several institutions have already passed the minimum 60 per cent mark which we had set as our intention there.

2.40 p.m.

We have provided the agricultural sector with protection which was fully consistent with the international obligations at that time. We have provided as well, targeted technical and financial assistance and other incentives to key aspects of the sector, such as: vegetable production, sugar, fishing, organic farming, post-harvest treatment of products.

We also spelt out a land use policy and other conservation measures which, as given in the Physical Development Plan, ensure that some 31 000 hectares continue to be made available to agriculture: sugar, cotton, vegetables, root crops, fruit, grasslands and even trees. Sir, a comprehensive programme of incentives was announced

then and, as I said, they have not been allowed their full opportunity to function as yet. In addition to those incentives and in light of this present crisis, we are satisfied that the trade liberalisation in this sector, has to be put on pause. Sir, our most sensitive areas of productions but the areas which also represent the bulk of our local production of non-sugar agriculture, will be placed on restrictive licences during the course of the next 90 days. These will be pork, lamb, poultry, milk, potatoes, onions, cabbage, lettuce, carrots, sweet peppers and melons.

In addition, Sir, the Lands for the Landless Farmers Programme, has already shown success where many farmers have been allocated land. There was a launch of the programme three or so weeks ago. The Government will place an additional 90 acres of land into the programme and during the course of the next 90 days, a total of some 180 acres will be allocated to 30 landless farmers and farming groups.

In addition, there are self-help projects which have been identified for execution by the Barbados Agricultural Society. Representation has been made and we will support those projects with an injection of \$250 000. Sir, the financing of the initiatives of August 8th and these that have been mentioned here today will be met in their entirety, from the resources of some \$17.5 million which is available to the Agricultural Development Fund. The Agricultural Development Fund, in addition to financing the measures that I mentioned, will also be providing a cash injection to the Rural Enterprises Fund.

The Rural Enterprises Fund, operated by the Rural Development Commission provides funding for small scale agricultural projects in the rural community. It has been very successful in disbursing small, but impactable sums of money to a range of farmers, who have projects to be financed.

Mr. Speaker, I move quickly on to manufacturing in where the story is very similar. Again, Sir, the sector has borne the brunt of trade liberalisation where a series of measures had been introduced in August, to give the sector a boost. In terms of the impact of this current crisis on the manufacturing sector, we have to look in two directions: Its impact locally and its impact on our exports.

In terms of our exports, we have to watch the situation as it unfolds on export markets including the CARICOM market, Sir, where as you know, Barbados exports almost 50 per cent of its manufactured products to the CARICOM, most of it to the OECS. Sir, the extent to which we will be impacted here will depend, to a large extent, on how it impacts on them in their respective countries.

I should let this parliament know that as always with manufacturing, while we are restructuring, it is not all gloom and doom. While there may be an aggregate decline in some cases, there is phenomenal growth in others. For example, Sir, the manufacturers today, like the Government, have also had faith in their sector. A number of young dynamic manufacturers in the past several months have created an export trading company, and with the support of the Government, they have gone abroad to a number of trade shows. They have looked at non-traditional markets and I can report that there has been a breakthrough in a new market.

An interesting one is the US Virgin Islands which used this non-traditional approach of an export trading company owned by the manufacturer itself – and these are small manufacturers I should say as well – but their ingenuity outweighs their financial strength. Perhaps, if some of the larger manufacturers with the financial strength had more ingenuity, then we would be able to show an even better performance.

Sir, the fact of the matter is that, even in the present circumstances, through this initiative, we have been able to sew up a deal which will result in the millions of dollars in exports to that market to service their population and also a vast cruise ship population, which comes through the US Virgin Islands on visits. Therefore, a range of Barbadian foods, crafts, condiments, *et cetera*...

Asides.

Hon. R. R. FARLEY: Mr. Speaker, that market has been penetrated and the results so far, are very encouraging.

Sir, we will continue, of course, to provide support for these export initiatives. We will, by November 1st 2001, fully implement all the remaining measures, the 60 per cent duty protection and the special safeguard mechanism. We will continue the programme and accelerate it by providing technical assistance to the exporters and the manufacturers generally, ensure that they meet the required standards.

Sir, as you know, a number of Barbadian manufacturers are asked to meet some very high international standards and it is important for us to help them. They can only continue to export if they get the certification that says they meet these standards. Some countries are in fact, using these standards as non-tariff barriers to trade. They say the markets are open but certain things have to be done, so these programmes will be accelerated in the next 90 days.

I should say to this House as well, that all arrangements are in place for manufacturers to be able to access the \$25 million Investment and Employment Fund. We hope that we will be able to make our first disbursements to our

manufacturers soon for a number of these exciting new projects.

Sir, the new programme that we want to add to those which we would have developed in August for this sector is the National Buy Local Campaign. I was very pleased yesterday to be able to participate in the launch of that programme. This is a national Programme which is being undertaken in association with the Barbados Manufacturers Association, the Barbados Agricultural Society, the Small Business Association, CTUSAB and other entities.
2.50 p.m.

You have in its core of manufactured products our agricultural produce and our local services, particularly from our small businesses. We are firmly of the view, in a crisis such as this, that the people of Barbados must respond by supporting domestic enterprises by buying local but this is not an appeal and it is not an activity directed at the final consumer only.

At the launch of the programme yesterday, I was very clear to say that the principal action has to come from the business consumers. The business consumers must buy local first and foremost because the reality is that individual consumers do not usually go to individual manufacturers to buy because they buy through the existing distribution channel such as the supermarkets, hardware stores and other retail establishments.

It, therefore, falls on the supermarkets of Barbados in relation to food and the stuff that they sell not only to buy local but to ensure that local products are given pride of place in terms of the prominence of display. As a fact, Sir, positioning in the business is important. If a consumer has to reach too high or stoop too low or bend over to see a product he hardly sees it. The products which are purchased more readily are those which are up front, the up in your face kind of products, and that has to be done for Barbados' products. The business sector needs to lead the way by buying local and the consumers would be encouraged and facilitative in this attempt as well.

So I would hope that out of this crisis that this national buy local campaign would engender a level of private sector cooperation and cohesion which is not usually seen. Very often when we speak of the private sector, whether it be Government or commentators, we speak as if it is a single monolithic entity or if it were some 'big maguffin' in a single persona, but it is in fact, a series of competing entities with diverging interests. The interest of hoteliers is not necessarily the interest of manufacturers and the like.

So we hope that out of this crisis there will be a distinctively baradian focus on private sector activities and this is to be supported by way of \$600 000 injection in

support of the programme. The small business sector by and large is recognised as small businesses which are engaged in a wide range of activities including manufacturing, agriculture and tourism. Therefore, the small business sector would by definition be the beneficiary of a series of measures.

However, there are some issues which are peculiar to small businesses and we have taken note of the submissions made. We recognised that in terms of access to finance, whilst adequate mechanisms generally exist, there is the need, and we will introduce this measure to so adjust the requirements for access and use of the Small Business Guarantee Scheme which is intended to provide collateral support for businesses seeking loans up to \$100 000 through commercial banks, but we need to make it more readily accessible and to use it to reduce the collateral requirements for businesses in order to have access to finance.

Fund Access and other financial and technical assistance agencies of Government will be recapitalised. In fact, we have made this commitment in the August 8th presentation for the recapitalisation of these entities to supply the financing for the small business sector and this is obviously more urgent in a time of economic crisis.

Of course, we are responding to the pleas of the private sector generally but in particular that of the small business sector for speedier settlement of bills owed by Government.

With respect to energy, Sir, the Government has already – we did not wait to come here to take action on any of these measures – reduced the price of energy to Barbadians. It has been part of our stated policy that we will not only reduce the taxes on energy which we have done consistently over several budgets but where there are price reductions in petroleum prices generally that we will immediately pass on the full benefit of those reductions to the consuming and producing public.

Effective October 22, we have made an adjustment where gasoline was reduced from \$1.45 per litre to \$1.38 and that is from \$5.48 per gallon to \$5.22. We must bear in mind, Sir, that this is on top of a reduction which had been made in the August 8th presentation so this is in effect the second reduction for the year and we will continue where those savings exist to pass them on to the public. With respect to diesel, that has been reduced from \$1.18 per litre to \$1.12 per litre which is from \$4.47 to \$4.24 per gallon.

I just want to assure the public that in terms of the military action that is going on and its potential impact on fuel supply that Barbados has adequate storage capacity for its fuel. Therefore, there is no shortage on that account. Barbados also has several alternative sources of supply

within the region. We source most of our product from Trinidad and Tobago but there is also Venezuela and others which are close at hand so Barbadians need not fear as far as the supply of fuel is concerned.

We, however, believe that now is as good a time as any to step up our public awareness concerning energy conservation. Energy conservation is always essential at any time but more particularly at times such as these. Government, as we know, has several alternative energy programmes going but we would be focussing on the reduction in the demand for energy products by way of an energy conservation exercise to the tune of some \$75 000 over the next 90 days.

Those, Mr. Speaker, constitute the response by way of the sectors of the economy which we believe we needed to take some action on. This is the programme to be presented over the next 90 days to cover the macroeconomic package consisting of some monetary and fiscal measures and an intervention in the capital market as well as the various sectoral plans.

Of the \$31.885 million to be spent, some \$30.5 million is dedicated to tourism because tourism is the principal sector which is affected and because of its proportionate significance to the economy it is also the sector where the impact of a decline will reverberate across all sectors of the economy.

The policy measures as outlined by the Government are intended to cut the impact of any deterioration by half. The policy measures are intended to maintain and protect employment in Barbados and to stimulate the productive sectors of the economy in the face of this particular slowdown so as to mitigate the economic impact. They are also intended to protect the viability of domestic enterprises to ensure that we are in a position at the end of the crisis to have a productive sector which is able to contribute to the development of Barbados.

3.00 p.m.

As I indicated earlier, Sir, where this will all end depends on the extent of the military actions being undertaken by the United States and Afghanistan and any repercussions therefrom. This matter is not yet concluded and we therefore have to continue to revisit these measures and this is our reason for choosing a 90-day window through which to look at this point of time. The extent to which there is a decline or any growth for that matter in the economy will depend upon the winter season which we have for our tourism. We have not been prepared to leave that to chance. We cannot do anything about what is happening out there but we certainly can do something about how we have responded, and notwithstanding the matters that I mentioned,

we have decided, as part of the programme, to put additional funds into marketing, protecting our airlift capacity and things of that sort to ensure that we are able to have some benefit arising out of the exercise.

Mr. Speaker, I indicated that in terms of the fiscal impact of the measures we are taking and the general turn of the economy we can expect a little widening of the fiscal deficit. We are predicting in the region of 3.9 per cent. We will obviously continue to revisit these targets and projections as we did before. We are satisfied that this intervention package which we have put before the Parliament of Barbados will achieve its stated results. We will keep the House informed of developments as they unfold and we will be back if necessary in light of circumstances as they unfold.

I would want to commend these measures to the Honourable House of Assembly and I would want, in urging the House to support this Resolution which really asks the House to support the measures proposed and taken by the Government to combat the effect of the unfolding global economic crisis in Barbados, to make the point that several of these measures have, in fact, been taken and we did not wait, we could not wait to bring this package here. In fact, we have already redirected resources which might have been allotted to go elsewhere to deal with this emergency at hand.

We will continue throughout this crisis to be flexible, to be pragmatic and, at the end of the day, Sir, maintain the balance between the short-term objectives which relate to stability and the longer term objective of maintaining the economic fundamentals of Barbados and, more particularly, being able to ensure that we are able to have positive economic growth returned to Barbados as soon as possible.

It is with pleasure that I commend this Resolution to the House, Sir, and to beg to move that this Resolution do now pass.

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

Mr. D. J. H. THOMPSON: Mr. Speaker, Sir, I welcome the opportunity again to participate for the third time in one year, if I were to count from October last year to now, in an economic debate which, as with the previous two, would have been characterised as an attempt by Government strategically to reposition the economy of Barbados.

Some historians may say that the fact that it has been necessary to have what one might describe as three budgets in one year may, in and of itself, say something about the ability of the Government to plan effectively the economic direction of this country. Some may say that unless you have

been able to assess the impact of your previous instrument or statement or set of policies before you present the next one that it seems as though many of these statements are more designed for their public relations or propaganda effect rather than to be serious attempts by the Government of Barbados to come to grips with the challenges that face Barbados and that since you had three such events in the space of one year either it means that the Government has been essentially pushing a number of panic buttons at the same time or in the short space of time or alternatively that it simply does not have a clue about how to reposition the Barbados economy to cope with the challenges that we face.

Sir, if you were to look at those three financial statements, if you want to call them that or budgets – they go by any number of names nowadays – what you would see is initiative upon initiative being repeated, augmented, but that the essential ingredients in the soup remain the same and the results of the initiatives since last October, numerous though they were, have essentially contributed to the situation that the Barbados economy found itself in for the first two quarters of this year.

I compliment the Honourable Member for Christ Church East, as a new Minister of Economic Development, for his first presentation in that position. I felt that he did not need to mar what was an otherwise creditable exposition of the state of the economy as he saw it by any reference to the Opposition's participation in an event. I am never uncharitable to him and I am not going to be uncharitable today, but if somebody wanted to be uncharitable – it would not be me – they would say that in 1992, when we were negotiating the social partnership, the Opposition was not officially present at the negotiations. But every time I negotiated, the Honourable Member for Christ Church East was sitting opposite me and therefore one should not assume that the Opposition was not represented. It may not have been officially present, but that is not to say it was not represented. Therefore, when you hear the Honourable Member for Christ Church East talk as if all the people who were gathered at Sherbourne Conference Centre are supine, spineless converts to the philosophy of the Barbados Labour Party, I would say, continue to believe that if you so wish. I never thought so of the Honourable Member for Christ Church East when he did not declare his political affiliation but sat opposite me, for the simple reason that both he and I know that the negotiations then were conducted with the highest level of patriotism which he possessed then and I believe he possesses now, the highest level of intellect which he possessed then and I believe he possesses now, the highest level of creativity which he possessed then.

His subsequent declaration of political support may have modified that aspect of his ability. Do not get excited by that! Leave those who are less patriotic than you are,

leave people who are less intelligent than you are to make a nonsensical criticism about the Opposition not being present.

3.10 p.m.

Rest assured that the Democratic Labour Party was present. Therefore, the viewpoints that were expressed did not have to be expressed officially on behalf of the Democratic Labour Party. We are Barbadians and all of us have a vested interest in the success of Barbados. We may feel that the Government is not good at implementing its own policy, that its philosophy is ill-conceived, that the direction of those policies in terms of their implementation and monitoring is totally absent. We may have other criticism but at the end of the day let us not at any point forget, as I have said on countless occasions, that all of us in Barbados, whichever political party we belong to, wish to see this country succeed. We wish to see our children grow up in a world of peace, in a safe and secured environment and be able to benefit from economic development when it takes place and to put their hands and shoulders to the plough when our economy is slowing so as to turn it around and ensure its ultimate success.

Sir, what I thought would have been otherwise a presentation that would have distinguished the Honourable Member for Christ Church East from the person who normally presents economic matters in this Chamber was marred, to my mind, by his inability to focus on the task at hand and rather to focus on the state of the Opposition but that is obviously the preoccupation of the Government at this time.

Mr. Speaker, Sir, the Honourable Member for Christ Church East gave us a background on the state of the economy up to September, that was just a few days after the last Budget was presented in this Chamber. During that particular debate the Opposition voted against the Budget largely because of what was happening in relation to the Barbados economy. Government was not acknowledging the level of decline that was taking place in all sectors in Barbados and, therefore, was not applying the kinds of solutions that needed to be applied to reverse the state of our economy. A very clear example of that might be the offshore sector.

The Honourable Member for Christ Church East forgot that I read from a document published by the Barbados Industrial Development Corporation which very clearly pointed out that between January and June there had been a substantial decline in new business start-ups, a decline in the registration of IBCs and other offshore investment instruments, the total annihilation of the foreign sales corporation sector and that it was unlikely that the IDC would have met its target. It is true that the Honourable Member did not acknowledge that in his debate

but he acknowledged it outside of this Chamber in his charge to the IDC. Likewise, in relation to the agricultural sector, we never had a clear acknowledgment of the level of decline in that sector. In fact, apart from attacking the Opposition, which is stock and trade from members on that Side in economic debates, we heard there were improvements in fish catches, that the poultry sector would rise out of its challenges shortly and that the measures themselves would have an immediate impact on the agricultural sector.

In relation to the tourism sector, members of the Opposition spoke about the question of tourism arrivals. We also spoke about the fact that spending was down. Government acknowledges none of this, it trotted out its traditional mantra which was that we have over \$1 billion reserves, eight consecutive years of growth, unemployment was down, inflation was low, interest rates were low, energy prices were kept down and that by itself was supposed to mesmerise the people of Barbados into believing that up to August, despite all the information to the contrary, that the Barbados economy was growing significantly.

The Central Bank of Barbados produced a report recently that deals with the period to the end of June 2001. It is significant and perhaps the Honourable Minister for Economic Development can explain it. The Government in August was not able to produce this kind of information about the nature and extent of the decline but in producing a document for a debate in October was able to give us information on page 4 of that document about the Barbados economy up to September 2001. In other words, we were able to get a September end position from the document that was laid in here today but during the Budget the information that was put out by the Central Bank recently did not square completely with the analysis that was then provided by the Government of the state of the Barbados economy.

The Central Bank of Barbados Report states on page one of the Economic Review for the end of June 2001, which was published in September 2001, that the Barbadian economy contracted marginally during the first six months of 2001. We all know that the first quarter is one of the better quarters in the calendar year. Therefore, when you look at the dramatic decline that has taken place in the second quarter you cannot attribute that to the events of September 11, 2001, for which the Honourable Member for Christ Church East must take no responsibility because he was not then the Minister charged with undertaking any initiatives of economic reforms or transformation.

The Report said that after growing by 3.5 per cent on average during the January to June period of the last five years real GDP declined by approximately 0.7 per cent for the first six months of 2001. The Honourable Member for St. Philip South as an economist could probably work out

what the size of the decline would have to be in that second quarter to move the economy from a position of growth in the first quarter to a position of 0.7 per cent decline by the second quarter, that is something that the statisticians and mathematicians can easily work out. Even on the basis of the Central Bank's report it said that traded activity fell by an estimated 5.7 per cent while the growth rate of non-traded sectors was estimated at 1.7 per cent. Tourism activity was sluggish mainly because long-stay arrivals fell and there were contractions in output from the manufacturing and agricultural sectors.

The Report points out a rise in the net international reserves by \$146.5 million in the first half of 2001, pointing out that it netted out of that the borrowings of \$150 million and \$200 million in the first six months of 1999 and 2000 respectively. That is a good footnote in the Report because it very effectively reminds us of the level of foreign borrowing that has been undertaken by this Government and based on what the Minister said today, the projected level of foreign borrowing that will be undertaken to do precisely what the \$350 million was supposed to do which was to be put aside and utilised in the event of a downturn in the Barbados economy.

I have had my say on that and I have said already that the sum total of creativity which the Barbados Labour Party has to offer Barbados to the problems in the economy, some of which are structural problems, is to borrow before the problem arises and it means that the taxpayers of Barbados have wasted considerable money investing in the economic department of the UWI and I cannot believe that is the case. There must be something more forward-looking and creative that the Government can offer to Barbados as an explanation for the level of decline. I will not say an apology because the Government may very well say that it was caught up in other events and it may very well say, as it would be right to say and agree with the Opposition, that the last Budget had nothing to do with the state of the Barbados economy but with the state of Barbadian politics and the events which subsequently overtook the country after that Budget was completed.

The Central Bank's Report goes on to say that by the end of the second quarter there was contraction in the range of prime lending rate and the average loan rates at commercial banks. The excess liquidity was higher than at the end of the first quarter as private sector borrowings from commercial banks was significantly below the annual average increase for the corresponding period since 1993.

I am surprised that the Honourable Member for Christ Church East in his analysis did not seize on this as perhaps a statement of the level of confidence in the Barbados economy by the end of the second quarter because everything he said, whether relative to buy local, the tourism strategy, the agriculture strategy or whatever is going to be

conditional upon attracting that level of patriotism and a level of national confidence about the future that will cause people to seize on the opportunities that the Government by this emergency plan wants to make available to them. It will also depend, secondly and most importantly, on the ability of the Government to actually implement the strategies which have been identified.

The Central Bank Report also goes on to say that in tourism, after the first quarter increase of 4.9 per cent, tourism output declined in the second quarter resulting in overall output growth of an estimated 0.1 per cent for the first six months of the year. Long-stay tourist arrivals fell by 7.1 per cent in the second quarter, the largest decline since 1995, after an increase of 1.5 per cent during the previous three months. This resulted in a decrease of 2.7 per cent in total visitor arrivals for the January to June period in contrast to an average annual growth rate of 5.4 per cent in the corresponding periods of the last five years.

To the Minister of Tourism's credit, the policy document that was laid in here today makes the point that I never heard him make before but apparently this is what the economic planners think as distinct from the Ministry of Tourism. They say the previous year was such a spectacular year for tourism that it would be difficult to even match or better that performance.

I certainly have no recollection of hearing that from the Minister. The Honourable Minister has always best his previous performances, whether athletic, and he alleges now politically. If he was saying that, I certainly did not hear it. I am sorry that I did not hear it because I thought that Minister's objective was to improve on the performance of the previous Minister to remove the pain associated with tourism decline and to put the sector on a sound footing and a path of growth. The fact that the year 2000 is now being used as the benchmark for performances is rather disturbing to me and to anybody functioning in the tourism sector in Barbados.

3.20 p.m.

In manufacturing, real output contracted by an estimated 11.1 per cent between January and June, 2001, long before the horrific events of September 11. Mr. Speaker, so long before that, if one were to reflect on the measures that were taken in August 2001, compared to what the Government is now putting in place in an emergency situation, the real emergency was at the end of June 2001 and not after September 11. The real emergency that should have propelled the Government to act was staring this economy in its face from as early as June 2001.

Sugar production fell by 11.7 per cent during the first half of 2001. Sir, that information made available to us,

propelled them to ask in the Budget and in the Estimates, whether the Government had put in place a strategy for the sugar sector. The Government blames it on less acreage planted and drought conditions. Drought conditions are acts of God but less acreage planted said something about the confidence and management of the sugar industry. These are factors that Government can have considerable leverage and control over. Therefore, this is an extremely disappointing statistic in the context of the Barbados economy for the first half of 2001.

Non-sugar agriculture and fishing: After two consecutive half-yearly periods of positive growth, real output from non-sugar agriculture and fishing decreased by an estimated 14 per cent during the review period. This is another very significant decline and they say that this was reflected in a reduction in chicken production and fish catches. The Honourable Member would, I am sure he would wish to attribute this to the acts of God, but the question of chicken production would have everything to do with the way Government has managed the implementation of its trade liberalisation process. Therefore, once again this is an extremely disappointing statistic.

I think that it is the most disappointing that I would have to repeat, as I did in the last Budget, almost verbatim, what I said and which was confirmed by the Central Bank of Barbados, in the international business services sector. Fewer new licences were issued to international business service companies during the first six months of 2001. One hundred and twenty-five new IBCs were registered which is down from 245 new registrations that are almost half. When one compares the two six-months period, it is probably one of the lowest levels of registration since the early 1990's, possibly even the 1980's in Barbados if one looks at the statistics.

3.30 p.m.

There are fifteen societies with restricted liability, which is ten less than the same period in 2000. The reason why this is important is because the SRL legislation was brought to the Statute Book by the Barbados Labour Party and was therefore, one of the new initiatives that was supposed to make a phenomenal impact on the international business sector as we know it. Major resources were put into marketing and the promotion of Barbados as a domicile for the registration of societies with restricted liability. Yet, despite spending more money, one is getting less results. There were no new foreign corporations; and we understand the reason for that. There were only two exempt insurance licences compared with eight in the previous period. There were no new exempt insurance management companies. Three offshore banks were licensed, compared with five in the previous year and, therefore, if one looks at the overall, it totals 138, less than for the corresponding period a year earlier, were registered. In the context of a sector that is

licensing probably 400 to 500 entities a year on average, which shows the level of decline, what we had pointed out to the Government during the last Budget debate was that despite the Government's best efforts, the bad talking of Barbados and other domiciles by the Organisation for Economic Cooperation and Development (OECD), and our promoting, in essence, telling people what they were saying about us, which is a double-edged sword, have already had an impact on the offshore sector, despite the fact that there may be some attempt by Barbados to comply with the acceptable aspects of the requirement which the OECD requested.

Therefore, Government is doing what it thinks is feasible, but because Government had actually absorbed what was said by the OECD about Barbados and had told persons what was being said, we give a wider currency to this issue and therefore, it had a backlash on Barbados, partly because of what we did than was anticipated.

Now that is not to say that the efforts by the Government to stop the OECD in their tracks were not much appreciated, because it could have been a lot worse, but I am talking about a strategic approach to managing this situation. Essentially, the OECD is getting what they want by foul means rather than by fair means.

The Government of Barbados needs to be conscious of that and needs to make sure that we can reverse the trends that have occurred in the international business sector. This is one of the sectors of the Barbados economy that could provide good jobs for Barbadians and can have a positive impact on the tourism sector because of the involvement of persons who promote these companies in Barbados, either by their directors coming to our country and the other spinoffs from the existence of the international business and financial services sector.

Unemployment is on the rise again, Mr. Speaker, based on what the Central Bank has said. Let me say this Report may reflect points made in the Budget Debate by the Opposition. I do not need to refresh Honourable Members' minds for the sake of refreshing them, but I had pointed out and I know the Honourable Member for Christ Church East has probably seen it and could have used it in his consultation if he wished, but the DLP published a document at the beginning of the year called "Barbados In 2001, What Next?" It has already been made a document of the House, Sir. We had pointed out where we were in the year 2001 and what specific concerns we had. We had eight years of economic growth, which can be attributed to Barbados' sacrifice and determination, but that such growth should neither be squandered, nor unfairly shared.

That eight-year period has been characterized by the wealthy consolidating, while lower and middle income Barbadians have been struggling to maintain the relative

standard of living that they want to enjoy. The disparity between those at the top and those at the bottom has widened in that eight-year period. The social sector in Barbados, in many areas, has deteriorated in that eight-year period, the health sector in particular. The failure of the Government to find places for the young persons of Barbados who wanted to have access to the Barbados Community College and the Samuel Jackman Prescod Polytechnic and the other tertiary level institutions. The poor phasing of the EduTech Project and the dislocation that has occurred. The reduction and elimination of some welfare grants, these are just some of the problems that we had outlined then as impacting on the social sector.

Mr. Speaker, Sir, we then focussed on the illusions of growth and the fact that the Government had undertaken significant levels of borrowing; that the Barbados economy was resting, essentially, not on the robust performances of either the tourism sector, the agricultural sector, the offshore sector, or the manufacturing sector.

There was a very narrow sector of the Barbados economy in which there was significant levels of investments, particularly in villas and golf courses, *et cetera*, and that those investors were bringing significant levels of foreign exchange into the country. Sir, but apart from that, the Government had undertaken very high levels of foreign borrowing. The Honourable Member for Christ Church East has trotted out the very traditional interpretations of what is an appropriate level of foreign borrowing. We had never heard that in 1996/1997. What we had heard then was that Government would so judiciously manage its foreign borrowings, that it would only borrow to pay off debts for amortization. Suddenly, that strategy has changed in 1999/2000, when Government is now borrowing against unforeseen circumstances in the event that something went wrong with the economy. Now that something has gone wrong, we are borrowing again, when one assumes that having borrowed for such an event since, according to Government, up to June, 2001, things were okay, that what they had borrowed was enough to tide them over.

I believe that Barbadians need to remove the facade, to pull the wool away from their eyes and to understand very clearly the economic strategies that the Government has been pursuing over the past eight years. It is not something that can be concealed and this has nothing to do with September 11. September 11, 2001 is an unfortunate and terrible intervening factor along the way, but it is not what precipitated the economic decline in Barbados. That decline was recognized by independent observers, by the Opposition, by others, and by those businessmen who had the courage to speak out and not feel that they will be victimized – because whenever someone says something that the Government does not like, they are being accused of all kinds of nefarious

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motives; being unpatriotic, demeaning, *et cetera*. Any comment that makes a suggestion... which often makes one wonders why people would want to participate in discussions with the Government, when the Government, itself, is not receptive to ideas, other than those ideas that square with Government's own economic philosophy.

In fact, there are Members in the Government who will tell you how, in recent times, they and their officials are being treated whenever they go to meetings and try to defend their Ministries. That is nothing new. We all know the horror stories that are visited on people who want to make commentary, and I speak for myself too, in that regard, so that it is part of the record, but I treat that like water off a duck's back. I can sit down for 12 hours if it follows of direct abuse from Members on that Side. They are not required to say anything constructive about the Barbados economy at all.

3.40 p.m.

It will be the public at the end of the day who will have to judge when they look at their relative standards of living and when they look at these proposals to see if they are going to have any impact on their ability to survive, prosper, develop and carry out the mission that their families desire.

Mr. Speaker, you will remember that in the last Budget which was held in August, I pointed out that there were people who would attest a week or a month later, when they have to send their children to school in this country, that the August Budget which was supposed to be so wonderful, had made absolutely no impact on their ability to send their children to school. It did not help them buy school uniforms, particularly single mothers. It did not help them buy school shoes. It did not help them buy lunch or a new lunch tin or a new bag or pencils and pens. It did not help them in any way, to manage their own personal finances. I said, Sir, it was all an illusion and I still believe that.

Sir, I am not going to say that today's presentation is an illusion because I really want the measures to work. I do not want Honourable Members to feel that when an Opposition points out concerns for which the Members in the Government believe that response is to attack the messenger rather than the message that we have internalised that, for that will not stop the Democratic Labour Party from its mission to point out to the people of Barbados that there are alternatives and we have the ability to articulate them. It will, in no way, reduce the vigour with which I articulate those views.

Therefore, as I said, the last Budget would have made very little dent on the aspirations of Barbadians, and the fact that Barbadians were facing crushing levels of taxation. The Honourable Member for Christ Church East following the

tutelage given to him has debunked any thought that reductions in taxation are feasible or are possible in the Barbados economy.

Mr. Speaker, I cannot quote from this session because the rules do not permit me. Therefore, if you permit me to merely paraphrase, or to remind you, Sir, with the aid of notes...

Mr. SPEAKER: The rules say that you may not elude.

Mr. D. J. H. THOMPSON: Sir, you cannot elude, so you can quote but not elude.

Mr. SPEAKER: No. You cannot elude. In fact, I gave you a lot of leeway before.

Mr. D. J. H. THOMPSON: I do not need anymore. Sir, I am very grateful to you.

Mr. SPEAKER: Okay.

Mr. D. J. H. THOMPSON: I recall, Sir, in the very recent past saying in debates in this Chamber, prior to the beginning of this session that the state of the Barbados economy, as set out by the Government, did not factor in some of the key issues that the Government should be contemplating in the context of sustaining our economic growth.

I remember, Sir, pointing out that the tourism sector continues to be threatened by the lack of competitiveness, the manufacturing sector was suffering from the effects of globalization and trade liberalisation, the offshore sector was faced with reverse discrimination of the OECD and sugar was losing its sweetness. I believe, Sir, you will remember me using those expressions from time to time, because you are very alert in these matters. All of that, Sir, has been the experience of the Barbados economy in the last fiscal year.

Since 1995, foreign exchange earnings in the tourism sector have declined in real terms, despite what the Honourable Member for St. Peter might say about the tourism sector leading economic growth in Barbados. I am certain that you will remember me saying that, Sir.

We also know, Sir, that even though the Government said that arrivals have increased, the real benefits of the tourism sector are not being spread to those major players in the tourism market in Barbados. Therefore, workers in the tourism sector are putting out more to get less. We are sharing more of our environment and resources with more people, but we are getting less in return from those experiences. Sir, that means we were being exploited, if we were putting out more to get less.

We also pointed out, Sir, that the manufacturing sector was affected by trade liberalisation and globalization but the Government considerably delayed the process of implementing the important reforms that should have taken place, almost a decade ago, in relation to the manufacturing sector in Barbados and which some other countries in the Caribbean had already implemented. Therefore, Barbados was found in a stop-and-go situation in the last stages of wanting to implement the changes, but not being able to do so because the current economic situation was extremely threatening to the sector.

Sir, we pointed out finally that the incentive framework for the tourism sector, which had been promised by the Government long ago, has not yet come to fruition. The implementation of the tourism policy, long promised by the Government and talked about, had not yet come to fruition. Many of the initiatives in the agricultural sector, long promised and talked about during the Budget had not come into full fruition. Likewise, in the offshore sector and the manufacturing sector, and that, Sir, even if you were to look at the social sector, you will see that many of the initiatives which had been outlined in successive Budgets had not been implemented. Therefore, it means that the Government would have a difficult task to lead Barbadians to believe that it can credibly implement the measures that it announces in this Chamber, and that those measures will have the effect and will be implemented over the time frames that had been promised by the Government.

Sir, we have gone through the Central Bank Report, the Estimates of 2001 and the Budget of 2001 which, as I said, was the second in one year. This Economic Statement today is the third. In the space of a year, we would have had three economic statements and yet many of the initiatives from the first one are still to be implemented. It was that that caused the Honourable Member for Christ Church South, in the last Budget debate, to say that a Budget implementation team needed to be put in place because in his experience, many of these initiatives were announced, but never came to fruition. This is precisely the point that we had been making in the Budget and I felt every bit of vindication when I heard those words spoken by the Honourable Member for Christ Church South.

3.50 p.m.

Many years ago, Mr. Speaker, Sir, in presenting the Barbados Development Plan for 1973-77, the Right Excellent Errol Walton Barrow who was then Prime Minister and Minister of Finance and Planning made these points which the Honourable Member for Christ Church East would be well advised to internalize and I quote.

“Development may take place in a society without any planning on the part of Government. Such development

would be the total sum of a multiplicity of independent decisions made by individuals, mainly businessmen, to expand their operations or to increase production. In times of prosperity, development by the private sector tends to accelerate. In an economic recession it tends to slow down and grind to a halt, and may even go into reverse.

Development in the private sector is therefore unpredictable and uncoordinated.

The main function of Development Planning in the public sector, (that is, by Government) is to provide a stimulus to economic activity at all times and to create a design of social and economic engineering in the context of the goals of the society.

All development plans restrict this design to a manageable and ostensibly predictable time frame. Experience has shown, however, that plans cannot be compartmentalised in such a way that the end of the plan period coincides with the completion of all the projects or the attainment of all of its goals. Not even in a command economy is the central authority in a position to call up and orchestrate all the instruments at the precise moment indicated by the score so that the symphonic cadences end in a grand finale at the last bar.”

The Honourable Member would do well to recognise the challenges which are very well put by Errol Barrow in this foreword, that you cannot simply get up and wave your baton and get all of the instruments that you need to be playing in this orchestra to be playing according to the same score. That is why you need a strategic plan.

He then goes on to say in a brilliant one sentence exposition what development planning is all about. He said:

“Development planning – and this would attract English teachers like yourself, Sir, – therefore has to be seen as ‘a permanent essay in the conditional mood’.”

That is the 1973-77 Development Plan. That is a short introduction. The point that it makes which I think is very important is that it acknowledges, even though the Democratic Labour Party was in Government, that you do not just wave the baton and get everybody to play at the same time. So it does not mean that because you have announced a plan that everybody in the public and private sector, the trade union movement and in the non-governmental organisations (NGOs) and however you devise your consultation and implementation process is going to be able to undertake the scenarios that are required.

There is no external assistance available to the Government at this point. Government has not sorted it out other than going to the capital markets, therefore, it is not under the rigour of external economic planning. I am not advising that Government should be, not after eight years of economic growth if you have a very stable hand at the tiller.

One of the advantages of having that external influence is to ensure that you have rigorous implementation, therefore, the Government is going to have to devise a way of identifying how it is going to ensure that there is very rigorous implementation of its emergency economic plan.

I am going to point out now some of the things that I am concerned about so as to ensure that the permanent essay in the conditional mood can be more effectively managed by the Government to produce the results that are necessary for the people of Barbados.

Mr. Speaker, Sir, I am not interested in the presentation of a package of hastily cobbled together proposals which at the end of the day are designed to titillate a more captive audience of political party supporters. That is not what I am interested in. The fact that there are many people who feel that this package was presented to a forum known as the Barbados Labour Party General Conference rather than to this Chamber first and then the Conference after would be viewed by many of them as an insult because not everybody in Barbados, as I pointed out to the Honourable Member for Christ Church East, is a member of the Barbados Labour Party.

Asides.

Mr. D. J. H. THOMPSON: Well, I know he would not know that, because he would like it to be so and there are many people over there, not including you, Sir, who probably would be very happy if they could reduce all of us to a common denominator; but that is not something either to be wished or hoped for unless you wish to see the total destruction of democracy in Barbados.

Therefore, what is important is not an act which essentially has the effect of demonstrating the triumphalist mode of a political party. That is not what is important at this stage. You can find other ways of demonstrating that triumphalist mode. So it is important to show ordinary Barbadians the way forward out of our economic difficulties.

Therefore, Mr. Speaker, I think we need to wake up and look around us and understand what is happening in our economy. In my reply to the last Budget I sought to question what I consider to be some of the myths which have been put out by this Government about developments that have taken

place in Barbados in the last eight years and, at the beginning of this presentation today, I repeated some of those concerns.

Therefore, Sir, it gives me no satisfaction to note that the seeds of the potential destruction of the Barbados economy had been sown well before September 11, 2001. Those seeds were the seeds of complacency and a wait and see approach by the Government rather than a proactive initiative to address those concerns before August because every indication from as early as the New Year was that there will be difficulties in the world economy.
4.00 p.m.

Mr. Speaker, Sir, the winter of our discontent is now upon us and we will, therefore, know soon how steady the hand is relative to the choppy seas that we face as a people. A lot can be learnt by the Government relative to the implementation of its emergency economic programme from the strategy employed between 1992 and 1994 – I am not talking about the stabilisation programme. I am talking about the structural adjustment programme and the manner in which it was implemented. A lot can be learnt by the Government about how to bring the pieces of a strategy together.

What I want to do, Mr. Speaker, Sir, is to say something about Government's much referenced claims to be architect of strategic repositioning of the Barbados economy, because a strategy is not demonstrated by words. It is not demonstrated by a document and it is not demonstrated merely by having something in your head. It has to be demonstrated by actions and its true quality will derive from the resilience of the institutions which are going to implement the strategy and, as I said, the institutional memory of those institutions, the Central Bank of Barbados, the Ministry of Economic Affairs, the Ministry of Finance and other actors in the economic sector who would have an institutional memory of implementing a relatively successful structural adjustment programme that, despite the criticism by the Other Side, had the effect of not only managing the Barbados economy but transforming it because the seeds of the eight years of economic growth that followed were planted between 1992 and 1994 by the structural adjustment programme.

The transformation that followed in the sugar industry, the Government's finances, the restructuring of the tax system, the privatisation of assets that were not performing and making some of those assets available to Barbadians, the reforms in the manufacturing sector, the design of trade liberalization in Barbados, all of those were very clearly laid out in a structural adjustment strategy and in a medium-term economic framework which the Democratic Labour Party put before the people of Barbados.

In the eight years between 1994 and the present time, the Government has produced no development plan, no long-

term strategy document relative to the economy. The last medium-term economic strategic plan was merely a document that modified and rehashed the previous document which the Democratic Labour Party had left in the Ministry of Finance and had made available to this Parliament prior to our leaving office. Those are the facts.

Therefore, Mr. Speaker, I think it is necessary to point out to the Honourable Member for Christ Church East what strategic planning in this context involves, what it is going to require of Barbadians over the next year or more how we are going to get there and how we will know if we are getting there and whether we are able to determine that we have not got there.

Far more important than the strategic planning document that has actually been laid in this House is the planning process itself, because there are a variety of perspectives on what strategic planning is all about and there is also a variety of approaches. What I think has been lacking from the presentation of the Honourable Member for Christ Church East is a clear exposition, not only of the plan itself, not just the elements of that plan but how you are going to pull those elements together and succeed in implementing it to the credit of Barbados as a whole.

You may find that quite often an organisation of strategic planners already know how much will go into that strategic plan and I believe the Government has an obligation to tell us whether it feels that all of the players are on the same script. Let us face it. It is possible in Barbados for Government to have at the level of the Physical Planning Unit and the Town Planning Department a land use strategy which is the complete opposite to the goals and objectives of the Ministry of Agriculture.

I was always of the view that the Ministry of Agriculture, given its own way, would have closed down the sugar industry by the end of 1992-93, because there was a mind set in that Ministry about sugar. The Ministry of Finance, therefore, had to take that scenario and manage it because our concerns were not the same as those of the Ministry of Agriculture and we had little time in which to get the Ministry of Agriculture on the same script as the Ministry of Finance. The point that I am trying to make is that very often you may find in scenarios like this that you have to have very careful management of a strategic plan to make sure that all of the key players are on the same script and that in implementing the objectives of your strategic plan Ministries that may feel that their noses are out of joint because there are very tough and rigorous requirements from the Ministry of Finance and Economic Affairs or the central planners are not able to frustrate the objectives of the economic plan.

I would like to hear from the Minister of Tourism who has addressed publicly the concerns he has about the

structure of the Board of Tourism. I would like to know whether he feels satisfied that making more money available to the Board of Tourism with a structure that he is not comfortable with would be capable of producing the results that the Government says it wishes to produce. In other words, if you have a Minister who says that he has concerns about the structure of the key implementing agency that because it is totally public sector it needs to have a more direct relationship to the private sector, the question arises, does he have the confidence to believe that the institution whose make-up he has questioned is going to be able to implement a strategy that involves making almost sixteen million additional dollars – there may well be more available to it – in a short period of time to reverse a crisis that is being faced in that sector.

Likewise, the Minister of Agriculture, despite what he might be saying publicly, has been in that Ministry long enough to see the capabilities or the lack thereof of certain areas of the Ministry to implement some of the reforms and to take the resources that the taxpayers of Barbados are making available and truly engineer results in a desired time frame.

In manufacturing, it is the same thing. The Barbados Investment Development Corporation has already said that up to June 2001 they are not on track. They did not ask for more money. They did not ask for an institutional restructuring. The Minister did not ask for it nor has he asked Parliament for more money for the BIDC. Does the Minister of Industry have the confidence that the BIDC has the capability of implementing Government's strategy relative to the resuscitation of the manufacturing sector and those aspects of the international business and financial services sector that come under its portfolio?
4.10 p.m.

Finally, look at the share statistics. The more money that you have made available to the international business financial service sector from taxpayers' money, the less the return. Take a look at what Government was spending in 1993 on the promotion of the international business and financial services sector, look at the number of registrations of new companies we were getting and compare that to what the Government is spending in 2001 and what it is expected to spend over the next 90 days and tell me whether you honestly and faithfully believe that you are going to get phenomenal returns from the expenditure of additional sums of money.

If the Government is in a managerial mood, it will tell you that the institutions they have can do the job. All you have to do is give them more money, some new personnel, set up a committee to oversee what they are doing and they will be able to do it. I, however, do not share that view.

The Honourable Member for St. Peter once said that the worst thing you could do is to throw institutions at problems. I have seen that in this document. I have seen the development of new institutions to manage the problems. At no point in the document does it tell us whether the existing institutions have the capability of producing the results.

If you gave the Honourable Member for St. Michael South East \$10 million and did not allow him to carry out the reforms that he said he must carry out in the public sector and in the institutions under his control, then we could not have the confidence that the \$10 million would be properly spent. The worst thing you can do is simply make more money available. What you need to do is carry out an analysis of the institutional changes and the transformation that is necessary for the delivery of the service. In the 1990s you could set up a privatisation unit that was so small that when it had finished the job it could be shut down and you could employ the public officers elsewhere. You could set up two private companies to manage the sugar industry, giving the managers, as the Honourable Member for St. Philip South would tell you, a level of flexibility in managing the industry that a statutory corporation would not have. They are not accountable to any Minister, they have obligations under the Companies law of Barbados, the policy direction is set, they can negotiate outcomes and they can manage the process and even carry out some transformation as long as the right people are put in place.

Sir, if Government does not act in these circumstances, thousands of Barbadians will lose their jobs, families in Barbados will suffer and people who started out during a time of economic prosperity and started to build businesses and invest in this economy may end up losing all. Therefore, let us understand the reality of it.

When you look at this document and you tell me you have set up an Implementation Policy Council and a technical group, that sounds very fancy. I started a Foreign Exchange Committee as Minister of State in the Ministry of Finance and for three years consistently we asked for information on the effective levels of competition in respect of regional products, and nobody could provide us with it. We had to import expertise to solicit information for manufacturers that we thought they already knew.

Sir, there is a level of complacency that sets in when you have had eight years of economic growth and you are going to have to offer considerable help and assistance to enterprises in Barbados. This technical group will have to understand that they will have to hold the hands of many enterprises and not just intervene on a bright Monday morning with a telephone call but to actually hold the hand of many enterprises through this entire process.

It is true that I heard the Minister speak a little bit about this, but that is what is going to be most critical to the success of these objectives more than anything else that would have been said in the course of the debate so far.

The questions to be asked are:

- (1) Is the analysis of the precipitating problem fully sustained and correct?

Are you really calling upon Barbadians to believe that the events of September 11, catastrophic though they are, will be able to measure over a specific time frame and what is now viewed as an emergency may not end up being a long-term crisis for the Barbadian economy?

Have you analysed whether they are structural problems in the Barbados economy prior to that crisis that may need some urgent and critical attention both in terms of providing a new incentive framework as well as further institutional change?

4.20 p.m.

The second question: Have you properly costed the proposals and the potential outcomes? Have you gone through a simulation exercise, or what experience have you drawn on to determine that the outcomes that you projected are, in fact, possibly based on the initiatives which have been announced in this particular Budget?

The third question: What manpower resources will be needed to implement it and does the Government have those manpower resources, both at the technical and managerial level and also the manpower that is needed to articulate Government's case out there and mobilise Barbadians? Sir, that is vital. I do not question the competence of people in the Ministry of Finance and Economic Affairs nor those in the Central Bank of Barbados. I believe that they are all well-trained and well-intentioned. Neither do I question those in any other Ministry. The real question in terms of the management of this programme is, does the Government have at its disposal, the manpower to implement it, also the manpower with the expertise to undertake the initiatives?

The fourth question: What mechanisms are you putting in place to measure the results and how rigorous will you be in seeking to obtain the results? You will not be the first Minister in the first eight years to express frustration, because you do not do it in here. Some Ministers come in here and pretend that everything is going well and that they have done so much and achieved so much, but only a blind man on a trotting horse would not recognise, as he did in the St. Thomas by-election. All of a sudden the Government was telling the people, yes, these are problems that we face in Barbados. Yet, we have not been good in doing X or Y.

Asides.

Mr. D. J. H. THOMPSON: The point is, you need that level of honesty and candor in implementing an economic programme as well. If you do not develop that honesty and candor, then other events will overtake the Barbados economy but it will be too late to reverse those trends. The question that has to be answered is, whether the Government has the technical manpower, a strategy and the ability to implement a strategy for Barbados, and whether the Government treats September 11, as an event in and of itself.

I heard the Honourable Member for Christ Church East say, where will it end? The point is, you have to factor into September 11, all of the other economic developments that were taking place prior to its happening and what effects it will now trigger into the world economy. Therefore, any Government interested in really transforming Barbados, will be looking at the year 2025, as well as putting in place its 90-day economic programme for Barbados. It does not mean that you would implement it in 2025, there may be others to come along and do that, but you need to look at it. When you ask the question where it ends, you need to be conscious that this is a continuum of economic circumstances, to which the Government of Barbados will have to respond.

Mr. Speaker, Sir, if you took this document, you would understand the extent to which all of our success coming out of the emergency programme is going to rest on the performance of the tourism sector. On page 7 of this document it says:

“...Due to its linkages to many other areas of economic activity, an expected deterioration in tourism activity is likely to reverberate across both business and personal sectors, creating significantly negative effects.”

The document goes on to document how its decline in tourism will have effect in almost every other sector of the Barbados economy.

It is true to say that the Government has made resources available to tourism. What can the Minister tell us about the new tourism policy that is supposed to be implemented in Barbados and which we have heard about since January? What can the Minister tell us about the new tourism incentive framework in Barbados which was to be the basis of new capital investments in the tourism sector in this country? What can the Minister tell us about major public sector investments like the GEMS project, on which the Government has already spent in excess of \$100 million, and which because of economic downturn, is going to be faced with a severe financial crisis, which over and above what is now being given to the tourism private sector, may require a new cash injection into the GEMS project. What about the Hilton which was supposed to start since June 1, and we are now in the month of October? What about many

of the other initiatives which have been announced in recent times but which, despite what the Government said, are going to be significantly compromised by the world's economic situation and the investment climate?

The second thing that I said about the plan which needs to be addressed, is the fact that the Government said that while the economic situation at the present time is very fluid and uncertain, every conceivable effort will be made to protect the economic fundamentals of the country. In this regard, the broad macro objective is to maintain inflation, employment levels and economic growth. The principle objective is geared towards the maintenance of employment during the crisis.

Mr. Speaker, if Barbados is to succeed, I believe that the Government needs not to be in a managerial mode but, as I said, in a transformation mode. There is no certainty that you can define that on X date in the future, the effects of September 11, 2001 will come to an end. Therefore, while it is important to have sound management, what is more critical for the Ministry of Economic Affairs and the implementation unit is to be involved in effectively transforming the Barbados economy to some objectives that I would outline later. Sir, part of the action plan, as I said, is that it focuses very clearly on the language of the *status quo* and does not, to my mind, project sufficiently forward into the future.

Let me give you an example of where the gap may lie. We are focussing on the events of September 11, 2001 as it impacts on the world economy. One of the biggest immediate threats to us is what is happening within the Caribbean region. Yet, this document, regrettably, although it is a national action plan, is severely compromised by the fact that it does not address the impact of what is happening in the Caribbean and what we need to do collectively in the Caribbean to protect our future and to ensure our survival and our sustained survival.

4.30 p.m.

Therefore, there is nothing in this document that addresses the initiatives that the Government of Barbados will be undertaking, either within the subsectors of the economy or at the national level in terms of the Caribbean region in the hope of helping sustain their economies. They are very significant trading partners to Barbados and without their success, it means that Barbados' economy will be significantly compromised. Therefore, I urge the Minister to have regard to the impact of events, not just to Barbados, but to look very carefully at what is happening in relation to the rest of the Caribbean. There are Barbadian enterprises that have invested in other Caribbean countries that are also going to be faced with significant challenges coming out of the events of September 11.

For the past eight years, we have been hearing that the conditions for economic growth are as good a time as any for the Government to increase its productive capacity; that the Government has been saying that it views investments by the private sector in the accommodation, villas, *et cetera*, as building capacity in the economy. Now that we are faced with an economic crisis, we are seeing what can quickly happen to that capacity that has been built in the Barbados economy. I believe that it is critical for us to determine how we are going to manage those assets that have already been invested in, during the time of economic growth, so as to ensure that they do not deteriorate.

There are some countries in the world where there has been phenomenal investment in properties speculation by wealthy people. These countries then go through a major recession and, basically, the investors abandon their properties, which has serious environment and employment consequences for the countries in which those properties have been abandoned. There are some countries like that of Australia which can tell you of the challenges they face as a result of other property speculation. There was then a burst in that bubble and many properties were left unmanaged and in a state of disrepair. Then the return to the level of the maintenance of the tourism and at the level of which was desirable, is always a very difficult economic prospect.

Another part of the strategy that one has to question is the issue of borrowing, the fact that the Government had already borrowed \$350 million over the past two years on the capital market. Therefore, one almost finds it unbelievable that recourse would be had, again to the capital market, for a further \$300 million which would take the level of borrowing to BDS\$650 million in the space of three years. That is a very significant sum of money which the Government would be borrowing over a three-year period of time. As I said, it makes one question whether the Government has actually created a solution to the problem, or whether it is going to create a scenario, where having access to those resources, it does not continue the cycle of complacency rather than to make all sectors of the Barbados economy conscious of the need to be part of the efforts to restore the economic health of this country.

When one puts money away for a rainy day, there is a psychological impact. That psychological impact, one has to constantly knock out of people, that it is there for a specific purpose, not for people to be complacent. It is there in anticipation of an economic crisis or whatever. If that is the reason why it is being put there, then it needs to be understood that the fact that it is there, should not delay any of the important reforms that need to take place in Barbados. Sir, what has been happening in recent times is that instead of undertaking reforms and opening the eyes of the people of Barbados as to what needs to be done, the Government has been very foolishly bragging about the level of foreign

reserves, when everybody in Barbados knows that a significant proportion of that is money which the Government of Barbados has borrowed on the international capital market.

Therefore, when that level of complacency is being induced – everything is okay, we have money borrowed and put down – it is not then surprising that people do not see themselves as being seriously part of any efforts to restructure and remobilise the Barbados economy to economic health and success. The Government might very well mitigate against itself by going to the capital market at this time and not facing the reality of the important changes that are needed in the Barbadian economy.

The Government still does not accept that major jobs were lost in the Barbados economy in the first six months of this year. I know that there is some dispute, apparently, over the figures and the number of jobs that are lost. Nobody seems to know the number of jobs that have been lost in the tourism sector. Some international commentators say that it is as many as a thousand. The Barbados Tourism Association (BTA) does not seem to know, but it may not be that many. The Minister said it cannot be a thousand because, based on his discussions – not on any empirical evidence or analysis – nobody has alerted him to losses of that magnitude in the tourism sector in Barbados.
4.40 p.m.

It is clear that there have been job losses in the tourism sector because hotels which otherwise would not close during the summer were closed and looking to reopen in October. There was every likelihood that some of them will not reopen at the same level of staffing. Now, that is exclusive of the other jobs which were lost in the Barbados economy in the earlier part of this year.

Yet the Government, having seen what has happened, as soon as the private sector was faced with those challenges, including some of the companies which are now saying that jobs should be the last thing that we should want to get rid of, in other words, that employment was critical for their businesses, you see some of those same companies making that argument now, but only four months ago, they were restructuring and sending home workers from their enterprises.

The Government of Barbados is hinging these economic programmes on a commitment by the private sector in Barbados to maintain the same levels of employment, in other words, not to send home workers. I urge the Government of Barbados to undertake an analysis of the pledges given in 1992, under the first social partnership and the jobs that were lost in the private sector – even though those pledges had been given – and to find a mechanism which is more protective, particularly under the terms of the social partnership, to protect Barbados' jobs.

Sir, the Government has recommended that one way is to have a buy local campaign. I am amazed to hear that, because just some months ago in a debate in here when a buy local campaign was mooted – I do not remember at the time how we got on to the subject – the Honourable Member for the City raged against a buy local campaign.

The distributive sector in Barbados had never been closed. It has always been opened. Any foreigner under our laws, can come and set up a business in Barbados, so “buy local” has nothing to do with who owns the enterprises. In other words, “buy local” does not mean that you have to buy directly from a Barbadian because, there may be foreign investors who set up businesses in Barbados to sell Barbadian products. Sir, that is not unheard of, because there have been foreign investors, who have come to Barbados to set up manufacturing concerns to sell to Barbadians and also to create jobs in Barbados and to save foreign exchange.

Some of the key garment manufacturers in Barbados are not Barbadians, but when you buy from them, it means you are still buying locally, because you are saving Barbadian jobs and, if the value added content of the enterprise is significant, you are saving foreign exchange, you are contributing to technological improvements in many cases, *et cetera*.

Let us define what buy local means. It does not only mean that Barbadian consumers must go and seek out local goods wherever they are because, as the Honourable Member for Christ Church East quite rightly said, it often means that those who are selling local produce and local goods and services must market our local produce effectively.

For years, there were some supermarkets that were actually marketing local black belly lamb and pork. They were packaging and presenting them nicely as part of their contribution to the livestock sector in Barbados. Sir, once a year, during our Independence, they would highlight local produce.

I am saying that it is desirable for us, not just because of September 11, 2001, but I believe that on this Side, we have been saying consistently, that one of the ways to deal with the issue of globalization and trade liberalisation, is for the Government to have an aggressive buy local campaign.

Therefore, it is critical for us to be serious about buying locally, and not just talk about it as another propaganda and public relations exercise. The Government should use one of their departments. Sir, for the longest time, I have been asking the Government to tell me what the old price control department does and what is its current responsibility. You have that department, the IDC and other departments of

Government which have the expertise to monitor, regulate and encourage. Also, there are designers for the Community College and elsewhere, who can be part of a serious buy local campaign in Barbados, to identify local businesses and also to identify businesses that sell local produce.

I am making the point again, that it is not necessary for you to be a Barbadian to sell Barbadian goods. If part of our strategy is to export our goods overseas, then it would be remarkable if we limited our horizons to the investments of Barbadians for Barbados only. If we want other people to buy our goods overseas, then we must encourage some of them to invest in the Barbados economy to sell our goods locally and overseas as well, and there is nothing wrong with that.

The Government’s Buy Local Campaign can reap significant success and I hope that is an initiative that should be pushed and will have the support of the Opposition as a political party, as part of the process of maintaining the state of our economy and carrying Barbados forward.

As I already said, Mr. Speaker, I have addressed some concerns about the tourism sector initiatives. I think the Minister must tell us whether he thinks the Tourism Authority, as presently constituted, can deliver because I know he has raised some concerns. It would not be fair to him. If he has an institution that he does not think can deliver, he must say so and let us debate it. I believe it can deliver because I saw it delivered in 1993 and 1994 when we faced our biggest economic crisis. At that time, the Tourism Authority presented a \$9 million programme which was followed subsequently.

Aside.

Mr. D. J. H. THOMPSON: No. I am not being partisan. I am not saying it only delivered then, but I am saying that in a time of crisis, I saw it delivered and that is the point I should really make. In times of crisis and in times of prosperity it has been able to sustain that to a certain degree. Sir, questions have arisen and they are not only Members of the Barbados Labour Party, they are Members of the Democratic Labour Party writing in the local Press, who have supported a restructuring of the Tourism Authority.

I am not one of them but I am saying that as a parliamentarian, I have an objective to hear what the Ministers of Government say about the institutions under their control, and to appraise if what they are saying makes sense, or does not make sense.

Likewise, when we move onto the implementation of the \$10 million accommodation sector support, the Minister adopted the same stance that I have heard previous Ministers adopt relative to the accommodation support matters. You

will set up a fund but then you tell people, except at election time, not to expect to come to the fund and access resources. You have to come with plans, restructuring programmes and all kinds of other documentation. I am begging the Minister of Tourism and the Minister responsible for Economic Affairs, assuming it comes under his portfolio, to find a way to hold the hands of these enterprises that are going to benefit from this programme.

Sir, let us stop the scenario that exists in Barbados where persons are handing out application forms, who do not understand what is often required so that you have entrepreneurs in Barbados going from door to door asking question after question, having to interview all kinds of people before they can access resources that may be critical to the salvation of their enterprises. We have seen far too many instances, outside of election time, where funds are set up, enterprises are encouraged to access these funds, but when people try to access these funds, they are not able to do so. This is another issue of implementation that is vital and critical.

Relative to the international business and financial services sector, the Government said it is going to enhance marketing of the insurance sector and increase public relations and diplomatic effort. Let us face it, this Government took the Budget in that Ministry to almost \$8 million and did not get dollar for dollar results commensurate with the \$400 000 that the Democratic Labour Party was spending in 1994, nor the \$10 000 that the Barbados Labour Party was spending when it left office in 1986.

Your results, dollar for dollar, are less in the year 2000, in terms of expenditure on the sector, than you were getting back in 1986 and 1994. Yet, the Government seems to believe, all that is necessary is an increase in the public relations programme.

Aside.

Mr. D. J. H. THOMPSON: Against whom the OECD?

Aside.

Mr. D. J. H. THOMPSON: Sixty thousand dollars one way, \$100 000 another and \$50 000 another. International Business \$100 000, \$50 000 on domestic public relations and \$200 000 on strengthening of the Financial Intelligence Unit. Now that is \$200 000 well spent because that is one of the critical areas that the Government is going to have to initiate as a result of compliance with worldwide trends.
4.50 p.m.

Sixty thousand dollars for diplomatic efforts. If you divide that by six Missions, that is \$10 000, US\$5 000 or £1 500 per Mission but that is just to put something in for

the sake of putting it in to say that you have done something. That can be serious, Mr. Speaker. Fifteen hundred pounds cannot take a Minister through London twice for that is not even a plane fare to London far less to undertake any diplomatic initiative. Let us understand that you are fooling people with this kind of scenario. There is nothing, as I say, transformatory or managerial about making this kind of money available.

Fifty thousand dollars in public relations overseas. Some public relations consultants require \$25 000 as a retainer before they even look at your brief. I am not talking about international consultants, I am talking about local public relations consultants.

One hundred thousand dollars for marketing the insurance sector. Again, these do not make sense and it cannot be described as part of a strategy to save Barbados from the effects of the fallout of September 11. It cannot be.

Relative to the agricultural sector, I hope the Honourable Member for St. Philip South has a strategy to get this 180 acres allocated to the 30 landless farmers and 90 acres into the programme beyond getting that land into the hand of landless farmers or being able to help the farmers that have land and to hold the hands of those who are now going into farming because that would require a major initiative. What the Government is talking about are 30 landless farmers. That is a lot of farmers.

I do not know what the capacity of the Ministry of Agriculture and Rural Development is at this time but if you think about it 30 landless farmers in the short-term plus making another 90 acres available, let's say you divided them in the same way, you will have another 15 landless farmers and that will be 45 landless farmers some of whom are going to be new.

To get a programme like that off the ground will require significant skills, implementation and management by the Government once it is not just a public relations programme because we all know that in the last Budget that the land for landless farmers was not really anything new. A lot of the farmers who were already farming the land had the land available to them before. All the Government was doing then was formalising an existing arrangement but they were announcing it as a big land for the landless programme as if it was something new.

The other point that comes to mind is where is this land that is being made available. Do you have irrigation nearby? Do you have all the other critical inputs that would be necessary to ensure that those farmers can actually undertake their farming at this time, particularly having regard to what has been happening in Barbados?

I dealt with the buy local campaign and I believe that that concludes the question of the major elements of the strategy. As I say to you I am not here today to bad talk Government's National Emergency Economic and Financial Programme. I wish the Government every success. The Government has been elected to govern, not the Opposition, and it is, therefore, for the Government to implement its strategy and to ensure that in implementing that strategy it not only manages existing resources carefully but it also has an eye to the questions of transforming the Barbados economy.

Sir, the reason why some of these initiatives lack focus and coherence is because they do not relate sufficiently to what is happening in the Caribbean region as a whole. I thought in the last Budget and the previous Budget that what we were saying is that it was critical for Barbados to lock into what is happening in the rest of the Caribbean. All of a sudden, we are facing a crisis and it seems as though the agenda that was being designed for the Caribbean... I am not talking about protecting Barbadian industries from competition external to the region, I am talking about regional initiatives and, therefore, unless we get back to a stage where we place the Caribbean as a region at the top of our agenda and seek to work together as a region so that Barbadians who are suffering dislocation are able perhaps to see their markets as encompassing a wider area and so that we can pool the risks and the rewards of the strategy that we have to implement.

I found it ironic to have heard and read of this Emergency Economic and Financial Programme coming against a background where the principal architect of it is also the Prime Minister who is responsible for the Caribbean Single Market and Economy and who will have a very integral role to play in the management and implementation of the reforms to bring into being the Caribbean Single Market and Economy and who professes to understand the impact of what is happening in the rest of the Caribbean on us and what our destiny is as a people in relation to the Caribbean. Yet this National Emergency Economic and Financial Programme does not contemplate that because in a real sense unless we define national as meaning the Caribbean as a whole then every time we face an economic crisis we will retreat from our objectives as a region to unify and to implement measures where we can cooperate and, as I say, "fool the risk" which I think is very important and I hope that we have not fallen into that trap again because it has happened before.

In 1999, Barbados had to focus on its domestic economic programme and, therefore, we were not able to push for the reforms in the Caribbean Single Market and Economy that were necessary at that time. Prior to that between 1981 and 1984 as the Barbados economy was going through its crisis, it played no leadership role at all in

CARICOM. Therefore, if we are serious, let us look at ways to place the needs of the Caribbean as a whole at the forefront of our national initiative.

The second point that the Minister needs to address so as to make this an initiative that has focus and coherence is how it is going to save jobs or create new jobs in the Barbados economy. Even if they are not at the stage where they can talk about the creation of new jobs, based on our experience between 1991 and 1994, I want the Government to tell me how they are going to save the jobs of the hotel workers or of those working in manufacturing concerns and small businesses.

5.00 p.m.

Mr. Speaker, Honourable Members on that Side do not like me to tell what they call anecdotal stories. They are not Aesop, these are rum shop stories, stories of rum shops, not Aesop, rum shop fables, if you want to call them that, of guys who have run their stock down to almost nothing and in recent times because of the economic circumstances and because during times of prosperity they were given a lot of credit and they were able to run up high levels of credit with distributors a lot of them are facing severe times. They are going through that cycle now, the downswing in relation to many of those businesses is taking place. I am talking about some of the smaller ones that are merely selling alcoholic beverages, small items, such as soap powder, sardines, milk, macaroni, rice and onions.

Many of those enterprises are facing severe problems. How do you save them from closure?

The third point that the Minister needs to make is how are these initiatives going to filter down to those who are not represented by the social partnership in Barbados? This is my big concern that there are people who have access, who were at the National Economic Consultation, and whose voices were heard. But what about the taxi-driver in St. Michael West who lives near the Port, probably in President Kennedy Drive or somewhere like that, who is already facing the pressures of the current slowdown in the tourism sector, the water sports operators on the west coast who, having been denied access because of all-inclusive tourism or alternatively because many of the hotels would not allow them to trespass on their properties and who have very limited areas in which they can ply their craft or access the main road? Now you fly on top of that, the decline, dramatic as it is, in the tourism sector. Do these proposals contemplate being able to bail out the owner of a jet-ski or power boat or a sun-fish or a catamaran? What is it that Government can do to mitigate the impact of the economic crisis on that category of Barbadian?

What about the vendors in the tourism sector? I was surprised that the Honourable Member for

Christ Church East did not have very much to say about it. Pelican Village, they say, is a ghost town. This was a flagship initiative of the Barbados Labour Party and now almost half the shops are empty. They say the rent is too high, they are not getting the traffic, that it was an ill-conceived project, the way it was built. That is those in Pelican, but what about those vendors who are not even near to the kind of access that those at Pelican would have had by virtue of being near to the Bridgetown Port? What are you going to do to protect their jobs, livelihood and investment in the coming 90 days in Barbados? How are you going to help them see their way to protecting their families' future over the next 90 days?

Mr. Speaker, Sir, how is the Minister going to offer hope and inspiration to the 4 000 young people who have left school, having received the results, and are now in the job market? What are we going to do relative to the employment level, particularly for those who are new entrants to the job market? There are some countries which, having seen the nature of this economic crisis, have been able, as the Government had promised, to have a more expansionary fiscal programme and have been able to put in place programmes to help first-time school leavers to get their first jobs for a limited period of time.

Even though we are in the stage of an economic crisis, Government said that it has resources available to it and no doubt it does, based on the information that has been made available to us, and those resources must be put to the benefit of the people of this country, to ensure that their aspirations are met and they feel comfortable about the future.

The Minister has to say how this programme is going to impact directly on the farmers and manufacturers and how the Government is going to hold their hands in carrying out the initiatives that have been outlined in here today.

Finally, Mr. Speaker, the Honourable Member for Christ Church East needs to tell us how he believes that national, not partisan support, not the support at the Party Conference, can be engendered. As I said, I saw the programme for the first time last night. That is the first time it was made available to me and I am not the most avid reader of everything in the newspaper and therefore I would have seen what was in this programme last night. For those who did not hear the presentation at the Party Conference where it was first delivered and for those who are hearing it for the first time, what is it that the Honourable Member for Christ Church East is going to say to Barbadians that would go beyond the official statements that we have heard before in the three economic statements that we have had in the past year that can actually translate into action and investment and that can raise and mobilise the consciousness of Barbadians

so that they feel inspired to rally behind the initiatives of the Barbados Government?

I will warn the Minister of Economic Development and he is free to take my advice or reject it, I have not yet heard an economic statement in Barbados that has been delivered that has even given a dollar of concessions to any sector which was not described by that sector as one of the most brilliant economic presentations in the history of Barbados. In the last Budget, we were pointing out where the economy was going and the private sector was telling us that the initiatives that the Prime Minister put on the table were masterful initiatives that were going to turn around their situation. By September 11, an intervening act which, as I said, was very significant, occurred. Another initiative by the Minister of Finance has been undertaken today and they are saying it is a wonderful and magnificent initiative but if you went back to October last year, three months before the economic decline started to set in, the private sector was also saying that the October 2000 Budget was an excellent budget and that the initiatives that were put in that budget would have the effect of further sustaining economic growth in Barbados. Less than six months later, Barbadian workers were being sent home. By June of the following year, every sector was registering a decline, before September 11.

I say it would be of comfort to a fool to accept quick reactions by anybody to economic initiatives which are only on paper.
5.10 p.m.

You have to constantly remind a Government that it has a duty not only to put something on paper or to deliver fancy speeches in Parliament but to focus on the objectives of transforming the economy and to say whether the Government itself has the capacity to undertake the lofty principles of its economic program. If we were to judge this Government on that score, you will find that it has fallen down in almost every area of the economy in terms of actually implementing the initiatives that it announces in Parliament in every Budget and the intervening period between Budgets, that is where the acid test comes.

I do not believe in preaching to people who have had experience in the private sector because that is not my remit at this time but I would remind them that they should be more cautious because part of the culture of complacency that has developed in Barbados comes from the fact that Government Ministers not only listen to their own propaganda and believe it but they believe that the public listens to all of their propaganda and believes that as well.

When you hear that an agricultural fund has been promised for three Budgets before it was realised and when you check some of the other funds, you will find that eighteen months after one had been established it was still to

make its first strategic investment and then you wonder why there is still a wide gap between the pledges and the actual performance. It is at that level that the people of Barbados are being let down.

Asides.

Mr. D. J. H. THOMPSON: I can say that because I know of the many experiences that people in this country had. As soon as there is a Budget they call you the next week and tell you that Government has set up a fund to help small shopkeepers and when you investigate somebody says all they have to do is fill out a form. They fill out the form and send it back in with the documents requested and two weeks later somebody tells them that the form is approved but there are no funds. Two years later, the people are totally frustrated and still waiting for the fund. This is not just endemic to the small shopkeepers and small operatives in Barbados, it happens throughout the entire system where people's initiative and creativity is being stifled by the Government's inability to implement its programs.

We recognised very early in 1992 what the limitations were. I am not saying that all of the reforms were successful but every executing agency of the Government of Barbados in the productive sector was restructured. The one that had the least effect was the BADMC. The offshore sector, to my mind, was one of the most successful, the bringing together of all of the licencing of foreign sales corporations and IBCs under one entity which then evolved into one Ministry.

The reforms that were undertaken in the Tourism Authority were institutional reforms which had to be undertaken in that way because, at that time, the Ministry of Tourism had five officers and the Ministry had no capacity to deal with the issues that were exclusively the Ministry's preserve so you had a Board of Tourism that was not able to focus enough on marketing and promotion because they were dealing with all the issues that the Ministry should have been dealing with; and we decided to put that to an end. We told them that before they got the \$9 million, we needed to restructure the Tourism Authority and that gave rise to the current structure and maybe it will give rise to further institutional changes because very often the institutions as they are, cannot deliver because there is a law of diminishing returns that starts to apply to many of these statutory corporations.

We did put a moratorium on the establishment of new statutory corporations. If you check, you will see that there were no new ones in the sense of new ones undertaking new activity. We simply established new ones to replace old ones.

You then had privatization which had its own element of institutional restructuring where, having sold Almond

Beach, they were now making a contribution to the promotion of Barbados as an independent entity that supplemented the promotional budget of the Government of Barbados significantly. They became a major player in the market for Barbados. We were hoping that would also happen with Sandals but that did not happen.

I am saying that not every reform works and I am not arguing that. I regret to this day that we were not able to reform the Transport Board back then as we would have liked because I felt it was an institution ripe for reform and what the Honourable Member for St. Michael West Central is now facing, relative to the operations of the Transport Board, could be obviated had we undertaken the reform then. You cannot undertake those reforms in time of prosperity because it is difficult. Those reforms have to be undertaken in times of crisis and change because that is when transformation is going to be more effective.

What we really need to ask ourselves is this. If you shut down those enterprises but kept the people employed in other parts of Government, would anything change in Barbados? What impact would it have if some of those enterprises cease to exist? These are the questions that administrators have to ask themselves. I am not arguing for closure of these enterprises because when you close them there is pain associated with that. What also happens is that the people working in those enterprises do not have a sense of fulfillment that they are achieving anything on behalf of Barbados because 90 per cent of them can tell you what the budget of their enterprise is and they will tell you, can you imagine that the Government gave this enterprise \$20 million and despite that we are not able to do x, y or z.

We heard that a lot in Opposition because when you are in Opposition you hear a lot. The frustration of senior managers filters down to middle management and right down through the system. I am saying that the time is ripe for the kinds of policies in Barbados that are going to ensure that public sector entities deliver to people. When a public sector worker sets out for work every day he or she needs to feel that they are doing something to help the average Barbadian achieve their goal. Unless you get that level of commitment, you will not succeed in your restructuring plan.
5.20 p.m.

I came into the Cabinet in 1991 in the midst of an economic crisis in which public servants had part of their wages reduced. In a small Ministry, we did more in the year of the pay cut than we did, let us say, two years later.

We brought a steel pan group, the Desperados, to Barbados and we had no budget. Every worker in the Ministry offered their motor cars to be at the disposal of the group in order to provide transportation. We transported the group around Barbados and we begged for everything. We

did the children's summit at the Frank Collymore Hall. We started the Barbados Youth Service on \$400 000 because we felt that we had to start it and it could not wait. Therefore, we diverted resources from something else to the Barbados Youth Service. You can reflect on that. Sometimes, in the period of adversity, people are willing to put out more because they feel and are conscious that the cause that they are fighting is a greater one.

Sir, for you to sustain that, the people who make those sacrifices have genuinely to feel that when things improve, they will benefit from that improvement. I feel, very regrettably, that subsequent events have stretched them out for too long. When they were expecting things to improve significantly for them, for many of them things have actually deteriorated, particularly those who are in middle positions in the public service – nurses, teachers, clerical officers. I do not even want to identify the categories because there are so many categories of workers who would have made an investment in a house or a car and are able to send their children to school, but for whom the slightest economic ripple will have devastating consequences. Sir, do you know why? They have almost no discretionary income at all.

We like to talk about how they are going to talk about how they are going to buy brand name gear for their children. Sir, that is not always true. There are some people in levels of the public service, when you take out all their obligations, they take home \$56 and anything that they have after that they are going to credit, including pudding and souse on a Saturday, or they get into a group of fellows where they know that it is not so obvious. They are not people just at the economic ladder of Barbados. There are a lot of people in the middle for whom there is a vice grip, because very often at that point in the tax band they are paying heavy personal income taxes, value added tax, for the things that they require to make their lives comfortable, *et cetera*.

The Government needs to provide a road map because it is Government's responsibility to do so to ensure that those persons are not imperiled by the economic circumstances. I believe that we need to see September 11, not as the starting point. If we do that, we will miss the boat and we will not do the things which are necessary in the Barbados economy to get this economy back on track.

In a real sense we just need to see September 11 as a furthering of the economic decline, but we need to see January 1, 2001, the start of the millennium, as the period when the major economic challenges began for Barbados. Therefore, retrace our steps from September 11 to January 1 and see whether there were things that we could not have done differently to reposition the Barbados economy for a secure and vibrant future.

It is against that background that I have raised concerns in this particular debate. As I said, I am a patriotic Barbadian. I wish the Government every success in the implementation of its emergency programme. I urge the Government to pull away from its programme of propaganda and public relations and to focus on the real transformation that is necessary for Barbados to succeed. I believe that it is only in that spirit, you will be able to continue to engender the level of patriotism that will be necessary to see the success of this emergency economic programme.

Thank you, Mr. Speaker, Sir.

Hon. N. A. LYNCH: Mr. Speaker, let me begin by commending the Government for the way in which this National Economic Emergency Programme has been brought to the people of Barbados. I believe that even though it is coming at the end of October, what you would find is, that Government's response has been a very responsible response. It is well structured, strategically focussed and it shows the level of maturity that is important for us to put a programme like this in place.

Sir, Government's response has not been in the method described by the Honourable Member for St. John as any hastily cobbled together set of proposals. The proposals as outlined by the Ministry of Economic Development and as they relate to this programme, have been co-ordinated responses based on facts and ongoing findings based on how this crisis has affected Barbados. Some people would like us to solve problems that do not exist. The issue is, we must begin by finding what are the facts. Additionally, the response is related to the national resources available to us at this time and the calls that we have on the public purse.

In addition to that, there must be a demonstrated relationship between the existing and mutual business situation and the acts of the terror of September 11. Sir, they are co-ordinated in the context of a holistic, societal response in which all partners are called upon to serve and to contribute and/or to sacrifice to make this effort work. It is against that backdrop, given the importance of tourism as the core component to this economic programme, that I set my debate.

Sir, the initial response period of 90 days covers the period of October 1 to December 31, 2001. Although we are into the end of October, there are many components of the programme as it relates to tourism which we have already started. In the Barbados Tourism Authority's case, as the core agency for implementing the core of the programme as it relates to our marketing efforts, funds have already been voted and available to the Barbados Tourism Authority. Therefore, those funds have been mobilised to start up this programme. There are other initiatives that do not immediately carry a price tag and they are also already in

train. First of all, better public/private sector cooperation within the tourism sector as a benchmark and as a launching pad, preparing overall marketing strategies for the programme and better dialogue and relationships with and amongst our partners. Let me say, Sir, the situation as we see it is a very fluid one. There is still very much uncertainty within the entire makeup among the Government and particularly to traveling and hospitality in recent months. 5.30 p.m.

Every aspect of travel and tourism is changing daily before our eyes. As a Government and specifically as the Ministry of Tourism, we continue to monitor and assess the situation. The situation may not be as severe as was initially envisioned, but that is not to say that we are still not facing a serious crisis. Immediate assessments were that we were going to have a fall-off within this initial period of up to 50 per cent in terms of arrivals to Barbados. This was the worse case scenario set out, but a more recent assessment of the situation has determined that that situation, in its worse case, may only be a 30 per cent fall-off. But again, I want to stress that we are still very much facing a crisis which can have a far reaching effect for the Barbadian economy and may cut deeper into the economy than was initially focussed on, obviously because of tourism linkages to the other productive sectors.

This is only in the initial stage and after the 90 days, we will re-look the situation. Let me very quickly add, that before September 11, there was already some fall-out in the tourism sector, which related to both arrival and revenue on the island.

The demand for travel and occupancy levels were already in decline but, in August, when the Minister of Finance presented his Budgetary Proposals, he was very clear to outline that tourism had already slowed and that we were seeking to put the initiatives in place to shore up the tourism sector in both the short and long-term.

Sir, the situation that resulted from the fall-out in the tourism sector was the slow-down in the US economy, a downturn in the global economy, and a changing pattern in our own tourism makeup and patterns. But even in the face of the many challenges: a US economy in recession, a global economy already in downturn, up to the end of September, the arrival figures to Barbados were only 4.9 per cent of the year 2000 figures, which was a very good year.

The Year 2000 was the best year in tourism that we have ever had in this country. Sir, September to October is really not the best gauge, because those months are traditionally down months in tourism arrivals on our island.

The existing performance and numbers are being tracked on a daily basis.

When I came to this job, we did not have any mechanisms to track tourism arrivals or any type of measures of tourism performance on a daily basis. As of today, I can give you preliminary figures of what has happened for the month of October. When one compares September–October, 2001, with September–October, in previous years, even the Year 2000, the numbers compare very favourably.

Sir, the forward-booking scenario is difficult for us to track at this time. Now, after September 11, the booking patterns have totally changed in terms of how persons book their vacations with last minute bookings dominating the entire scenario. Therefore, on an ongoing basis, it is rather difficult to measure how much business is on the books or how fast business is coming onto the books.

Sir, I am using the situation in the United States and that of the United Kingdom. Business on the books is now being cancelled. Business coming onto the books for the long-term is negligible. Bookings are now between 24 to 48 hours out in most cases and even though there are some diversified businesses out of Barbados and the other islands in the Eastern Caribbean, they are very difficult to track at this time. One positive thing coming out of this is the diversification of our source markets and the fact that we have traffic on both sides of the Atlantic before this crisis has given Barbados a plus.

Sir, only last year, being faced with a situation where we had the UK as a dominant market and also the concept of putting all of one's eggs into one basket, we then shifted many of our resources over into the US market to be able to balance the issue very successfully and what has happened is that the strategy has borne fruit. The airline industry, as evidenced by the attraction of the first US carrier to Barbados in fifty years, the US Airways, is supposed to fly on a reduced schedule, but will still fly non-stop from Philadelphia starting from Saturday. This is the first time that we have opened a new market out of the US economy in fifty years. In relation to how other airlines have responded to Barbados, we had new business coming into Barbados from the United States. This is business that we have not had, nor have not seen for many years. The crisis has changed much of this and has caused us to refocus our objectives which centres around a number of issues. First of all, to do our part into the pool of renewing confidence in the consumers, we are doing that through our own initiatives and enhanced security.

[At this point, Mr. Deputy Speaker took the Chair]

Hon. N. A. LYNCH: In relation to that, Sir, we are seeking to maintain existing business at all levels, including air and sea routes to Barbados and to show up, to some extent, the cruise sector. Also, as one of our objectives, we are seeking to secure a much stronger national position in

what is going to be an overall reduced market into the Eastern Caribbean.

In addition to that, Sir, we have embarked on an issue of capacity building in the industry, the creation of a more efficient industry and better private/public sector cooperation that can accommodate us when this crisis is over and the creation of better mechanisms for monitoring the performance and activity and after the crisis, participation, as well, in regional initiatives that will enhance our national position and to speed up the development of mechanisms to opening up new markets to tourism into Barbados.

Sir, the package as outlined, taking those objectives as the backdrop, speaks to a package of:

- (a) security upgrades, \$2.8 million,
- (b) airline support, \$800,000,
- (c) marketing support, \$16,800,
- (d) accommodation support, \$10 million,
- (e) a more welcoming environment, \$2.5 million.

Sir, initially the security of each of these areas is going to be greatly enhanced, but let me say that the Civil Aviation Society, as we know it today, will never ever be the same again. Passengers have got to get accustomed to a new normalcy and this is for an indefinite period. Sir, recently, one will notice that because of our Federal Aviation Authority's obligations and the International Civil Aviation Organisation, there is going to be enhanced security at all of our ports.

5.40 p.m.

Sir, people who travelled recently, would have seen what has been happening at both the Grantley Adams International Airport and the Barbados Port Authority, relating to the inspection of bags. The FAA has demanded that at the last port of call before entering the United States of America, bags must be checked manually, even if there are bags that are actually going into the hold of the plane.

Sir, the specific requirements of the Grantley Adams International Airport include increased security lighting, close circuit television monitoring of both the perimeter and inside of the airport. In addition, there will be security communication, equipment upgrades and added security control post. The FAA and ICAO demanded that we purchase a new explosive detector, as well as new scanners at different positions within the airport.

The specific requirements, Sir, for the Barbados Port Authority, have already been budgeted. They include a new

electronic surveillance system for the Port which will be implemented by the end of November. Other measures include both walk-through and hand-held metal detectors, optical surveillance kits, desk top mail screening systems, closed circuit television at main check points, baggage scanning systems and also, Sir, new scanners and explosive detectors.

Sir, we will be giving airline support to 22 airlines that fly into Barbados. There has been much talk about the critical nature of the airline industry to the overall development of tourism. There are some schools of thought that have dismissed the issue in relation to the need to support airlines in terms of keeping the tourism product and the tourism business functioning.

Let me say, Sir, that critical to tourism development, must be continuing efforts to help maintain airline seats into Barbados, whether that comes through some level of direct support or subsidy, or whether that comes through some cooperative programme, in terms of helping airlines to market. This was an initiative even before September 11, 2001.

September 11, 2001 did not begin anything in tourism. It only brought forward a number of issues that needed to be put in place which had been already contemplated and planned.

Sir, assistance in terms of compensation for losses since September 11, and also marketing support to ensure maintenance of airlifts into Barbados, the trends that we have followed is that regarding the UK carriers, there is little discernible change in terms of them coming into Barbados. As a matter of fact, the good news is that out of the UK, particularly for British Airways, there is going to be an added flight. There are going to be two flights into Barbados on Sunday, beginning in December, making it eight flights, rather than seven flights a week. The Concorde is going to fly to Barbados from the first week of December.

However, Sir, even though we in Barbados are seeing our loads still continuing to be very high out of the UK market, and we have even seen additional flights being added in December, the issue is that the airline industry is only as good as our ability to continue to get the same level as airlift and is only as good as the airline is able to exist system-wide.

Sir, we are constantly monitoring the situation but there are many planes that have been taken off routes. There have been many layoffs in the industry. The overall finances of the industry is not strong, and there are many serious insurance concerns in relation to the airline.

Again, I repeat, Sir, the fundamental point is that even though we continue to be the beneficiaries of good airlift, and even an enhanced number of seats or an increased number of seats into Barbados, that is only going to be as good as that airline is able to continue to operate. This is why it is important that we help them to market the airline better and also help them with any losses that they may have sustained after September 11, 2001.

In terms, Sir, of the US carriers, loads are significantly off by as much as 50 per cent at this time. Some of them are coming back, and we expect that by the end of the month, we can get them back from 20 per cent to 30 per cent. However, the situation on the USA side of the Atlantic is much more grave than on the other side, in terms of the UK.

The forward booking scenario for the US carriers is not good because there is still much apprehension in terms of flying into the United States. This is both domestically and internationally. Sir, we have to do our part to help these airlines in terms of co-op programmes to recover any losses.

In terms of the Canadian carriers and Caribbean carriers, the loads from Canada continue to be good but additional traffic as was proposed and have been already planned is not going to happen. One charter company, Air Transat, has already announced that they are pulling out. The Caribbean loads are off, in the region of 20 per cent, but there are not any Caribbean carriers that have actually cut service. Sir, we have outlined the programme to be able to give \$800 000 in the first 90 days to these carriers. In addition, we are engaging in a number of co-op programmes with tour operators who support many of the airlines coming into Barbados.

However, this assistance comes with the stipulation that we must have continued flights into Barbados.

Sir, we are predicting \$3 million over a longer period but it is going to be, Sir, only on the basis of maintaining the same level of routes and the same level of seat capacity into Barbados.

In terms of marketing, Sir, let me say that there are many marketing experts springing up all over the place, mostly from the north of the country and most of them have no idea what they are talking about. The marketing concept is very clear: you study the needs and wants of the consumer over a period of time, you determine what they are and you cater to them. It is very straightforward. Sir, the strategies that we have outlined and put in place have been research driven, both at a primary and secondary level. They are by no means strategies that have been pulled out of the air.

Sir, let me explain the number of the myths relating to these situations. There is a short-term marketing programme

that we are putting in place for the first 90 days to refashion our advertising and public relations programme. The concept is to maintain the distribution channels into Barbados as well.

Let me say, Sir, the research objectives that we embarked upon in the tourism industry, both at the level of the Ministry and the BHTA, were meant to gain some consumer insights regarding how the September 11, incidents had affected their intentions, including: timing of trips, cancellations or postponements, changes in itineraries and their domestic versus international travel, on both sides of the Atlantic. Let me say that this was done through, as I say, both primary and secondary research.
5.50 p.m.

In terms of the United States of America's scenario the Travel Industry Association of America in conjunction with a number of research efforts that we have had within our own entities said that 83 per cent of Americans believe that it is still important for them to travel wherever and whenever they want. That is important to the American market. Sixty-seven per cent said that they would continue to travel as before and 62 per cent said that the inconvenience of travel would not stop them from travelling. Sixty-one per cent believe that leisure travel is important to their well-being and 60 per cent said that travel in the United States of America is still safe.

The issue, Sir, that will bother us is that only 22 per cent of the Americans surveyed have said that travel outside of the United States of America is safe. Therefore, that has serious implications for how we target, measure and monitor our programmes and create messages from hereon in.

Many people on the north eastern corridor of the United States of America from which we derive most of our tourists have already said that they show an above average level of concern about travel over the people from the western side of the United States of America.

In terms of the United Kingdom market, 70 per cent of the UK consumers planned their trip during the six months prior to September 11. Of those, 75 per cent still plan to travel. Those who did not cancel expressed the sentiments that terrorism will not stop them from vacationing to their favourite vacation destinations. They expressed, however, that further developments in military actions may stop them from travelling.

They said that terrorist activity and enhanced airport security were not a big factor because many people in the UK had already been accustomed to that level of security and the whole concept of terrorism. Since the UK is our top overseas market it is important that these things be frontal in our minds when we continue to plan our marketing efforts.

Sir, in terms of the United States of America, 78 million people who had travel leisure plans for the next three months prior to September 11, 70 per cent of them said they will continue to travel. This is the major point. There is still much of a significant market for us if we are able to create the right type of message and be able to target the right type of consumer that is available to Barbados and who has already come to Barbados and has already outlined the reasons why they would come to a destination like Barbados.

In terms of the prospects for going forward, the airline industry is only expected to get back to their 2001 levels by the third quarter of 2002. Let me also say that wrapped up in there is another scenario and that is why we need to give the airlines support as well because they claim that up to \$24 billion can actually be lost by them by the end of 2001 which is going to leave us with many disruptive carriers.

However, the issue is that the ones that we already do business with are some of the major and bigger carriers. There are obviously some concerns when the whole scenario pans out whether or not we are going to be able to maintain... For example, the US Air issue is a serious one but let me say that they have already planned to come to Barbados daily. They are now only flying four days. The issue is that as we continue to attract the US Air and if they are still going to continue to fly, it will certainly leave a serious act of confidence in terms of how we would work to keep that carrier in Barbados.

Now, Sir, those people who are not travelling, and I want to make this a point as well, because of safety reasons are only seven per cent. Those who are not travelling because of airline safety concerns are only six per cent. Those who said travel is an inconvenience are only four per cent. Those who have future income concerns because of the economic crisis are three per cent.

What this mean really is that the pool of people available to travel out of the United States of America is still of some major concern to us. As I have said before, a lot of people still want to travel. As I have said before, there is a major concern in terms of travel outside of the United States of America. Sir, there is still a pool of people, up to 50 per cent, who are actually planning to travel and if we target them and create the right message and get it across we should still continue to have our numbers.

There is a complex set of factors affecting the prospects for travel. As I said before, this is a mixed bag from the economy back to military action. Let me say again that we have crafted a very clear and much more hopeful, caring message on what is about to happen in future times and how it will relate to us overall.

The expected outcome of our programme is that we will be able to mitigate the expected fall-out by as much as 50 per cent in the initial stages. We believe that if it worked well, we will be able to restore our numbers and we can have a fall out. We had 560 000 long-stay passengers in the year 2000. We believe that we can go back to that level of somewhere in the region of about 480 000 passengers. That would be the fourth best performance in terms of the decade because in 1998 and 1999 we had over 500 000. We will be able to restore Barbados and make it top in the minds of realists when we do have a fall-out.

Time does not permit me to go into each and every strategy that we are taking but let me say also that there are a number of issues that are related, some of which the Honourable Member for St. John has mentioned. Let me therefore go very, very quickly.

It is more than just looking at the numbers and being able to tell. What has happened in 2000 as opposed to 2001 has to do with how the business has shifted. Up to October 24, we had already been 17 per cent off in terms of the overall market as opposed to the Year 2000.

Let me also say that even though the numbers continue to look very good, one of the issues is that there has been some discounting in the marketplace and, therefore, revenues will be down.

The UK has now become even more dominant after September 11 and even though they have an average length of stay which is longer, their average daily is less than the United States of America and their length of stay has been shortened as well as spending is already down. Therefore, we are seeing a situation where even though the numbers may still remain high there is going to be counting of revenue drops in the industry.

Now, Sir, the absolute arrival figures do not tell the best picture or the best scenario for Barbados. What has been happening in this market is that there are a number of non-traditional types of accommodation springing up all over Barbados. These people are not staying in hotels because a lot of the power to book vacations has been shifted into the hands of the consumer. Many people go on the Internet and do their booking directly into Barbados. When you hear the Opposition crying and talking, let me say that I believe that there are more people playing in the tourism industry now in this country than have ever played in it in the past.
6.00 p.m.

What may be happening, and what Government has to be very clear on, is that a lot of the revenue that Government should be deriving from these people coming to Barbados will also filter to Government and it is going to call for closer monitoring and better concepts in terms of the way in which

we get Government revenues; but when you hear the Opposition talking about who represents the poor man and who does not, let me say that there are more people playing now in the tourism industry than have ever played in the past, and that may be why hoteliers are crying out, because even though the numbers are on the island, they may not necessarily be going into hotels. A lot of other people are getting money out of the tourism sector in this country.

Let me also say that when we talk about the whole concept of whether or not the Barbados Tourism Authority is competent or not to be able to carry on the work, of course, they are. But what is relevant is that there are a number of issues that we need to deal with in relation to restructuring of the Barbados Tourism Authority and tourism development agencies on the whole. We need to build better capacity to be able to develop tourism and there are a number of core competencies that exist that are already wrapped up in the Barbados Tourism Authority and need another look into, issues of strategic marketing, issues of investment, leverage in public and private sector funding and public and private sector reform. There are a number of issues that we need to deal with and coming out of this crisis one of the things that we have been able to do is to put together a core committee in which the public and private sector are working better together to be able to advance tourism.

Sir, I want to close by commending the Government and particularly the Ministry of Economic Development for the mature way in which Barbados has handled this crisis, the mature way in which we have brought these efforts to Parliament. You cannot, Sir, solve problems that you do not even know about. This has been strategically focused on facts and on findings.

Let me once again commend the Government and give my wholehearted support to the Resolution. Thank you, Sir.

Mr. D. St. E. KELLMAN: Mr. Deputy Speaker, I rise to speak on these proposals and to say that I understand from the outset the importance of proposals at this time. I want to say that I have been warning this Parliament on many occasions that it does not make sense to continue to brag about the level of foreign reserves you have, what you need to do is to put a policy in place to increase those foreign reserves. I have always made the comment that foreign reserves should be matched to foreign debt. If one had taken into consideration what I said, we would not be now today having to put this National Emergency and Financial Programme in place.

As you would have remembered, Sir, when the Budget was presented to this Parliament, I warned this Parliament that we need to put an agricultural programme in place and I suggested that what we were suffering from in this country

was lack of a proper marketing programme as it relates to agriculture and the fishing industry. Today, Sir, I am convinced without a shadow of a doubt that if the Government had accepted those proposals and if they had implemented those proposals not only in August but at the time I said it that this country would have been much better off.

As a parliamentarian, I cannot continue to have ideas and allow this Parliament not to implement them when it is in the interest of the people of Barbados. It gives me the impression, Sir, that I am wasting my time and it could be better spent elsewhere. I am saying, Sir, that the economic programme of this country should not just now be implemented but it should have been implemented since October last year when I held that famous Press Conference downstairs and made the point that in order for this country to go forward we all have to recognise the importance of the energy sector to the economy of Barbados.

I said then, Sir, that instead of increasing the cost of energy we should have been reducing the cost of energy or holding it constant. One has to understand that in an economy where we have a situation where our visible trade – and I want to quote because this is very important. Some people might have said to me in August that you might not only look at visible trade you also need to look at the invisible, but we have to understand that we have to look at what we can see. You cannot look at what you cannot see. The visible trade is what we know of and what we can deal with and that is why we should have corrected that particular problem at that point in time.

I am glad, Sir, that this time around the Honourable Members on the Other Side understand the particular point that I was making. In 1994, our exports were \$363.7 million. Would you believe, Sir, that by the year 2000 the visible trade had only increased to \$545.7 million, an increase of only 50 per cent in a six-year period? What is important...

Aside.

Mr. D. St. E. KELLMAN: I am hearing that is a lot. What people must understand is that you cannot only look at exports but those exports must be matched to imports. That is the important thing. In that same period, the imports, the matching factor, were able to rise from \$1 229 300 000 in 1994 to \$2 312 100 000 in 2000. This means that you had an increase which was at a faster rate than you were having exports and I am saying that any Government that can see the balance on visible trade moving from \$865 600 000 rise to \$1 766 400 000 should have paid careful attention to that fact. That is why I preached in this Parliament that we need to have a policy of import substitution, and I will continue to argue that, Sir.

It is important for a small country like Barbados to implement a policy of import substitution because we do not have a hat to draw foreign exchange from. We have to understand, and I have always made this point in this Parliament, that it is not only revenue that is important but it is foreign exchange that is important for a country like Barbados. That is why we are now scrambling. The signal was on the cards before September 11, and if one looks at the Economic Review which is dated June, one would recognise, based on the statistics coming from that Economic Review, that there was a downturn in the economy, not my statistics, but the statistics from the Central Bank of Barbados.

6.10 p.m.

Sir, I cannot continue giving these types of ideas and solutions and they are not being accepted for the simple reason that I have cut out a niche in politics for myself, I have defended the rights of the masses of the people in this country and it is unfair for the spokesman for the masses not to be heard in this Parliament and his policies not to be implemented.

Sir, if we want to increase our production in the agricultural and fishing sectors, one of the first things we have to do is move away from the old system where we feel that the key to production is to have more fish markets. Sir, we also need to be more proactive and we have to allow vendors to have duty-free vehicles so that the consumer does not have to go to the market to look for produce.

Sir, Barbadians have changed and we have to recognise that. When a Barbadian goes to a supermarket, he does not then want to rush to the normal market. We have to understand that with trade liberalization that supermarkets now import everything even though they can be produced in Barbados. When the consumer goes to the supermarket he buys everything there and will not necessarily look at whether they are produced in Barbados.

Sir, instead of allowing that to happen, we should allow the farmers to develop a relationship with people in the marketing sector, these people would buy the produce from the farmers and take it across Barbados in their duty free air-conditioned van to the door of the consumer who will be having fresh produce. The same person can go to the fish market in the evening and do likewise. The Honourable Member for Christ Church South will tell you that all fish landing sites do not have fish at the same capacity. This means that if there is a lot of fish at Half Moon Fort the fish can be taken to Oistins, Skeetes Bay or Consett Bay and *vice versa*. Sir, if your freezer is full of fish there is no need to buy imported lamb.

Sir, it is important for me to expand on this point. I hear people talking about Kellman's chaos but it is not chaos, it is Kellman's vision, a vision for the development of

the people of Barbados. If Barbadians do not want the vision, they just have to say that.

Sir, this Parliament must be seen for what it is. It must be seen as uplifting the lives of the masses and the farmers and fishermen have to be seen as important people too. They have always been seen as important people because if we were to read our Bible we would recognise when Jesus Christ came to earth he associated with the farmers and fishermen first. When he was hungry on the Sabbath Day, he plucked corn. When he had to feed the multitude he used fish and loaves. If the great master did that we should follow that particular trend.

Sir, this economic program is lacking in one direction. I do not see ideas in it for vendors, farmers or the taxi men. The biggest problem facing tourism is lack of communication from the bottom to the top. All the ideas are coming from the top and people who really understand what is going on, their ideas are not being channeled to the top. We had two good examples in the last five years, the old man at Greenland and the man who wrote to me about the sea egg industry. The Minister of Agriculture can speak well about this because he knows the letter was informative and that fisherman was able to give information and not one piece of the information given to Parliament has been proved wrong. I hope we will not have the same problem with sea eggs this year as we had last year.

Sir, this theoretical foolishness must be matched with the practical side of it. Those mass-based people have the practical side and we must respect their view. In Barbados we forget that these people have knowledge and we are ignoring them. Sir, these people must be brought on board. I will continue to fight the tourism officials because they do not understand that in order for Barbados to go forward that they must not be selfish and they must be prepared to bring along the jet ski people, the vendors and all the small entrepreneurs. Sir, we are developing a selfish agenda in Barbados and it will not serve Barbados well. If we do not change our ways, Barbados will crumble. I have said many times that a country cannot be run on capital alone, that it has to be labour plus capital. If you do not have labour plus capital there cannot be production. Many people in the private sector believe that if they have capital they do not need labour. I want to say to the trade unions that they must impress on these people the importance of labour in order for capital to work.

Sir, when I look at the Economic Review, it says that long-stay visitors are down 7.1 per cent, that manufacturing is down 11.1 per cent and that sugar is 14.7 per cent. Sir, I want to stop and reflect. I have not heard anything from the Minister of Agriculture or any of the consultants on this particular policy and what we are going to do about the sugar industry.

If we had an opinion previously, it cannot be the same now because we have to recognise that what happened on September 11 will change our thinking and we have to recognise that even though we may lose tourism revenue that sugar revenue is still holding good for us. Sir, everything seems to be planned around the foreign reserves of the country but that is not the only thing we should look at. We have to look at our capacity to earn those foreign reserves.

Sir, we have to look at the bound rates differently. I said in October last year that the revenue from the bound rates should have been used to help the productive sector because I recognised that in order for Barbados to go forward the productive sector has to be given an impetus. It is true that the proposals were put in place in August and I honestly believe we are not too late.

Sir, the concessions given to the agricultural industry should have been given to the farmers and we would have seen success in the agricultural industry. We cannot recognise that there is a problem in a sector and allow red tape to continue to hinder what we are doing.
6.20 p.m.

Sir, a gentleman said on a call-in programme that the proposals were good. The next week he came back and said that they were good proposals but he was not sure whether they would be able to benefit from the proposals because of the red tape.

I suggested that Rural Development Commission might be the best agency that those funds should be passed through in order to speed up the distribution of those funds to help the agricultural industry. We have to understand that if we are to move forward, we have to be proactive. We must be prepared to change the way that we are doing things. We cannot continue the way we used to operate in the 19th century. The world is not waiting for us.

I am making the point that trade liberalisation would impact on the economy of Barbados. I have no doubt that looking at this document, all the reductions that were made in this document had to do with trade liberalisation. That is why I feel that the Central Bank of Barbados, I have already made this charge against the Central Bank of Barbados, should be telling Barbadians how much foreign reserves it has. The Central Bank of Barbados should be educating Barbadians about the effects of globalization and trade liberalisation. I do not want anyone to believe that I am now saying this. I have articles to prove that I have been saying these things for a long time and if you doubt me, you can come to Moon Town and you will see copies of these articles stuck onto a wall.

Asides.

Mr. D. St. E. KELLMAN: I am saying that we have to recognise that when ideas like these are given, it is very important to implement them. Sir, do not view the idea as coming from me. I am only the person delivering the message for the masses. I get my strength from the masses and I will continue to draw my strength from the masses.

Sir, the tourism sector must be prepared to share with all Barbadians and not continue with the belief that there are two different groups of people. It is sad that we in Barbados believe that we can invite everybody to our shores. I want to say that the belief that we can invite people to spend foreign exchange is foolishness. What we need at this time, are people to help us earn foreign exchange and not to help us spend foreign exchange. We are behaving as though we have foreign exchange in abundance. People who want to establish markets in Barbados are coming with glossy attractive looking proposals. If we do not have foreign exchange, we cannot survive. In order for us to survive without foreign exchange, we must have a proper agriculture industry.

In order for our Buy Local programme to work, I would suggest that every Saturday should be designated Barbadian Day and the meals cooked every Saturday should be food which is produced locally.

Asides.

Mr. D. St. E. KELLMAN: Sir, that is the only way that we can go forward.

Asides.

Mr. D. St. E. KELLMAN: I am also saying that we cannot continue to rely on the international business sector. If we had continued to put all of our eggs in one basket and there had been an incident in Barbados like what happened on September 11, at least we would have agriculture and would be able to get something to eat and sell.

I support the concept of the issue of licences. I disagree with our giving power to outsiders. I have always argued that when we gave up the rights to import licences, we were going to allow the G8 countries to dump everything on us. We have to understand that we are a small state and we do not have the capacity to compete with the G8 countries. We cannot pretend that we can operate on the same market as the G8 countries. It is foolish for them to tell us that we have free trade and when we try to export Malibu, which is accepted throughout the world, they are now putting policies in place to stop us from doing so. Yet, they are telling us that we are in an era of globalization and trade liberalisation.

It seems that globalization and liberalisation are only for a few large countries. Why is it that we have the best rum in the world and we cannot sell our rum all over the world? Do you know why, Sir? Some people believe that once you are small, you are not important. That is why our rum from Barbados, even though it is good, cannot be sold all over the world. Yet, their goods can be dumped on our shores by quoting the World Trade Organisation's ruling to prove why we should buy their goods.

Mr. Deputy Speaker, small countries must stand up for what is right. It was a good idea when the Caribbean Parliamentarians Association (CPA), at the last meeting, recognised some of the things that were happening within the G8 countries and, as a result, there was cooperation among small nations. We are ten years too late in implementing the protocols. We need to form a relationship among all small nations of equal standing, whether it is by population or size. We need to develop some trade among the small nations and not just among CARICOM states.

We need an education programme to teach Barbados about globalization and localisation. I think that if the Central Bank of Barbados and the University of the West Indies were allowing their officials to teach Barbadians about globalization and localisation, we would be better able to understand the importance of local support. Sir, this is what would take us over this hurdle, the importance of supporting the local industry.

Sir, if we learn to eat what we produce, we do not necessarily have to buy foreign products. We have to stop believing that the G8 countries have everything. If all the small nations in the world decide to boycott buying from the G8 countries, the G8 countries would crumble because 73 per cent of their trading is with the small nations. Sir, that is a point small nations tend to ignore and that is why they need to gang together and to deal with this particular situation. But instead of getting together, they allow themselves to be taken off one by one by other people and then they do not reach the goal that they wanted.
6.30 p.m.

I am saying, Sir, that as a small nation, we must understand that we have a lot to contribute. We have to understand the importance of international politics. We also have to be very careful with what is going on in the world. We are in a modern technological age and have to realize that what is going on with anthrax might not be an error, but might be a pitiful plan by someone who feels that e-mailing should have kicked off by now. Sir, this is something that people need to look at and we have to look at it from all buyers.

Mr. Deputy Speaker, let us look and see that most of the postal services are provided by Governments and it could

be a smart private sector person who wants to push that aspect. We have to be very careful and that is why I believe that the State's departments will be better served if they start looking at this problem from that end. We have to understand that there are persons within the world who are going to try to exploit and to create negatives to suffer small nations and keep tourism along their shores and do not allow it to move away. That is why I am saying that our tourism industry must recognize what is going on and that our officials must put marketing plans in place and recognize the importance of mixing with the masses of Barbados.

A lot of people do not realize, Mr. Deputy Speaker, that the best security for tourism is when the tourists are allowed to mix with the locals and to develop a relationship. We also have to realize that the hoteliers must understand that if they want to have everything from the tourism industry, and they do not realize that their job is only to provide the rooms.... What has happened with our tourism in Barbados, is that the hoteliers used to provide rooms, but suddenly, they are now providing everything and pushing out the small man. Now, the small man has found a way to fight back. That is why community tourism is going to be one of the most successful tourism projects for Barbados and can only be successful because of the use of the internet services.

I was glad to hear the Minister of Tourism making that point, because I remember when I first mentioned that point in Mile-and-a-Quarter, St. Peter and then in the House, the Honourable Member was the first person to lambaste me and said that I was talking foolishness.

Now, I am hearing the Honourable Member speaking to it, as if it was an original idea coming from his head – but the photocopier is working well. I hope that he would understand that the same opinion he now has about community tourism that he can recognize the importance of getting rid of all-inclusive tourism and allowing the tourists to mix with Barbadians. Sir, in every survey that was done among the tourists, there is one result, "we love Barbados because of the people" and, therefore, I cannot understand why we would get such results and then want to implement systems to keep the tourists away from the people. We have to realize that we need to go back to that tourism that creates a bond between the tourists and Barbadians and the one that allows tourists to come back to Barbados, because they are coming back to see their friends.

Sir, that is why I found it rather strange that we cannot understand why the Naval Base facilities should have been the right place for the construction of a hotel to serve the American tourists. The same reason other places have a history that relates to the British, the Naval Base has a history that relates to the Americans. Therefore, that property should soon come on stream and should be marketed for the heritage that it has.

There is no doubt that many American families had the privilege of going to that Naval Base and that their children and grandchildren would have heard about that particular facility. Therefore, we must understand that if we are serious about the American market, there is a place in Barbados that has a history which we can promote. I thank you very much, Sir.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Philip South.

Hon. A. P. WOOD: Thank you very much, Mr. Deputy Speaker. I rise to give my support to the Resolution which seeks measures to combat the effects of the unfolding global economic crisis on Barbados.

Mr. Deputy Speaker, before getting into the meat of my presentation, I must respond to some of the charges made by the Members of the Opposition, because it would be very remiss of me if I did not do so. We need to set the record straight and to allow the other Members on this Side to continue to put this into its proper context.

Mr. Deputy Speaker, in his very lengthy discourse, the Leader of the Opposition made mention of the fact that the Opposition voted against the measures of August 8, 2001, because the Government did not acknowledge the decline in the Barbadian economy. He was more specific when he said that the Government, at the time, did not acknowledge the decline in all sectors of the economy.

Mr. Deputy Speaker, if you can cast your mind back to a few weeks ago, you would remember that the Right Honourable Prime Minister had stated very clearly the background against which a set of measures so structured since August 8 came.

We had made it quite clear that, notwithstanding the fact that we had a first quarter growth of 1.7 per cent this year, that during the second quarter, there was a downturn in the Barbadian economy. As a matter of fact, Mr. Deputy Speaker, and quoting from page 9 of the *Financial Statement: Economic and Financial Policies of Government*:

“As a result, real output is likely to have been less than one per cent in the first half of the year, as compared to a 3.1 per cent growth for the corresponding period of 2000.”

The out-turn figures, as read by the Honourable Member for St. John, did indicate that during the first half of the year, the economy contracted by 0.7 per cent.

Mr. Deputy Speaker, the Prime Minister, at the time went on to say:

“The outcome for the first half of the year was mainly the result of a sluggish second quarter performance by

the tourism industry, and the continuing decline in activity in the manufacturing and agricultural sectors, where the effects of trade liberalisation have been especially severe.”

Mr. Deputy Speaker, if this is not a plain statement of acknowledgment of a slow down of the Barbados economy during the first half of the year and, therefore, setting the stage for the type of policies which were enunciated in this Honourable Chamber in August, I do not know what else to say in this regard as a way of rebutting what the Honourable Member for St. John has said.

Mr. Deputy Speaker, on that occasion, the Prime Minister has recognized that there was a slow down in the US and in the global economies and because of the inter-connectiveness of the Barbadian economy within the world economy, naturally that slow down would have a negative side for the Barbadian economy. The Right Honourable Member for St. Peter came and gave us a well-designed and well-constructed package which focussed on the productive sectors. The objectives at that time were to re-stimulate activities in the productive sectors with a view of getting this economy back on a growth path, so that we can, once again and in the shortest time, get back to our 3 per cent growth path which we had set for ourselves as the sustained path.

Therefore, Mr. Deputy Speaker, there is no truth in what the Honourable Member for St. John would want us to believe. The Opposition might have voted against the measures at the time for other reasons, but certainly not for the reasons that he gave here this afternoon.

Mr. Deputy Speaker, the Honourable Member for St. John is seeking to trivialise the important business of this Honourable House by giving the impression that measures which were enunciated on August 8, 2001, could somehow, by some stroke of a miracle, lead to a rebirth in activities in the major sectors of the economy overnight, so that by the time kids go back to school in September, they will have everything plentiful.
6.40 p.m.

Mr. Deputy Speaker, that is really trivializing serious business. Sir, we know that the Honourable Member for St. Lucy knows that there is a time lag between the formulation and implementation of economic policy and those policies having the desired results.

Mr. Deputy Speaker, the programmes which were brought to this Honourable House were so radical and comprehensive, that we needed a period of time, immediately after our August 8, debate in order to implement those desirable reforms and measures, before we can see the desired results.

Sir, we really should not be coming in here and seeking to trivialise these things by giving the impression that in a matter of days after policies are put before this Honourable House and even before the technicians are able to devise a proper implementation mechanism, that you could get results.

We set out, Mr. Deputy Speaker, immediately after August 8 – certainly at the Ministry of Agriculture, and I would imagine that the Ministry of Industry and International Business and certainly in the Ministry of Tourism as a way of giving proper practical effect to some of these measures – to work on implementation mechanisms. We did not go about seeking to determine the proper implementation mechanism without seeking the counsel and advice from those players in the industry.

Immediately after August 8, Mr. Deputy Speaker, I convened a meeting with leaders in the agricultural sector and farmers, with a view to arriving at a consensual position, on what is a proper implementation mechanism which will allow us to get a speedy and effective implementation of the measures. Sir, the administrative encumbrances that the Honourable Members on the Other Side talked about, we can deal with them so that those encumbrances would have minimal impact on our effort at implementing these measures.

Mr. Deputy Speaker, the Members on this Side who have spoken understand since August 8, 2001 that as a result of the event of September 11, we needed to take stock of where we were, notwithstanding the fact that the presentation of August 8, focussed on our dealing with the problems which the economy was experiencing. The events of September 11, would bring additional problems to the Barbadian economy, and what was our response?

The Honourable Member for Christ Church East was very lively in his presentation but he was also very clear, Mr. Deputy Speaker, in telling this Honourable Chamber that the Government once again recognises the potential severity of the economic crisis and its impact on the Barbadian economy. We sought to engage the minds of the Barbadians at large, and via a national consultation, we were able to come to a consensual position, not only on the design of the programme, but the costing for the programme.

Mr. Deputy Speaker, this is a very good way to govern because this is the time, more so than ever, that we need a national consensus on issues which would allow us to devise strategies and formulate programmes to take this economy forward. I am happy, Sir, with the way the Prime Minister has approached this business and the very important times that lie ahead for us.

Mr. Deputy Speaker, let me get on with business in the agricultural sector. I want to say that on August 8, we were treated in this Honourable Chamber to some very important and radical reforms to the agricultural sector and, quite unlike what the Honourable Member for St. Lucy said about there being nothing for the fisher folk and there being nothing for the farmers and nothing for the vendors, I want to remind him that our treatment of that class of worker in the agricultural sector did not start with the emergency economic programme, but the measures of August 8, did in truth and in fact deal with the requirements of those classes.

I have before me the Agricultural Incentive Programme of August 8. It spoke to providing the agricultural sector with full protection in all forms to the extent consistent with regional and international agreements, but more importantly, of providing targeted financial assistance to support efficient farming enterprises with the potential to exploit local and foreign market opportunities. The range of incentives provided were to enable Barbadian farmers to improve their post-harvest technology, export promotion, product differentiation and niche marketing, productivity enhancing measures and to strengthen farmers' organisations. Of course, the ultimate aim of these incentives would be to increase efficiency and competitiveness, both at the regional and international levels.

These measures, Mr. Deputy Speaker, also gave the domestic agricultural sector a better chance of rebounding, via the Government's deliberate policy of expanding local market opportunities. We said at the time that at least 60 per cent of the requirements of the School Meals Service and all other Government institutions, is to be met from local milk production.

Similarly, at least 60 per cent of the requirements of the school feeding programme and other public institutions will be a site for local fresh and processed products: beef, lamb, poultry, vegetables, root crops, herbs and spices.

Mr. Deputy Speaker, in the area of the fishing industry, we have a measure here which says that a rebate of 50 per cent of the cost of equipment and machinery up to a maximum of \$30 000 will be made available to retool their farms in order to produce to the required standards. In this context, we are talking about fish processing. This measure is to facilitate the retooling in the fishing and dairy industries.

We also said that technical assistance to trade producers will necessarily, in accordance with certain requirements, be needed to facilitate the application of a grant to the maximum of \$3 000 for fish processing.

Mr Deputy Speaker, alongside all of these measures which were brought to this Honourable Chamber for the agricultural sector, the Ministry of Agriculture and Rural Development is busy working on other reforms and initiatives, and foremost amongst these initiatives is the land for the landless project. We are also busy trying to finalise arrangements for the establishment of the Agricultural Development Trust and strengthening the linkages between agriculture and the other sectors particularly tourism.

6.50 p.m.

So what we are saying here, is that yes, we have set the stage for the re-stimulation of activity in the agricultural sector through the measures of August 8. We also needed via a consultative process to determine a proper implementation to mechanisms. While all of that was taking place, we had the events of September 11. One of the things that has been brought into very sharp focus through the events of September 11, is the need for Barbadians to pay more attention to the issue of food security. Now that is a given, Mr. Deputy Speaker.

The way we intend to go about this as is contained in the Emergency Economic and Financial Programme is not by seeking additional large sums of money but first and foremost by fast-tracking and speeding up the discussions dealing with the implementation programme by making use of funds that are already provided and by adding to those measures additional measures which would allow the local agricultural sector a greater measure of protection by moving more expeditiously with the implementation of the land for the landless programme.

Why is that necessary? It is fairly obvious if we are to deal with this issue of food security that we will need to increase local production if we are to meet the challenge set by the Government's policy that at least 50 per cent of the requirements of the Government's institutions should be met by the local agricultural sector.

We need to move at a pace and increase agricultural production and the land for the landless programme in a proper mechanism will allow us to do just that.

We formally launched this programme on October 15, just a couple weeks ago. Yes, the Government had a lot of land for the programme, so far about 1 000 acres, 800 of which was provided from Government-owned plantations but we have been able to get no fewer than 210 acres of private land pledged for the programme and we have been clearing this land for allocation and a number of farmers have already been able to access some of this land. We expect in the short-term that agricultural production will

increase. As we make more and more of this land available in the immediate and the long-term larger and larger quantities of agricultural produce will be produced.

Mr. Deputy Speaker, an important chapter in driving the agricultural sector is access to finance. The establishment of the Agricultural Development Fund is one way of giving the agricultural sector an opportunity to access finance from a dedicated line. What we are saying is that we are aiming to promote efficient farming activities. The Agricultural Development Trust, as I have said in here previously, is not a slush fund, it is to protect and promote those agricultural enterprises which we are confident will allow the agricultural sector in Barbados to withstand the challenges posed for it as a result of globalization and trade liberalisation.

And know, \$17.5 million is available for allocation to the agricultural sector from the Agricultural Development Fund. The Rural Enterprise Fund of the Rural Development Commission, as the Honourable Member for Christ Church East said earlier, has been playing a very important role in stimulating activity in the agricultural sector at the smallest median. We have also taken the decision and it is contained in this emergency economic and financial programme to boost that fund via transfers from the Agricultural Development Fund.

Mr. Deputy Speaker, make no mistake about it, with the speedy execution of this land for the landless programme there will be a tremendous demand for credit to promote farming activity. We need to be mindful of this fact and we need to boost the Rural Enterprise Fund of the Rural Development Commission (RDC) so that farmers can access the requisite level of financing in order to boost production. We are also seeking to give every farmer that comes into this programme access to training at no cost of theirs and every farmer will get an opportunity to join the various training programmes which would be established throughout the length and breadth of Barbados so that we can produce farmers who have the right attitude and aptitude for farming.

We are excited about this programme, Mr. Deputy Speaker. We intend to make available a package of assistance for which the farmers if they access it and if they are committed to what they are doing, they will be successful.

Mr. Deputy Speaker, the Government has taken a very conscious decision also as a way of providing added protection for the domestic agricultural sector by temporarily reintroducing a restrictive licencing regime. It is needed, Mr. Deputy Speaker. I will give you the experience of what has happened to the poultry industry. Last year when we took a

decision to move away from the restrictive licensing regime and introduce a process characterized by clarification, the poultry industry was particularly hard hit.

It is true, Mr. Deputy Speaker, that in our dealings with the World Trade Organisation (WTO), Barbados reserves the right to implement a special safeguard mechanism. However, I have to admit that the timing of trying to get that special safeguard provision sorted out was a little slow. The administrative arrangements which had to be gone through to allow us to use this special safeguards provision can take some time.

7.00 p.m.

Mr. Deputy Speaker, in a very short time when the poultry industry was more or less exposed, the level of importation of poultry products in Barbados was such that we tried our best to appeal to the merchants and traders and we were not very successful. We introduced an interim measure which has given us some very positive results.

If one were to look at the performance of the poultry industry in the last five months, one would see a marked improvement relative to what it was during the third quarter of last year and the first months of this year. That interim measure was simply to designate the Barbados Agricultural Development Marketing Corporation a state-trading entity and give it sole importer status for the meat or poultry.

We know that notwithstanding that fact, the poultry industry could do some serious work in order to improve its level of efficiency and bring the cost of production down and hence the retail price of poultry. That sub-sector will benefit tremendously from this re-introduction of the licensing regime.

Mr. Deputy Speaker, I want to speak to the issue of the buy-local campaign. A lot has been said about it. There was a formal launch of this buy-local campaign yesterday and I want to appeal to Barbadians that at this time this Barbadian economy could do with a major effort on the part of everyone to support local enterprises. Government has set the stage before September 11 and had said on August 8 that we will make available to the local agricultural sector a guaranteed market of sorts and that is the clearest possible demonstration that the Government is setting the stage or is prepared to set the stage in this national buy-local campaign.

Government is also saying that in all of this economic emergency response that it will fully support a national buy-local campaign at the level of providing financial assistance to allow the campaign to be sustained, to allow national figures to participate in the national buy-local campaign and hence we all agreed that economic development is not only the business of Ministers and Backbenchers and Opposition

Members but economic development is a national enterprise. The only way that we can give proper expression to that is if all Barbadians participate fully in this national attempt.

I want to say at this point that when I look at the participants in this national buy-local campaign I see CTUSAB, the private sector via the Barbados Manufacturers' Association, via the Barbados Agricultural Society. I see the Small Business Association. I see the BHTA involved. I want to appeal to Minister Farley that it would be very good if the consumer body of Barbados is brought into the fold and I am talking about the Malcolm Taitt group and get consumers to help us and producers, be it of manufactured goods or agricultural goods, to tell consumers how important it is at this point in time to purchase local produce. We need it.

I will wind up, Mr. Deputy Speaker, by saying that unlike what was said on the Other Side, the Right Honourable Member for St. Peter on August 8 in acknowledgement of the slowdown in the Barbados economy occasioned by the downturn in the US and international economy, came here with a set of measures to give this economy a boost. The focus was to save the productive sectors.

Just as we were busy planning proper implementation mechanisms further to those radical measures which were put before this House in August, the events of September 11 came to compound the problem. We said, on recognising that the events of September 11 could have dire consequences for an economy that had already slowed, that we needed an emergency economic response. We sought via a national consultation to come with this programme to cover the first 90 days.

The crisis is still unfolding so that we will have to do short-term planning in the interim while at the same time putting into effect a number of measures which can speak to removing the various sectors of any major deficiencies. The fact of the matter is that the crisis is unfolding and we cannot plan many months ahead. We have to take it a bit at a time while at the same time move ahead in implementing those measures which would allow us to deal with the first problems created by September 11 but also revisit those problems which were occasioned by the slowdown in the national economy.

Mr. Deputy Speaker, I want to join the Honourable Member for Christ Church East and other Honourable Members who have spoken from this Side in thanking those who have contributed to the discussions and I want to say that if all Barbadians support this economic package, that we will come out of this crisis smelling good, as the Honourable Member for St. Michael South Central has said, and we will be a stronger people. We will be using the opportunity of the

slowdown to build institutional capacity. Once we come out, with stronger minds we will come out a more cohesive Barbadian society and we will be able to launch a major recovery when the crisis is behind us.

SUSPENSION OF SITTING

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I beg to move that this Sitting be suspended until 8.00 p.m. today.

Hon. R. N. GREENIDGE: I beg to second that.

The question that the Sitting do now suspend until 2.00 p.m. today was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.
7.05 p.m.

RESUMPTION

Mr. SPEAKER: This Honourable House is resumed.

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I rise to participate in this debate which seeks to bring to the attention of this Chamber the passage of national emergency measures which the Government of Barbados finds it necessary to put in place now. Sir, it is an indication of the nature of the seriousness of this measure that this House will probably meet late into the night because it is absolutely imperative that we should be able to finish these measures and have this House take note of it in the form of a Resolution so that we can continue the implementation which, in fact, has not waited on this debate to start but which started since September.

Mr. Speaker, Sir, it is important that I make this point because there are those in the general community who would want to suggest that this Government has waited almost two months to implement a package of measures as a result of the catastrophic events of September 11. I believe that every person who has the ability to think and reason will truly understand that the world in which we live can no longer be the same world. Indeed, Sir, I have had occasion to speak to the fact that apart from the economic consequences of the catastrophe that there will be consequences in respect of how we balance the interest of the State against the interest of rights of individuals largely because of the very precarious nature of the threat of terrorism.

Sir, the threat of terrorism is such that we are not fighting a visible enemy that we can line up and take position against, but the nature of the enemy is such that it may be among us without our knowing and to a large extent it is driven by the financing of persons who otherwise appear to be normal but who, by reason of their commitment to zealous

positions whether they be political, religious or otherwise, take decisions that threaten persons who have no interest in the matter but who become innocent victims simply by reason of going about their normal and ordinary business.

I make these points at the beginning of my speech because to suggest, as the Leader of the Opposition has done, that these emergency measures should have come in June and there was no reason for September 11 to act as a catalyst for emergency measures, is really to exercise some form of delusion. I believe that this Government's action can withstand all tests of probity. In August when the Prime Minister introduced his Economic Proposals as has been indicated by previous speakers, there was a clear statement of the strategic objectives of those proposals in that it was designed to do two things (1) in the face of a projected path of 1.7 per cent to be able to go back to a position where the economy could grow by 3 per cent thereby acknowledging a slowdown and (2) to be able through assistance to the productive sectors, institutional capacity building and human resource development measures to make the Barbados economy more competitive, given the fact that there were structural things happening outside of the context of this economy but with consequences in this economy that could lead us to be uncompetitive.

The Prime Minister was very clear. He set those out as the two strategic objectives of the economic proposals in August. When the Leader of the Opposition rises in here today to suggest that this Government is now trying to blame everything on September 11 and that we took no steps in August, it is really not to reflect the truth of what has transpired. The truth is contained in no less honourable a document than the records of this Honourable Chamber.

Mr. Speaker, I go further. To suggest that weakening started to take place in early 2001 and is the real reason why we have this package of measures here is also an exercise in delusion. Sir, we have found ourselves in these difficulties not as a result of any policy failure of the Barbados economy. The Barbados economy has had eight years of successive growth. The Barbados economy has been able to reach record levels of foreign reserves, while maintaining relatively low inflation, while maintaining low unemployment, especially for a developing Caribbean country and we have maintained moderate deficits such that we have not had any pressure in respect of our fiscal position.

Mr. Speaker, I go back to the Prime Minister's Economic Statement in August and you will recognise that there is far more to blame on the Leader of the Opposition than indeed on any other Member in this Chamber. I speak specifically to the fact that the tension in the Barbados economy in the last year, has largely been seen in the manufacturing and agricultural sectors and those tensions

have largely emerged as a result of the trade liberalisation measures which this Government has had to implement.

The Honourable Member for St. Lucy sitting after sitting gets up in here and speaks about the bound rates and the impact they are having in the manufacturing and agricultural sectors but what is left unsaid is that in the only Budget Speech the Honourable Member for St. John ever had to make in this Chamber as Minister of Finance, he made it a few days after his Government gave a commitment to the World Trade Organisation to put a regime in place for the dismantling of protective barriers that would have benefited the agricultural and manufacturing sectors.

Such was the nature of the commitment that its legal implications have left the Government of Barbados with limited policy options in respect of measures which can be used to stabilize both the manufacturing and agricultural sectors.

Mr. Speaker, you would never believe that this is the same honourable gentleman who, within days of giving that policy commitment in April 1994, delivered a Budget Speech to this Honourable House and that Budget Speech never made connection with the commitment that he was giving to the World Trade Organisation or with measures that could have been put in place in the short to medium term in order to stabilize the manufacturing and agricultural sector.

Mr. Speaker, it does not stop there. I indicated that the weakening was not as a result of policy failures. He talked about the weakening in the international business sector but he does not tell this Honourable Chamber that the Barbados Government has had to take on the gargantuan task of fighting the OECD over the course of the last eighteen months and seeking to put a position which has benefited Barbados and other countries across the world who were also under the threat of sanctions from the OECD.

Mr. Speaker, Sir, we have been able to reach a stage where, on the major issue of discriminatory practices there has been some level of abeyance on the part of the OECD and we are only now dealing with the issue of exchange of information and transparency. This is something we in this country should be proud of because during the course of the struggle there was a level of ambivalence on the part of investors, given the fact that people do not like to be associated with controversial decisions.

Mr. Speaker, everyone has access to information through CNN or the newspapers now and there has been talk about a slowdown in the US economy since the last quarter of 2000 and there must be some impact, when you have had the kinds of reductions in the stock market that we have seen in the USA and in other countries and the general fall-off in

the perception in their sense of wealth and that must inevitably have some indication for people's decision as to how they spend their disposable income, whether in terms of travel or in terms of other consumer items.

Sir, the Leader of the Opposition suggested in here that it was as a result of major structural weaknesses in the Barbados economy that there was a slowdown and that slowdown was not acknowledged by the Prime Minister. As I said before, it is truly a delusory exercise.

Sir, I believe that we have to understand that the only certain thing about what we face today is uncertainty. It is with this in mind that the Government has set a time frame of no longer than 90 days to be able to monitor and be flexible in its response systems. We have not waited until today, October 30 to start the implementation of these measures. In August of this year, in the economic package the Prime Minister made available \$6.5 million to the tourism industry for expanded marketing. This money which is already available to the Barbados Tourism Authority is being advanced in the causes that are mentioned in this document here. Equally, last week Monday we saw a reduction in gasoline and diesel prices cognisant that we had made a commitment that wherever there was a fall-off in oil prices that we would pass it on the consumer and the productive sectors such that the reduction in the cost of doing business would be one of the measures that would help them to stay in business. I believe that we also need to deal with the question of sociology of trauma and sociology of confidence.

8.10 p.m.

In 1994, when the Prime Minister took over as Minister of Finance, the signals which he sent to the private sector and the other stakeholders in this country were such that we felt that we had the capacity to manage the economy of this country and to so order our affairs, so as to be able to attract levels of investment and to improve the levels of production across our economic centres. Sir, that sense of firmness and calm assurance saw to it that we consistently had years of economic growth and people felt comfortable in wanting to invest their money in Barbados, both Barbadians and foreigners.

We have, therefore, to be very careful about how we manage this crisis. We have, at the same time being flexible and capable of responding at short notice, to ensure that people understand that the Government is on top of the position in respect of all of its sectors.

Indeed, when one looks back at the fact that the Prime Minister has given a commitment that there will be no public sector lay-off, certainly, in the foreseeable future, it is an amazing commitment to be given by the leader of any

country in today's economic circumstances. It speaks to the sense of social justice as well as to the sense that this Government is not prepared to allow these set of economic circumstances, largely brought about by September 11, to affect those who can least afford to bear it.

Mr. Speaker, it goes further. We have determined that the monetary policy of Government should be such as to be able to allow persons to have access to either cheaper finance or, in circumstances where their debt needs restructuring, that businesses should have access to that opportunity. By having access to that opportunity, it would act as encouragement, particularly to private sector businesses not to lay off persons in order either to maintain a break-even position or to avoid losses.

I believe that this is a significant hallmark and a significant statement of confidence on the part of this Government and it must speak to the fact that we are prepared, while at the same time trying to protect the macro-economic fundamentals in this economy, to ensure that the ripple effect down to the level of the average employee or the average owner of a business is such that it will create a cushion, one that can still allow people to move through a crisis that we forecast may take as long as two years for us to be able to deal with.

It is significant that there are commentaries on three major economic crises in the 20th century. The commentaries have all suggested that in circumstances where governments and, in particular central banks, are prepared to ensure that banks and financial institutions can cushion the impact to businesses, that there is a greater likelihood of there being a minimum fall-out at the level of the average person and a minimum fall-out in terms of the closure of businesses, which ultimately affects the performances of the productive sector.

Sir, one only needs to see how the crisis of the stock market crash in 1982 was handled in respect of ensuring that financial institutions were still able to buffer the financial circumstances of brokerage houses in that action.

I believe that the statement of confidence from the Prime Minister sets the right tone in terms of how we will deal with the matter.

Mr. Speaker, it goes further. We have an opportunity to be able to prepare to the best that we can, not knowing fully what the facts would describe beyond the 90-day period. We have taken a determination that we need to be able to ensure that we can borrow at this stage in order to be able to shore up any eventuality that falls upon us next year that is beyond our imagination. In those circumstances, we have taken that decision, cognizant that our level of foreign debt

service is probably at its lowest ever, being around 7 per cent, and falling significantly from where it was a decade ago.

Equally, Mr. Speaker, we have done so, cognizant that Barbados' rating in the capital markets has been such, that we have been able to get ratings equivalent to a country like China, and that is no mean achievement for an island that is 166 square miles. Sir, when you combine that with the fact that the cost of borrowing will probably be at its lowest ever, given the eight successive rate cuts in interest in the last two months, we would really have to be almost accused of being negligent were we not able to ensure that we can buffer our situation, in spite of the fact that our foreign reserves are at \$1.1 billion, representing 26 weeks of import cover, twice what is normally required in these circumstances.

I believe that when the time comes to be able to access this Government's response to the challenges which have been before us, there will be a sense that there was a level of maturity, balanced with a human face to ensure that we were not only looking at the macro-economic fundamentals and the things that the academics and economists need to be able to see, but by actions and our commitment to ensure that we do not reduce our capital programme that we seek to re-allocate discretionary expenditure, expenditure that is non-wage or non-statutory, without necessarily affecting in a major way the services the Government delivers to its people. Sir, that we better order the timing of those things that can be discretionary, that there would be a sense that maturity combined with the human face would be one of the reasons why we would come out of this crisis successfully.

Sir, one of the things that also has to be noted, that neither Member of the Opposition alluded to, is that we have planned for a worse case scenario. It may well be that this will not end up being the worse case scenario. We are simply saying that this package of measures amounting to \$31.8 million is designed to ensure that whatever the worse case scenario is, the policy intervention being taken at this stage will be such as to minimise the impact on the economy and the people of this country by at least half.

Sir, I think that is the most that a responsible Government can be asked to do when it is faced with the circumstances that it could never have planned for. Certainly, the destruction that took place on September 11, the 100 000 jobs that have been lost in the airline industry in North America since then, the question of the cessation of air travel, could never have been anything that anybody in the Barbados Government could have planned for when planning the Estimates of Revenue and Expenditure earlier this year when the Prime Minister gave his Economic Statement in August.

8.20 p.m.

We have come to the task and have done it, recognizing that the only way we can get out of it is not by a Government directing these policies, but we sat down with every member of civil society who would accept the invitation. It is notable that the DLP was so busy trying to deal with its own internal problems, that it could not accept the invitation. It is, perhaps, regrettable that their input has not been a part of this process of consultation, but more importantly for us, Sir, when we say to this House that this is a package of measures, we do so, confident that there is an element of will on the part of trade unions, with the exception of one, the private sector and the other elements of civil society who have said that they have looked at these measures and believe that they are necessary to save our businesses and to allow us to build capacity over the next two years, such that when there is a market for the goods and services that is expanding again, they would be in a position to be more competitive today than when the crisis first started. Sir, that will be absolutely necessary if we are to see the changes necessary to make the economy more competitive.

I indicated that the second strategic objective of the Prime Minister's speech on 8th August was to do those things. To make Barbados' economy more competitive in the long term and therefore, the human resource strategies: the establishment of a University College of Barbados, the strategies for targeting specific economic sectors, such as agriculture and manufacturing sectors, the establishment of the \$25 million project, the range of incentives to agriculture, the repositioning of the cotton industry; all of these are things that will not have an impact this year or next year, but are designed to ensure that the basic architecture that is necessary to see the medium to long-term development to this economy in a prosperous way, is capable of being put in place at this stage, so that we use this opportunity to make sure that we ready ourselves for that expanding market when there is an upturn in the economic forces in the economies of the world. Therefore, I believe, Sir, that these are absolutely necessary.

There is one other issue to which I will speak very briefly at this stage, because within the next week, I will have a chance to address it in greater detail. That is that those measures which we must put in place to respond to the economic consequences of the trauma and threat to human security. On the same day that the Prime Minister led the National Consultation on these measures, the Security Council of the United Nations met and passed Resolution No. 1373, binding on all Member States such that if it was not implemented, sanctions would be enforced on them. That Resolution speaks to measures which must be put in place by small States and large States alike, irrespective of one's resources to counter terrorism, the funding of terrorism, or to be able to fight the domicile arrangements of terrorists. They are so broad that it is almost impossible for countries to be

effectively able to meet all of the measures without there being some major consequences on the resources of countries.

Sir, if there are going to be consequences on a country's resources then, Mr. Speaker, on a small country there is going to be greater consequences than on a larger country. At the same time, the whole concern about the movement of capital in the funding of terrorism has heightened the importance of the workload of the Financial Action Task Force, which has undertaken the responsibility over the last decade to deal with issues of money laundering.

We, in Barbados, would have gone through our first mutual evaluation in 1997 and at that stage it was only incumbent upon us that we intended to have a legislative framework that could combat money laundering. Sir, we have passed that first mutual evaluation and in a way that would have left us off the negative list that was published by the Caribbean Financial Action Task Force, at a time when the Bahamas, the Cayman Islands, Dominica, Grenada, St. Vincent, and all other countries in the region, as well as countries like the Russian Federation and others, were on the list.

Now, Sir, on the 12th to 15th November, we will go through our second evaluation, but on this occasion and particularly bolstered by what has happened on September 11, and Resolution No. 1373, it is no longer sufficient to show that there is a legislative framework and no institutional arrangement to ensure administration or enforcement of the policies to combat money laundering.

As a Government, we have therefore established a committee that reflects a wide range of Government's departments, as well as some private sector representation in order to ensure that this Government takes all necessary and reasonable steps to ensure that we do not fail that mutual evaluation. We believe in the context of all that is happening with the September 11, the general slowdown in the economy, that it would be an unnecessary blow to this economy now for us to be placed on a negative list in respect of money laundering. The fundamental importance of that is that it would impact on the daily operations of banks as they seek to work with other banks outside of this jurisdiction in the transfer of capital. As we all know, too much of our production sectors rely on the flow of capital in and out of Barbados for us to allow ourselves to become vulnerable in that way.

In these circumstances, I have been chairing a Committee and we are going to ensure that by 9th November, 2001, we have all things in place so that we can have as good a chance as we could possibly have, in meeting the requirements of that mutual evaluation. A lot of these things

do not necessarily require more money, but require administrative measures in place in order for us to be able to meet it.

I want simply to end by saying that I believe this Government has exercised both the level of responsibility and maturity, while exhibiting a human face to what has befallen, not only Barbados but the world in respect to the incident of September 11.

I believe, Sir, that the Minister of Economic Development has done a brilliant job today by outlining the package of measures which have been agreed upon by the National Emergency Economic Council and has ensured that the public of Barbados recognizes that those groups and organisations that represent their interest, whether in civil society, through the private sector or trade union movement, all of us have come together with a determination that we will use this opportunity to stave off the worse possible influences in terms of the downturn in tourism or in other related sectors of the economy. But, at the same time, recognizing that we have a unique opportunity in the face of crisis to change the fundamentals of some sectors that need change while, at the same time, conditioning people in respect of the management of that change. Sir, culturally people do not like to accept change, but in the face of adversity, the quest for survival causes people to dig deep down in a way that they would not otherwise have done in times of prosperity.

Sir, I am therefore happy to be associated with this package. I wish simply to commend the Prime Minister and Minister of Economic Development for ensuring that this Government can do what is right by its people and ensuring that there is a level of maturity while, at the same time, an abundance of hope for the future in ensuring that we build to meet those times of prosperity again. I thank you.

Mr. SPEAKER: The Right Honourable Prime Minister.

Rt. Hon. O. S. ARTHUR: Mr. Speaker, Sir, this is an important debate, at an important time. It is very probable that what we do and say here will come to be remembered long after all of us in this Honourable House have left public affairs.

Mr. Speaker, this debate is set against the background of an unusual crisis, not in the affairs of Barbados, but an unusual and dangerous crisis in the affairs of mankind. It is an unusual and dangerous crisis in the affairs of mankind, not just in the estimation of Members of the Government, but in the estimation and judgment of everyone, in every sphere, in every corner of our global society.

It is an important debate, at an important time, because even if there had not been the horrendous event of September 11, 2001, our world and our own domestic economy would have been caught up in a period of great turbulence.

8.30 p.m.

This is an important time, Mr. Speaker, because the first few years of this new century and this new millennium will be judged by economic historians as one of the great watershed periods in the history of mankind. It is in this period that there was simultaneously a quantum leap in technology in relation to the use of information and technology, in relation to how man communicates, impacting on all economies great and small and heralding the need for consequential change to how economies are structured and made to function.

This period, Sir, is and will be remembered as a great period because in this period has come the application of a new set of policies and rules by the international community that has been foreign to most of the world for the last quarter century at least, but whose application sometimes has very dire, sometimes very difficult implications for countries such as ours.

This debate, Mr. Speaker, will come to be remembered as much for what we say and did not say, as much as for what we do or did not do. The situation is that in every year since 1998, in every major presentation on economic policy that I have made in my capacity as Minister of Finance and Economic Affairs, I have sought to impress upon the House and the country, the need for us to introduce, on a phased basis, policies to change the structure and the method of functioning of this society to accommodate forces that I referred to earlier: new policies and rules in the world, the impact of new technology in relation to information and communication.

Our economy has shown itself responsive to changes. Our economy has shown itself, not only resilient to the negative effects of some of the new developments in the global economy, but our economy had also shown itself being able to sustain a new prosperity, even as we carried out great change.

Sir, exactly what is it that we are dealing here with? The Barbados economy is not in crisis and I want to stress that point. The Barbados economy is not in crisis but it has to face an emergency. I need to spell out these two facts because this is the essence to why we are here today. The Barbados economy is not in crisis in a sense that there is no disorder in the economy from the point of view of an inability of the country to pay its way in the world or to employ its people, or for the Government to carry on the ordinary functions of a civil society, especially the provision of services necessary to keep a society orderly.

The Barbados economy is not in crisis because there is no decline in the level of investment in the economy or in the prospects of the economy, but an event has happened among us that is unusual. It raises strange, new, disturbing and dangerous implications, not just for this economy but for how the entire world will function hereafter. The dimensions of this new act and the response of the global economy to this act are still unclear and evolving. Sir, we have to evolve an emergency response to a situation, the full dimensions of which are not clear to us, are evolving and may have an indefinite duration. We have to bring order in an emergency in circumstances when we are not absolutely clear as to how deep and painful the emergency will be.

This debate has to be informed by the fact that there is no crisis or breakdown in our economy but there is an international emergency that will affect us and we have to respond. We are here to discuss the adequacy of the Government's response to an emergency that it simply cannot ignore. The quality of what we do will determine whether we can go forward, Mr. Speaker, to realise the potential of this country, or will allow ourselves to be overwhelmed by an emergency that we need not translate into a crisis.

Sir, there is no question that the year 2001 is one of the most interesting years in the evolution of man's economy. I think there has never been more fluidity in international, regional and domestic affairs than this year. At the start of the year, there was no anticipation of a severe, global economic recession. It is characteristic of the new times in which we live that an aspect of a new global economy is the instantaneous effect that things in one place have everywhere else. We have had the world brought to the brink of a global economy in a shorter period than ever before in the history of mankind.

At the start of this year, there was the prospect of a slowdown in the United States of America's economy, relative weakness but still growth in Europe and relative weakness but growth all across the world. The striking aspect of what is happening in the world, especially in the course of the last six months is that in a very short order, difficulties in one major place in the world have, in the context of a more interdependently global economy, been translated into a global economic meltdown of sorts.

What is that, Sir? I explained in August that our world – and I am talking about the globe, not Barbados – Sir, has come to a place, where in recent times, almost 50 per cent of the growth in global economic activity has been driven by the U.S.A. growth. In the U.S.A. a major transformation has taken place that whereas, wealth used to be concentrated in the hands of a few, more than 50 per cent of U.S.A. households now own shares and stocks trading on their stock

exchanges. A lot of the recent growth in apparent global prosperity was driven by the fact as well that U.S.A. households feeling well-faired because of surging stock market values were involved in a consumer spending boom that drove the U.S.A. economy and with it drove the global economy.

Equally as well, Sir, the revolution and information technology of which I spoke, caused people in the U.S.A. to make extraordinary investments in the information technology sector to an extent that even defies the laws of supply and demand that have been known to economists for centuries. In very short order, Mr. Speaker, there was a reversal of these two things this year.
8.40 p.m.

The stock market plunged in value and took with it a large part of the apparent wealth of almost half of the households of the United States of America's people and, therefore, brought with it a drastic deterioration in those circumstances that cannot easily be reversed by tax cuts and interest rate changes.

There has been a severe recession in the information technology sector which was once one of the world's fastest growing sectors and a profit recession associated with industries in that sector which when all taken together removed those stimuli that have until recent times accounted for 50 per cent of international growth. The fact is not that it has happened, but the rapidity with which it is now happening, in what is in fact an interdependent global economy.

At the start of this year, nobody heard that Singapore was in recession but Singapore now is in deep recession. At the start of this year, Europe was not in recession but large parts of Europe now, Sir, are in recession. I am saying to the House that this is an important time because we are living in an economic era where there will be a new fluidity in man's economic affairs such that we cannot rely upon past benchmarks of performance as guides to the future. If all of us who are involved in policy formulation do not understand that, then we miss the point.

It was, therefore, going to be a difficult year for us in such fluid circumstances even if the events of September 11 had not happened. Sir, our circumstances have now assumed a fluidity that bears a relationship to what is happening elsewhere. At the start of the year we, too, were projecting that the economy was going to grow by more than two per cent. Sir, this is the key to this debate.

In the first quarter of the year, the economy really did grow so that there was no long run-up and then a delivery, that is the point. In the first quarter of the year the economy

grew, our reserves continued to grow and all of the signs that have been associated with a thriving, prosperous economy were still there but then we discerned that things were changing and we saw that the United States of America's economy was not only being sluggish but was experiencing strange, new difficulties.

We took stock of what was happening in Singapore, Europe, Africa, Latin America and the Caribbean. We, therefore, recognised that there was going to be a slowdown in our economy too and we took early steps to deal with it. Our consultations in May were full and serious and gave rise to a proposal which the Government distilled and was able, therefore, to come to this House in August to present measures to this country to transform a slowing economy back into a robust economy.

Sir, I heard criticism from the Honourable Members on the Other Side, one of whom was a Member of Government in the 1980s. I really wish that the actions we took this year on the first signs of a slowing economy, that that process of consultation had been indulged in 1988/89. I will stress the point, the Democratic Labour Party had two full years of warning of the difficulties to come, not two months, and did nothing about it whatsoever but relied upon the political thesis that that party should do nothing whatsoever to cause it to commit political suicide.

Sir, if this is going to become a political debate just let me say that on the last occasion this country had to face an economic difficulty, the warnings were there two years in advance. I remember, Sir, being a spokesman on the Opposition benches then and warning that month by month over an extended period the crisis was evolving.

The Democratic Labour Party had two years to prepare themselves and we had less than two months but even though we had a short time we still moved early to act and within a short period of time we did what the Democratic Labour Party should have done in 1989, that is, to consult with the country and bring to this country an economic package enjoying the support and consensus of everybody to make a difference in this country's affairs. That is what this responsible Government did. We did not conceal the fact that the economy was slowing down. I said so when I came to Parliament and so we have had to revise our economic forecast for the economy in light of the circumstances that were then evolving.

For us, therefore, this is an emergency because we had set out on one course at the start of the year but then it became clear that we would have to make an adjustment in the middle of the year. Let me speak to that because I have to tell this country that the concept of "old-time" budgets where you just have one economic package for a year and

leave it like that and set it in concrete cannot work. Those of us who have to manage economies in these times have to have agile minds to come forward with agile responses to changing and evolving things and this concept of the "Black Box" coming down in March cannot work. It may be necessary from time to time for Ministers to come to the House to change the course and to run the economy, just like how you fly a plane, where you will make the adjustments depending upon how the weather up front looks; and that is what we had to do this year.

We started out with one concept and that concept held until the end of March. There was growth reported in the first quarter of the year. That growth was reported in April but then we recognised that there were difficulties ahead and we sought to make a change and hence the implications and the importance of the consultations in August which were intended to bring back the basis for growth in the economy. So that when I came to this Parliament to present them to this Parliament I could have done so with the assurance that they were comfortable to the environment in which they were intended to have effect because those policies were in part conceived and comprehensively supported by every section of this Barbados society with the exception of the Opposition and including members of the university community.

Now in that context, Mr. Deputy Speaker, I say that September 11 marks not a crisis but an emergency because before September 11, our Government, our people and our society had evolved an approach by which to deal with the problems of a slowing economy. This event of September 11, therefore, is an emergency in the sense that it was unexpected. It required us, as if there were a hurricane, to accommodate ourselves to the fact that there has been a one-shot incident that could have consequential and ongoing effect on our state of affairs and some of them are severe.

In this case, the severity of what we face is that nobody on the Government side, on the Opposition Side or in Barbados, knows how long this state of global uncertainty and instability will prevail. All we know is that it has created and will sustain a global, economic and business environment that is unstable and uncertain where the ordinary course of decision-making in respect to purchasing, investments, employment and so on, all of those ordinary processes, have been suspended. We now have to cope as best as we can in circumstances where the only thing that is certain is uncertainty. That is what we are dealing with and that is why this debate is important.

8.50 p.m.

Government has come to Parliament to say that there is not a crisis in the country; we do not lack foreign exchange; people are still investing in this country; the Government has not closed down our public service; our sectors are still functioning; our people are at work. There is

no crisis before us, but there is an unusual, difficult, dangerous situation that must be addressed.

It must be addressed by dealing with it in its worst cases and in its worst dimensions because we do not know how long this situation is going to last. Because of that element of uncertainty, our response must be of a short-term nature because nobody in this House can say, Sir, that the policies that we implement today must be the policies that we have in place nine months from now, because nobody in this House knows what the situation will be nine months from now so that we can only have realistic policies that bear a relationship to a short-term planning horizon.

Government has also decided that we have to focus our response in a crisis to deal with where the problem is most severe. In this particular matter, the emergency is located precisely at the centre of our economy insofar as it concerns the performance of our most important economic sector, tourism, where there is the prospect in the worst case of a potential decline of as much as 30 per cent in that sector's operation.

Clearly, Sir, if you identify that is where the burden of the problem is located, the burden of the response has to address that. Hence a \$32 million financial programme for the next 90 days will be put in place to address the core of the problem. Government therefore, Sir, is focussed, as we should be, in dealing with the heart of the issue.

Sir, an emergency has arisen. Of that, there can be no doubt. It must be responded to. Of that, there can be no doubt. Government has responded. Of that, there can be no doubt. That response has been based upon and reflects a consensus developed and derived by the entire society. Of that, there can be no doubt.

Does the Opposition agree with this, Sir? If it does not agree with it, what is its alternative? Mr. Speaker, I would not be surprised if the Opposition is not aware that there is an emergency before us because it might well be that the Opposition is so taken up with other emergencies, and this is true and it has to be said, that it is failing Barbados in an important respect and this evening I charge that the response of the Leader of the Opposition again reflects how grievously he is prepared not just only to fail his own party but to fail his entire society.

I say so, Sir, because in August when I came to this House with a programme to provide a tonic for our service economy, I was castigated for travelling at precisely the wrong time. I remember it well: "travelling at the wrong time with the wrong things". It has to be said, because this is going to be an historic debate, Sir, that at a time when there was an emergency of the nature created by the events of

September 11 and when the whole society was intended to be mobilised by the Government and the rest of the society responded, that the Member for St. John took leave from this country and refused to be part of that consultation, a man who accused me of failing in my duties in August for travelling, he sought to travel.

Sir, I cannot believe that it was because he was tired by over-exertion in the St. Thomas by-election. It cannot be that, Sir. Neither of the two candidates who exerted themselves totally and were a great credit to their parties felt a need to travel. All of us on this Side worked as hard as anybody else and none of us travelled. Even when we were involved with the St. Thomas by-election we were planning a national consultation on the economy to take place less than a week after we fought an election. That was the degree of commitment of the Ministers on this Side, while he travelled. He cannot now come to this House to say if he agrees with it but if, as the tone and temper of his contribution would suggest, he is disagreeing with it, then if your country is facing an emergency and you agree that it is an emergency and the rest of the society, except you, have subscribed to and have developed an approach to deal with that emergency and you do not agree with it, surely you have an obligation at this time to tell us what your alternative is.

Sir, the only alternative that has been proffered by the Opposition, mercifully, has not been supported in this debate because neither of the two members of the Opposition who have spoken have supported the measures that have been put by the spokesman. The measures that have been officially put by the Opposition – I had better be careful because I do not know who speaks now on behalf of the Opposition or in what capacity. I have to be careful about these things, Sir, and I ask your protection in this matter because I do not want to mislead the House – are measures that bear no relationship to the matter at hand. I will explain why, Sir. There is a prospect of a 30 per cent fall in the tourism industry. That is the worse case. We have, therefore, to find resources to spend first of all to make sure that airlines continue to maintain an airlift into Barbados in circumstances where the airline industry globally is facing a financial crisis of impossible and continuing dimensions. Sir, do not underestimate it! The airlines lost so much money in that period when they could not fly that there is the possibility of bankruptcy of international air travel.

For airlines to continue to fly here, Sir, we have to do what we have never done before, provide them with financial resources so that they can maintain their airlift and routes into Barbados. We also have to face a situation where the tour operators who bring tourists here are also facing bankruptcy and we also have to make a financial contribution to them to make sure that if the airlines continue to fly they can continue to send the tourists to us.

It has to be clear to everybody that the marketing programme that Barbados would have had in the market to sell itself before this crisis cannot work now and that a new more empathetic and expensive marketing programme, involving television time predominantly, has to be put in place at great cost to the Government. It is also clear, Sir, that if there is a 30 per cent fall in tourism arrivals a lot of our tourist sector, our hotel industry, could be bankrupt and even if we brought the tourists we might find enterprises that cannot function, so there must be support for the sector in a direct financial way. All of these things cost money to the Government. Hence, there will be an increase in public expenditure to deal with the emergency at hand.

Mr. Speaker, I repeat this is a time when there is a duty on the part of the Government to spend substantial sums to save our most important industry and save the economy as an emergency action. Can this be the time, when you have to spend more, to cut your taxes as an emergency response? Where will you find the resources to deal with all of these things that must be done to save tourism if at the same time you are removing the revenue base?

Secondly, Sir, an important aspect of this problem will be that businesses in this country will come under cash-flow stress, payments of interest, and increased payments of interest would add to the cash-flow difficulties of companies at a time when the nature of the emergency is such that it could therefore be represented domestically in stringent, financial circumstances for producing enterprises. Can this be the time for us to increase interest rates in this country and impose an additional cost on businesses that will be facing stringent, financial circumstances? It cannot be.
9.00 p.m.

Mr. Speaker, what has been advanced in an anaemic way by a poverty-stricken Opposition is a recipe for mass unemployment in Barbados and a recipe to convert what is only an emergency into a crisis of enduring and major proportions.

Sir, on every occasion that this country has found itself in economic difficulties, it has had to make recourse to the International Monetary Fund (IMF) to pull it out of a dark and deep economic hole. In the late 70s when the country went into difficulties it had to go to the IMF. In 1981 the country went into economic difficulties again and it had to go to the IMF. The Other Side is familiar with the fact that in the early 1990s this country went into economic difficulties and on that occasion they had to make recourse to the IMF.

Sir, let us set this in a historical context. It would now appear that every ten years there seems to be a cycle of economic difficulties, and on each of those occasions, recourse was made to the IMF. I say to the House that the

manner in which this country's resources are being managed is such that our response to this situation will be remembered by the difference that we have made. We have had to face difficulties but we have so managed this country's affairs as to prepare ourselves for this day and, unlike 1980 or 1991, we do not have to contemplate any approach to the International Monetary Fund as our salvation in this matter.

Sir, on the last occasion that the country got itself into economic problems, the crisis was so severe that stark, dangerous choices had to be made. The exchange rate was put at risk, but there is no threat to our exchange rate on this occasion, Sir.

Let it never be forgotten that on the last occasion this country found itself in economic difficulties the answer caused the adjustment to be made in the form of the maximum human suffering that people, particularly in the public service of Barbados, had to carry the full burden of the adjustment in the form of rising unemployment among their ranks and in relation to those who were spared the spectre of unemployment, there were drastic cuts in their income.

Sir, we are making a statement of confidence to this country that, unlike the last occasion, the people of Barbados, particularly the people of the public sector are not and will not be required to make that savage human adjustment as the response by this country to the economic circumstances that we face.

As regard the Opposition's claims of structural weaknesses in the country, this Side has spoken to that in great length but I want to speak to an aspect of it as I bring my contribution to a close.

One of the things for which this episode in human development will be remembered is that it was that period in human history when the concept of trade liberalisation became a central feature in the ideology used by the international community to effect how economies are structured and how they function.

Mr. Speaker, trade liberalisation simply means that the country undertakes to dismantle tariffs and non-tariff barriers to the movement of goods, services and capital. The essence of this is that countries in the developed world, since 1947, have managed to phase-in the dismantling of tariffs and other non-tariff barriers to trade in their most important line of activity namely, industrial activity. What is expected of us now in the developing world is to undertake a process of trade liberalisation, sometimes in no more than ten years that is akin to that which the developed world has gradually phased in over 50 years. Sir, over 50 years they have gradually conditioned their sectors to accommodate the negative effects of trade liberalisation.

Sir, I will tell you how trade liberalisation affects an economy. First of all there is a fiscal effect. When you have to remove import duties, you lose revenues and since 1994 our Government has had its import duties substantially reduced because we had to remove our duties on inter-regional imports under CARICOM arrangements and also we have made a substantial fiscal adjustment by reducing the top rate of import duties from 45 per cent to 20 per cent in the course of the last five years under the Common External Tariff provisions of CARICOM so there is a tremendous fiscal adjustment.

Sir, I am trying to prepare the country for the fact that our relationships under the FTAA, Europe and WTO would mean that in years to come there will be other fiscal adjustments because the \$125 million in import revenues which we are now collecting will be removed as we remove duties to honour our obligations under the WTO, the Free Trade Area of the Americas and our new relationship with Europe.

Sir, trade liberalisation has a pronounced public finance effect. It can also have a pronounced production effect because if you have sectors in your economy that have been weaned in an environment where they were protected from competition, particularly from extra regional imports, if they were protected by trade barriers such as licences and quotas from having to compete abroad and those are removed, the effect will be felt in the form of the decline of activity in those sectors that depended upon them.

Sir, this is not an economic theory. This is what has worked itself out in this country in the course of the last two years. The Honourable Member for St. John should be familiar with it and be able to explain it to the country because five days after he made his one and only presentation to this Parliament as a Minister of Finance, an important commitment was given from the Democratic Labour Party Government under its Uruguay Round trade negotiation obligation to remove between 1994 and 2004 on a phased basis all of the non-tariff instruments such as licences and quotas that had hitherto been used in Barbados to provide protection for manufacturing and agriculture. The difficulties that they have faced, are not difficulties as the results of policies conceived of by this Government. They have faced difficulties because this Government has been duty-bound to implement the commitments given in April 1994 to disband the licences and quotas that used to protect manufacturing and agriculture in this country.

9.10 p.m.

The Opposition should be ashamed to come to this debate and to recognise that its own policies in 1994, set the stage for subsequent difficulties in manufacturing and agriculture, and pretend that they are now surprised as to the consequences that those policies are having.

Sir, I stressed the point that in preparing us for this moment, our country has gone through a process of wide consultation. I do not remember any consultation in 1994 to prepare the country for the negative effects on manufacturing and agriculture that the then Democratic Labour Party Government agreed to with the WTO, that are now having their full toll on our economic system.

I say these things because we are involved in a major process of having to manage change. Part of that change is technological and for a small society it is very difficult to manage. A lot of it has to do with the new rules governing the international economy to which we now have to respond. The country must come to terms with the fact that those rules will have consequences and the effect of our policies must be to mitigate those consequences.

Sir, we need to hear not just the Government but the Opposition, which put some of those policies in place, beginning to explain to our people what they did, what the consequences are and how the said can prepare itself to respond better to those consequences.

It is, therefore, churlish for the Opposition that set in train the policies that are today bearing adversely on our manufacture and agriculture, to speak in the terms in which they are speaking, that would seek to convey the misleading perception, that the fortunes of these two sectors over the course of the last two years, are due to any lack of proper attention or lack of proper quality of policy by this Government. It is wrong for the problems in manufacturing and agriculture to be discussed outside any other context than the removal of what has been used in the past to shield those sectors from the competition that they are now having to face.

Mr. Speaker, I want to conclude this debate by saying that I do not feel a sense of crisis but I recognise that this is an emergency. I believe that our country will emerge from this situation a stronger, more resilient and a better country.

First of all, I believe that we can take this country safely through this difficult situation. We have the resources to do it but more especially, Sir, we are not scattering resources hither, thither and yon. Our response in relation to the resources allocation is appropriately focused to allow us to fight the battle where the fight is at its hottest.

Mr. Speaker, we also have strong collateral assets in the country. I speak especially to the response of the private sector, the labour movement and the civil society who want this country to succeed. When the Leader of the Opposition comes to this House to deprecate them for supporting the Government, it is not because they are partisan that they are supporting the policies of the Government, it is because they

are for the first time being allowed to subscribe in advance to the development of policies that will bear upon them. Sir, that is an important collateral asset.

It is a consensus in the society that has been carefully put together by the Government to evolve a response to an emergency that everybody can identify with, Sir. When you get an emergency and there has to be a response, the only thing that you should not have is a situation in an operating theatre where one doctor says to do this, another says to do that and the then another says to do something else. While they are struggling as to what should be done, the patient dies. We have carefully built a consensus to which the entire society can subscribe and tell us to implement, because we all agree that what is before us is the appropriate thing to do in the circumstances with which we are faced.

Sir, that national emergency consultation that the Democratic Labour Party Members of Parliament and Senators were invited to and they boycotted, will live on as a day of infamy in a Party that does not need additional proof that it lost its way. It was subscribed to by all sectors of the society.

Sir, in 1969/1970, I was a student at the University of the West Indies and I was proud to be part of a consultation where former lecturers and students in economics sat together, not now in the same capacity as then, but as major contributors to an important economic exercise.

I must thank every section of the private sector and almost all of the labour movement for their participation. I thank Dr. Frank Alleyne for his public spiritedness in being part of that exercise, Dr. Michael Howard, who was a colleague of mine. Mr. Bentley Gibbs, now a Permanent Secretary, also a colleague of mine, while at university, for working towards the goal of stabilising the country in a period of emergency. Sir, that is the richness of the exercise and the Democratic Labour Party would not participate.

Mr. Speaker, in my memory, there would never have been a document that came before this Honourable House that would so utterly reflect the will of the people of this country. I want to repeat that, Sir. The National Emergency Economic and Financial Programme that is before this Honourable House, is a document that more than any other document that has ever been presented to this Parliament in its 370 years of existence, reflects comprehensively and utterly the will of the people. We who are here are merely intended to give expression to the will of the people, Sir. I say to this Parliament, Sir, that history could never accept if this Parliament with acclaim, does not embrace this document that so comprehensively and utterly reflects the will of the people of Barbados, as no other document in its history and make sure that this handiwork of the best

imagination of our people is put to work in the interest of our people, at a time of great emergency. I am obliged to you, Sir.
9.20 p.m.

Mr. SPEAKER: The Honourable Member for St. Philip North.

Hon. R. N. GREENIDGE: Mr. Speaker, I, too, rise to make my contribution to this very important debate.

Mr. Speaker, this \$32 million crisis package, as you would no doubt have heard, comes on top of the August 8, 2001 package which was designed to stimulate the productive sectors. That package was tailor-made for what was then considered to be a sluggish economy and nothing at all, at that stage, was hidden from the public of Barbados. Therefore, all of us knew at that time the world was going through a recession. I, therefore, have to begin by setting the record straight. This BLP Government did not cause the perceived decline in tourism. It did not cause, by its own doing, the decline in the economy, as those Members on the Other Side would want the Barbadian public to believe.

We believe that what has happened since September 11, 2001, has, indeed, put us in some kind of a tail-spin and that we have an obligation to remedy it as far as possible. We are, therefore, trying to ensure that there is no collapse in the tourist industry. It is for this reason that we have an inbuilt support fund of some \$10 million which would assist those hotels that are hardest hit by the downturn of the tourist industry.

We, as the Prime Minister said, see it as an emergency and Government is intervening, in a very proactive way, with an expenditure package as part of our emergency measures.

Mr. Speaker, we are not pretending that this financial input of \$32 million is done with any scientific precision either, because the evidence up to now as to what will eventually happen is still quite speculative. We are of the view that, yes, there is an actual threat to our economic base and that it is right here on our doorsteps, but it is difficult for us to determine the extent of the downturn in dollars and cents.

We have come up with what we consider to be as close as possible to the worse case scenario and have decided that \$32 million is what we would like and would be comfortable with at this point. In other words, Sir, the fallout is inevitable but to the extent of it, we do not yet know precisely.

I believe that all is not lost. Mr. Speaker, yes, the refusal of people to travel the world over impacted not only on Barbados but on the entire world. A 30 per cent fall-off

in arrivals seems to be the average for this particular reason. I believe that people refuse to travel initially because of fear. It is natural for people to react in that way, but I believe that, again, people will travel.

I have two relatives still remaining here in Barbados, but leaving tomorrow, who have actually come here because they wanted to get away from the United States. They wanted to escape the US media, stories of anthrax, the stories of Afghanistan, the debris in Manhattan, *et cetera*. Therefore, all is not lost and just as they have travelled after the crisis, so too I believe that people will again travel.

We are aware that we have to support what is indeed, the main frame of the Barbados economy, but at the same time, we are equally sure that we do not have to over react. We must not, in a raw way, overcompensate hotels or hoteliers. We believe that we must not overstate concessions at this time. This is traditionally what is called the down time in the hotel industry and we should not allow the hotels to feel that this is happy hour.

In the eyes of the public, we have to be careful that persons do not think we are opening a Pandora's Box. Some persons are concerned that if we continue to do it, every time there is a downturn, the hoteliers will come back to us.

I know what has happened in the sugar industry, where every year the sugar producers come to us for assistance, until it has now become a norm. It has now become a culture and as the Honourable Member for St. George North tells us, we cannot shut down a culture. Therefore, we do not want anyone in the Barbadian public to get the impression that whenever there is a downturn in the industry this is going to happen. This is only an emergency. Then, there are persons who are asking the question as to whether this life or death story, as argued by the hoteliers, actually merits the knee-jerk reaction they are suggesting. They are asking whether the money we inject will give the realization of increased traffic, *et cetera*, but Mr. Speaker, we are making this injection of \$32 million because we are comfortable that this will spur the economy onto better times.

I am asking hoteliers, Mr. Speaker, not to see the answer to this problem simply as a matter of the injection of Government's funds. I am also asking them to appreciate all of the signs that are now on the horizon. They must see this as an hour of self-awakening and must be more creative. I am sure that if they are, out of this negative will come some positive. The hoteliers must make it possible for Caribbean nationals to visit parts of the Caribbean at prices that they can afford.

Yesterday, I heard Mrs. Sue Springer, Executive Vice President of the Barbados Hotel Tourism Association

making the point that the one regret she had with the package is that we did not give enough to help her and the hotels with the cost of operation, *et cetera*.

The point she was making is that if Government had done it, it would have allowed the hotels to offer cheaper rooms, *et cetera*, but they, themselves, have a duty, not only to expect Government to do that to be able to assist them, but to take the initiative themselves. Yes, there has to be a concerted effort, Mr. Speaker, coming from Government but also the private sector as well, to help to reduce the cost of doing business, not only in Barbados but also in the Caribbean.

Mr. Speaker, we have no way of monitoring the actions of the hoteliers. When we give them these concessions, the question always is, how can we be sure that having got the concessions, they are still not going to cut staff. Staffing at the hotel, Mr. Speaker, runs in tandem with the amount of tourists they get and all the hoteliers have to do to make it look legitimate is to say that their occupancy is down. Therefore, when we give them this impetus, there is no guarantee that they are not going to lay off staff.

I am calling on the hotel sector in particular and the private sector generally, to help Government to protect employment. We, as a Government, must take them to task when they do not operate in good faith. Needless to say, wherever possible, we would not like to have a loss of jobs. In this regard, I have to say that I must applaud the Government for the \$600,000 injection which is earmarked to start the "Buy Local Campaign". We have to use this opportunity to educate Barbadians as to the advantage of supporting local businesses. It is no secret that by so doing, we will be protecting employment in the private sector.
9.30 p.m.

I am pleased with the Prime Minister's commitment to reduce Government's payroll. The Prime Minister is on record, Sir, as saying that he will protect the employment in the public sector and I think that the private sector must think likewise.

Sir, having said that, I must make another point which is that our Barbadian businessmen and manufacturers must see this as an obligation to cater to the regional market. They must now look towards export and they should not be jealous of Trinidad. They should not blame Trinidad. They should not envy Trinidad. Trinidad does a lot of exporting in the region but on the other hand many of our businessmen seem too satisfied in being strictly domestic animals.

I think, Sir, they have to see the whole concept of globalisation no longer as a buzz word. They are now living it. They have to see globalisation as something like an active programme in which they must participate. Mr. Speaker, our

businessmen just have to be creative and there must be a lot of institutional innovations within the business sector.

I am fully aware of the constraints of time and in closing, Sir, I want to say that the Government is not seeking to hide behind terrorism or anything of the sort to avoid any increase of salaries to workers. This crisis will not go on forever and it is not demeaning. It is not belittling of trade unions to say,

“Look, we are not blind. We are not deaf. Our people and the people of Barbados are very well informed and they will understand. We will hold strain for the time being.”

Because this is a kind of sweeping and widespread position, which trade unions have taken through the entire world. It is nothing unique to Barbados when the trade unions say, we understand the position and we will hold for the time being. It is nothing belittling or demeaning for them to do that. It is a national position that they have taken and a patriotic position that they have taken.

In that regard, Sir, I have to commend the trade unions of Barbados for the very mature leadership which they have shown and for the understanding and the co-operation which they have shown the Government in this regard.

As I said, Mr. Speaker, I am aware of the constraints of time. I want to associate myself with these measures. I believe that it is the best thing which we could do for our country at this time in our history.

I am obliged to you, Mr. Speaker.

Mr. T. A. PRESCOD: Mr. Speaker, someone requested that I make a very brief presentation and speak within the parameters of what is called the constraints of time. It is going to be a bit difficult, however, I will try to see what I can do.

Sir, after the presentation from the Right Honourable Member for St. Peter, the nation and these halls were tonight treated to a very consummate discourse and I believe that his language was unequivocal. The nature of his presentation took a sequence of an orderly logic. The number of oppositions which were advanced, were well supported by empirical evidence and he took us from the historic development of the last two years, relate it to our current position and then he advanced futuristic propositions to demonstrate to us that we are in safe hands.
9.40 p.m.

Sir, I concur tonight on the side of wisdom. I too unequivocally support this instrument here tonight. Ordinary

people in the street, not only intellectuals, understand the genuineness, the sincerity and the conviction of the presentations from this Side of these halls because they know truth when they hear the truth. People know and are fully aware that at the central point of the economies of the western world is the United States of America and that when the economy of the United States of America is experiencing difficulties the small developing states that are interdependent on that axis would also have a negative impact.

Sir, prior to August 2001, everyone in here openly acknowledged that the economies of the world, including the United States of America, were slowing down and all of us deduced from that reasoning that if the economy of the United States of America was slowing down it is likely to have some relative minor impact on the economy of Barbados.

Clearly this is not a case where the economies were not experiencing growth as has been pointed out before. They were declining relative to the three per cent growth which we were accustomed to and have been averaging for a short while. So what the Government set about to do on that occasion was to put corrective measures in place to sustain the growth of the economy of Barbados and to ensure that the people of this country continue to enjoy a good quality life.

I am, therefore, not surprised, Sir, that the Opposition did not recognise, like Rip Van Winkle, the true fundamental changes because they never understood where the revolution is taking place around them. Not only that, they were involved in all types of internal conflict and were unaware of the major changes that this society was experiencing.

All over the world people are aware, because of the provisions and the agreements with the World Trade Organisation, that governments have to take necessary steps to restructure and reposition the economies and to put the required instruments in place in order to respond to the modern changes that were inflicted on us as a result of the World Trade Organisation (WTO) and the Organisation for Economic Co-operation and Development (OECD).

So I am a little surprised that anyone would try to give the impression that the Government was unaware of this decline. It was openly stated that there was a decline in the economy and all of us on this Side acknowledged that. What we are attempting to do now is to address conditions, which without having any foresight that such difficulties would have occurred in the world economies as a consequence of what is happening in the United States of America since September 11, not knowing that we would be involved at this juncture in our history in a protracted struggle as a

struggle as a result of the changing dynamics that we now have to face and not knowing as well how long it will take us to take these emergency measures in order to take us to the point where we can then plan for a recovery programme.

I am of the opinion with my limited knowledge that this is an emergency package and that subsequently we will have to introduce a recovery programme to restore our economy to the position that we would like it to be in. Certainly, if these conditions did not exist in our economy tonight we would not have to make the required adjustments. So I do not quite understand the intended logic by the Opposition that we are blaming everything on September 11.

It is very clear to everyone that these adjustments are made as a consequence of what is now occurring in the world economy deriving from what occurred in the United States of America on September 11 which should be very clear to everyone.

Sir, you will recall that we had to put provisions in place to remove import barriers. We also had to remove the restriction on price controls, refashion our forms of governance, put new mechanisms in place and extend the consultative process by bringing more people into the decision-making process. We set up the social partners in advance because we recognised the need for these provisions to be in place to deal with the difficulties that we were encountering.

During that time, Sir, with all the economic changes we still continue to maintain, intensify and sustain the social services of Barbados. I believe that this is a clear manifestation of competent management. I do not believe that there could be any better barometers than that because the people who would have suffered if we had taken any form of austerity measures would have been the marginalised people about whom the Honourable Member for St. Lucy talks.

Sir, only recently, P. J. Patterson, Prime Minister of Jamaica, not of Barbados, was addressing a thanksgiving service in Manhattan and he was sincere. He said the region is now facing disastrous consequences and he made special reference to our political economies, to tourism, the financial services sector, our agriculture, all because of the powers perpetuating terrorist attacks. I believe that the Democratic Labour Party, the Opposition Party and the two Members who represent the people here, must recognise that they have a responsibility. The people of Barbados look to their representatives at times like these for scientific and sensible solutions to the problems. They want to be given hope. They want to know that they are in the hands of competent persons with the acumen to govern effectively and take them through

difficult times which they would have experienced if others who are not as competent were involved in the governance of the State.

9.50 p.m.

You have to compliment the Prime Minister of this country, the Right Honourable Member for St. Peter, for having the foresight and being humble enough to be involved in a wide consultative process and bringing people of all different interests together in order to participate in dialogue to hear proposals and recommendations that can be subject to the evaluation of the Government of the land and help us to come up with recommendations that are relevant and can be applied in order to change the conditions of life in Barbados.

Sir, tonight we are here in Parliament facing these provisions before all of the Members here and allowing them to examine them and see if they are appropriate to the times. Therefore, you have seen recommendations on how we respond to the various whims of the dynamics of the political economy. In the area of tourism, in the area of agriculture, in relation to the insurance industry we have made a number of proposals and until we complete this document, Sir, it is but proposals.

We are asking all Honourable Members to make a sober and unprejudiced presentation to the people of Barbados by examining what we have here to see if there is a need to amend or improve or even delete some of this and, in addition, to show us an alternative course if they want to reject the entire document before this Honourable Chamber. That was not done.

They continue in a common *modus operandi* to be exclusively concerned with their self-interest, living in hope that they could follow and that they would be successful in electoral rewards. I do not believe that the people of Barbados will judge them wrong. They have a responsibility like all of us to let our people know that there are times in life when the common welfare of man must be protected by all those persons who have a nationalistic spirit and are looking forward to seeing this country move progressively.

Mr. D. St. E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member for St. Michael South East is misleading this House by giving the impression that I am awaiting fate for political success and not prepared to work hard for political success.

Mr. T. A. PRESCOD: Let me try to enlighten the member from the Opposition bench.

Mr. SPEAKER: You really do not have much time now.

Mr. T. A. PRESCOD: Sir, in the 1940s...

Mr. SPEAKER: You have gone back far.

Mr. T. A. PRESCOD: I am trying to cite the example of people who are committed to the general upliftment of mankind and protecting justice and democracy. When we are experiencing times like these, people expect us to come together in a unified voice in protecting the national interest. I am saying that in extreme cases, during the second World War when nazism was on the rampage, Stalin who had an extreme ideology, Churchill in Britain who was more right-wing and a more moderate Roosevelt came together to fight against Adolphus Hitler. They had a common interest in protecting justice, democracy and liberty.

If extreme cases of that nature can bring people of diverse and radically ideological positions together, how credible is an opposition party which stands in isolation to all political units, all units of civil society who have a common interest in the development of this country? What can be considered a legitimate excuse by an Opposition Party so obsessed with itself that it felt that it would be playing a role of subordination to the Government of the land and consequently it found itself in total isolation from participating in the national interest of this land? There is no legitimate excuse for it, Sir.

I am extremely happy to see and support all the provisions brought forward here today, especially in the area of food security, especially in provisions for the landless. I am very supportive of the programme. It has multiple benefits to Barbados and, as the Minister of Agriculture said, we consume over 60 per cent of imported food in this country and we have given an opportunity to men who work in the fields of Barbados assiduously over the years to now work for themselves and not be dependent on anyone who is likely to exploit their labour.
10.00 p.m.

Sir, that effort will help us to reserve our foreign exchange and we will be able to provide local foods for our hospitals, school and prison programs. There are many institutions that are awaiting supply of local foods but we have a major psychological problem and we have to go on a form of advocacy to ensure that we help people to become acculturised to the introduction of local foods.

Sir, I will wrap up in the circumstances. I support the provisions that were put in the name of tourism to assist them in improving accommodation and creating an attractive environment. I am sorry that the Standing Orders do not allow us more flexibility so that I could make a more extensive presentation in support of this incident.

Sir, I have confidence in the leadership of this Party and I also have confidence, like most Barbadian people in the provisions of this instrument.

I thank you.

Mr. SPEAKER: The Honourable Member for St. James South.

This is not in the Standing Orders but as the Speaker, I can so advise. I am suggesting that you make your speeches between fifteen and twenty minutes instead of the regular half hour in the interest of time.

Hon. Miss H. E. THOMPSON: Sir, I regret that you did not make that ruling earlier.

Mr. SPEAKER: Honourable Member, I have regretted that myself as well.

Hon. Miss H. E. THOMPSON: Mr. Speaker, I will try to comply nonetheless and condense some of what I wanted to say rather than take the full half hour which is available to me.

Mr. Speaker, I wish to give my strong and unwavering support to the measures before this House for an economic passage to support Barbadian businesses in what is clearly a time of economic crisis and uncertainty brought about by the events of September 11. Sir, what we have before us, is a package which emerged from a national consultative process.

It seeks to cater to all the revenue earning sectors of the economy and it is sufficiently flexible and timely because the consultation took place quite early in October within three weeks of the events themselves. It is sufficiently flexible that it can be modified because as the nature of the crisis evolves and is modified so too we must be able to shape and change our responses to meet whatever facets and however that crisis presents itself.

It is very unfortunate that the Opposition did not find it possible to be part of this consultative process and make their recommendations for the way forward. We know that the competition to lead from those who cannot even win a seat and some who have only won a seat once would have made it impossible for them to find sufficient unity to come together on a matter of national importance.

The events of September 11 simultaneously destroyed thousands of lives, struck a blow at the heart of America's economy and by extension international and regional economies as well as struck a blow not only in the symbol of trade and finance in the World Trade Centers themselves but attacked the very heart of Government's security by attacking the Pentagon.

It had the impact of shaming America on their own soil in a way that no other event, other than Pearl Harbour has had the capacity to do. This was sudden, it was of an unanticipated nature and there was widespread destruction not only of life but of financial and militaristic targets. Sir, we have found ourselves trying to grapple with the fall-out of these events.

Sir, I want to shape some of my comments in the context of trying to set a picture for where Barbados and the world was prior to September 11, for Barbadians who are living in fear of what the crisis would mean for their individual lives and their families, what it would mean for the security of their jobs, holding on to their homes, protecting their family life and maintaining the quality of life to which they have been accustomed over the last nine years of solid, continuous, economic prosperity. People have the benchmark of 1991 to compare this with and are, therefore, asking if they are going back to a crisis of that sort.

Sir, they are also asking if it would mean the same degree of lost of jobs or cuts in salaries. They also want to know if the same number or similar numbers of Barbadians will lose their homes. The Government had indicated that in terms of its objective strategy, the strategy here is to maintain the economy on as strong a footing as possible to secure jobs and in the process secure individuals and their quality of life.

Prior to September 11 the United States economy, which is the largest in the world, had experienced nine consecutive years of growth. Before September 11, we were seeing the US economy go into recession and they were cutting interest as a means of trying to boost economic activity and to keep the economic growth at higher levels than we are currently seeing. Sir, at that time, the Japanese economy was also in recession. Economies in Asia and Europe were equally in recession and the Pound Sterling was depreciating rapidly. When the Opposition seeks to say that the Barbados economy was experiencing a problem that had to do with the Government prior to September 11, when you look at what was happening internationally you can see that what they are saying is not true. The Barbados economy up to September 11 except for the immediate preceding quarter had experienced nine consecutive years of positive growth and people in Barbados were generally doing well.

What, you may ask, are the basic differences between 1991 and now? I would wish to suggest in answer to that question that the first and most significant difference between 1991 and today is that in 1991 the situation was self-induced by the Government of the day, whereas the current stress in the economy was introduced in this situation by international events over which this Administration had no control but which this Administration must now seek to respond to protect the livelihood of all Barbadians.

10.10 p.m.

In 1991, when this economy was in crisis our foreign reserves were at \$11 million dollars. Today, they are \$1.1 billion. In 1991, there was approximately 20 per cent unemployment. Today unemployment is at 9.3 per cent. The fiscal deficit run by the Government in 1991, was 7 per cent of GDP. Today it is between 3 per cent to 4 per cent of GDP. In 1991, we had a number of major loans due that we had to repay, whatever the state of the economy. Today, as I understand it, only two or three major loans are due between the next eight and fifteen years.

Sir, our international credit rating is high and our capacity to borrow on the international market, because our reputation on the international market is good. At that time, it was not. Barbados had come to a very sorry state internationally, where we had to be in a position where the IMF had an officer stationed in Barbados and we were subject to their dictate. However, today because of the buoyancy of the economy, we do have a better international standing and we are able to introduce our own measures to withstand this externally created crisis.

Sir, in 1991, inflation was as high as 6.3 per cent, today it is merely 2.7 per cent. In 1991, the economy was in a clear, rapid and continuous decline, today the economy is appearing to slow down after nine consecutive years of growth. We can now borrow at favourable interest rates because of the lower United States interest rates. Generally, we are in a far better position today than we were in 10 years ago.

Sir, that is to the credit of the management of this Administration and the Opposition is seeking to say that things are not good, is nothing new. We heard the Opposition say in 1999 that things were bad but immediately after elections, the Leader of the Opposition, I do not know if I should be saying as he then was or as he is now, the Honourable Member for St. John, whatever his status is in relation to the Leadership of the Opposition, during the campaign, we repeatedly heard from him how bad the economy was. On the night of the election when he was interviewed, his response was, that it was difficult for the Democratic Labour Party to win because the economy was good and the people were happy and were employed.

Sir, one has to be wary of his mouthings and one has to see them in terms of his being punched around from the blows that he is encountering within his own Party. Sir, until he can recover from those blows, he is really in a worse state than our own economy and under a greater threat than Barbados might be today.

Mr. SPEAKER: Honourable Member, it sounds as if your time has expired.

Hon. Miss H. E. THOMPSON: Sir, do I have about five minutes?

Mr. SPEAKER: No, just two minutes.

Hon. Miss H. E. THOMPSON: Sir, I would wish to make the point that the Government has tried, by this package, to strengthen every major sector of the economy and we have to see the Government's role coming not in a 'bus fare and lunch money' solution, but in a solution where we are giving tangible support to black businesses, where we have put a number of initiatives in place – the Rural Development Commission, the Urban Development Commission and the Small Business Venture Capital Inc. to support the growth and emergence of businesses and we are supporting the Small Business Association.

In this speech, which is now terribly mauled since you put the cutlass in, Sir...

Asides.

Hon. Miss H. E. THOMPSON: Sir, the Ministry of Physical Development and Environment has a role to play in ensuring that our economic stability and well-being remain. It will be our role to ensure that the capital programmes embarked on by the Government, which will see the fixing of tenantry roads and major roads across Barbados, particularly in Halls Village, are continued. It is going to be our role to ensure that the redevelopment of Bridgetown, the capital City of Barbados, takes place, the national Botanical Garden, the dredging of the Careenage, the redevelopment of our gullies project, the development of a national clean-up campaign, all take place to ensure that there is greater variety in our tourism project and that the country has a clean, new face to present to the world.

More importantly, we will use in the Ministry of Physical Development and Environment, the instrument of the Town and Country Planning agency by sensitive prioritisation and approval of projects. We will ensure that construction and infrastructural development continues to take place across Barbados in order to stimulate the economy and give impetus to the growth of jobs and the growth of our capital and other markets.

I wish to say national individuals have a role to play in ensuring that this support package works. We must be educating consumers. We must be patriotic. Hotels and restaurants must start selling more local foods and juices. We must stop and think how we as individuals can effect behavioural change in such a way that it is transformed and collectively impacts on the economy through our own individual behaviour at this time – our attitude to agriculture, spending, purchasing and, indeed, to all the major sectors of the economy.

Sir, I am very pleased to be part of the administration that is forward thinking and seeks to give support to the economy and to individuals at all levels in Barbados. I look forward to having civil society and all the other agencies of Government, including the Opposition, if they can ever put down their weapons of war against one another, to work hand in hand with the Government to build Barbados in what is a very difficult time, but not to let the growth of the last nine years be lost and squandered at this time, but to unite to move forward together.

I am much obliged to you, Sir.
10.20 p.m.

Mr. SPEAKER: The Honourable Member for St. Michael West Central.

Hon. R. D. MARSHALL: I know it is getting late in the night, Sir, and I would probably ask you for seven minutes, first to say that I support this Resolution before the House and also to compliment the Minister of Economic Development for putting his Resolution before the House. I also congratulate the Right Honourable Prime Minister for the way in which he carried himself in speaking to this Resolution.

The Ministry of Public Works and Transport, has, as one of its core functions, the beautifying of Barbados by way of the weeding and cleaning of the highways and byways of Barbados, cleaning of the gullies, culverts and drainage in this country, the maintenance of signs and the erection of new signs, road markings and street lightings. Two and a half million dollars has been earmarked for the beautifying of Barbados and this function allows the Ministry of Public Works and Transport to play its role in Barbados. Not only has the situation arisen because of strengthening our tourism product, but it is a function that it has been doing over a number of years.

After these measures were put forward, I spoke to the Chief Technical Officer and the other members of the Ministry of Public Works and Transport and everyone is ready and willing to go forward to make sure that these functions of the Ministry are sustained and enhanced, as we go about beautifying Barbados with our tourism products and are doing so at both the sea and airports, where tourists first come to Barbados.

At the present time, we are now into our rainy season and there are more overgrown bushes than usual. We will be looking forward to working in conjunction with both the Ministries of Health and Physical Development to ensure that we do the job of beautifying Barbados.

Mr. Speaker, over the years, residents and visitors alike have complained about the inadequacy of road signage

across Barbados, especially regarding the lack of signs indicating places of interest and visitor attractions. The directional signs across Barbados are a means of assisting road users in selecting the most suitable routes as they go toward those places of interest. The absence of these signs on the roads can thereby increase travel times and the amount of congestion, especially at a time when we have so much road works going on. It can also prevent motorists from making early enough decisions to avoid making wrong turns. Directional signs are needed to reduce traffic on sensitive roads in the face of the rapidly increasing road works and the number of vehicles that now occupy our roads.

In 1995, the Tourism Development Corporation assisted the Ministry of Public Works and Transport with funding for the replacement of these signs on our roadways throughout the island. The Tourism Development Corporation has identified several strategic areas where they have been looking at the placing of several signs. As I said, these will help persons to find where they are going, especially when there are visitors coming to the island, especially for the first time.

The various places of interest mentioned are:

The ABC Highway, the Animal Flower Cave, Archers' Bay, Barbados Museum, Bathsheba, Bridgetown Port, Cherry Tree Hill, Presentation College, East Coast Road, Farley Hill National Park, Harrison's Cave, Holetown, Highway 2A, and so on.

We will be concentrating on the road markings because a lot of them are now out of place and, therefore, we are working very hard to make sure that these things are replaced.

I am happy to say that the capital projects in this country will continue during this time, especially on the main roads. I will also seek to enhance the amount of work that has to be done and some of this money will be spent in the area of getting equipment to do the work. In some cases, if the project starts very soon we will have to rent vehicles from persons in order to help carry out this project.
10.30 p.m.

Hon. R. D. MARSHALL: Mr. Speaker, I also want to say that the Ministry of Public Works and Transport will help the Barbados Manufacturers Association because they are embarking on the "buy local" programme, which we advocate.

They usually apply to the Ministry of Public Works and Transport for permission to hang banners and so on. In some

cases, the Ministry will say to these people that it is a form of advertising and will not give them permission to hang these banners.

As we promised the Minister of Agriculture, we will work along with him and the Barbados Manufacturing Association in giving permission, quite readily, to make sure that these banners are not across the roads in Barbados in order to promote their product.

Mr. Speaker, as I said, I support these measures before this House tonight and the Ministry of Public Works and Transport will be working to make sure that the rebuilding of this country is maintained.

I thank you very much.

Rev. J. J. S. ATHERLEY: I would like to register my support for the Resolution before the House and to speak in support of the package of proposals which is now being offered to this country as a response to the emergency which we face in this economy, arising out of what could become an international crisis.

I think we need to have an appreciation for what the economic statement and proposals of August 8, had intended to achieve, when they were set before this House for its acceptance. They were clearly to avoid the serious impact to global recessionary tendencies which seem to be impending and to offset any negative fall-out in our own economy, from the seemingly inevitable decline to come in the United States of America's economy and clearly, for attention to resource a level of growth with which we were comfortable and in fact had become accustomed around the magnitude of about 3 per cent.

In that context, it would have to be admitted that it was clearly acknowledged, even at August that there had been slippage in the Barbadian economy. The principal plan of those proposals was to continue to develop the productive base and capacity of the Barbados economy.

Clearly, any international event of a sufficiently proportionate magnitude would cause further problems for us. I think it cannot elude the understanding even of the current Opposition, that the events of September 11, 2001 constitute an international happening of some significant magnitude.

Surely, the statement which would want to suggest to the Barbadian public that we are now in fact considering our third Budget, over the period of the last twelve months, cannot be seen as much more than a point made of straw in

the context of things. It is nothing more than a point made of straw because clearly, the situation facing us demands an urgent response and I think the Government is being proactive and preemptive in bringing this package before this Honourable Chamber. It is brought in a context where there is, by all admissions, a sound economic platform on which this Barbadian economy now stands and this is quite contrary to 1991.

Sir, there is no weak external position existing today. There is no problem with low credit rating, as was the case in 1991. There is no problem with high levels of unemployment existing in Barbados today, as was the case in 1991. There is not the problem of poor investor confidence, as was the case in 1991. Quite clearly, this package is introduced at a time in this economy where we do not have to bother ourselves or be troubled by a situation, as obtained by some of our neighbours, whose economic performances are much more unfortunate than ours.

If you look at some of what are considered the more developed countries about us, clearly the Jamaican economy continues to struggle and in many centres of the OECS region, their economies are undergoing significant levels of stress. Not too far from us we have a situation in Trinidad where the international community is faced with a crisis and we see a state, unfortunately, which seems to be politically rudderless in so far as leadership is concerned.

As I said, none of these situations obtain in Barbados and I think we are fortunate facing these circumstances that this is a platform on which we stand today. And the package, I would dare to suggest, is not the product of singular-minded leadership.

Mr. Speaker, I share the view that whereas single-minded leadership may be effective, singularly-minded leadership is certainly dangerous. I do not think this administration is known for singular-minded leadership so this package before us is not the product of singular thinking. It certainly is not the product of a self-focussed partisan interest. Again, that was the case in 1991. It is not the programme which emanates from a politically divided entity such as exists across the corridors of this Chamber or such as is resident at George Street in the parish of St. Michael.

It is for sure, the product of a wide and continuing consultative process which has brought together many elements from across the Barbadian political and business landscape, and this is the result of those deliberations. I am pleased to be able to offer my support in that context. I state as well, without an apology, that it is regrettable that the Opposition found it necessary and convenient to absent itself from that consultative process.

If one examines what is happening in the United States of America just before this crisis, the two major political parties in the USA were at each other's necks in bitter political rivalry. The emergency situation which now confronts the nation has brought them together as nothing has, in recent memory or in lengthy memory.

At the centre of this package as I understand it, is a critical objective of protecting jobs in Barbados. This is being attempted through an effort to support the private sector which is, of course, the entity which provides a lot of employment opportunity in Barbados.

The employment achievements and the record of this Government in terms of employment generation, is one of this Administration's great boasts. I think it is fully well in keeping with that boast that a package we brought to this House at this time, which has as part of its centrepiece, the objective of protecting jobs through support of the private sector.

This Government has a lot of which it can be proud, with respect to the lowering of unemployment rates in this country. The protection of jobs is important also because of its critical relationship to general economic activity in the country. One can find itself faced, in an economy such as ours, with a vicious cycle of unemployment. If jobs are not protected, business activities slow, the purchasing power of people and families will be reduced, leading to further job losses.

I think in this context, it is very prudent of Government to seek to commit itself to try to sustain employment levels within the public sector. For if there are job losses in the private sector and, in addition to that, if there are also to be job losses in the public sector, then that will result in further job losses in the private sector. Sir, so we have a cycle of unemployment which will severely curtail economic activity in this country and lead us into, indeed, a crisis of some significant proportions.

There is also, of course, social outfall arising from unemployment situations with its various stresses on the family life situation and with some attendant negatives, in terms of deviant behaviour and criminal activity in the society.

The package seeks also to continue the business of protecting and insuring our protective base. It is clear to me from what I understand from this package that effort has been made to continue a programme of capital investment for which the Government certainly is responsible. Mention has been made of works at the airport, the seaport, the urban renewal programme *et cetera*.

In this regard, I think the efforts to ensure that our agricultural sector is not further harmed, is to be lauded. Certainly, I support the move that the pace of liberalisation in this country should be slowed. Indeed, I believe that the pace of liberalisation, globally is going to be slow as a result of the events of September 11.

I have always held the view that Barbados should move by gradual process into a liberalised context but only to the extent and in the direction and at a pace that is suited to our interest, insofar as the agreements to which we are attached would allow us. Sir, I support the reinvoking of the licensing regime. I think it is very much in keeping with the policies outlined in the August 8 statement, and also in keeping with an effort to ensure that the framework is there, so that those policies can fully and effectively be implemented. We speak, of course, of the financial assistance packages, the price support for sugar and for cotton, expanded market opportunity and the incentives to improve the technology capacity associated with the agricultural sector.

Sir, of critical importance, of course, is the energy sector. I refute the view espoused on the Other Side that the Government is not as wise as it should be to the importance of the energy sector and to the economy. Certainly, its importance has been recognised and that recognition is not recent.

If one checks what the Honourable Minister of Finance has brought to this Honourable Chamber in terms of his financial statements and budgetary proposals over the last few years, one would recognise that the importance of this sector is appreciated. Certainly, the cost of the business relationship associated with energy prices is recognised with its implications for consumption and employment and that policy has had consistency which has been obvious.

Basically, we have seen the Government commit itself to reduction in taxation levels related to energy, to make us competitive with our regional neighbours. We have seen the Government commit itself to a policy of passing on the benefits to the consumer of any favourable movements with reference to crude oil prices, and also committed itself to absorbing some of the negative impact of unfavourable movement in crude oil prices. I think the importance of the energy sector is very well appreciated by this Administration.

I know we are pressed for time and I would want, Mr. Speaker, simply to close by saying that one recognises that the thrust here of this package is to support the private sector and especially the tourism sector, and activity within our colony because of that the critical importance of that area of economic activity. One is uncertain as to where the emergency before us would lead and of the full outfall negatively of the events unfolding now.

There may very well come a time when we have to address this matter again, and I would simply want to suggest that the time will come when we will have to consider that the nature of the emergency is such, and the impact of the emergency is such, that we have to look, not only to support for the private sector, but at the kind of safety net that we put in to cushion any positive outfall on individuals who, in spite of the best efforts of Government, might lose their jobs.

I think whether we use legislation or moral suasion, things like protecting persons from foreclosure by banks on mortgage properties, suspension of interest payments or debt rescheduling might have to be considered, in a context which is period-specific, especially relating to persons who can clearly establish that they have suffered as a result of this emergency, which no one could have foreseen and certainly for which they are not responsible.

10.40 p.m.

Mr. SPEAKER: Gentlemen, just let me say this. You are all aware of the time. I believe that the day has been a very long one and we have to be a little considerate of the staff, especially the ladies, so I am suggesting to you to make your contributions extremely short, no longer than five minutes please.

Mr. D. T. GILL: Sir, I rise to make my contribution to the National Emergency Economic and Financial Programme debate.

Sir, it reminds me of a basic law of science which says that when a system is in equilibrium and one of those entities which maintain the equilibrium is changed then the equilibrium or the system shifts so as to annul that shift.

This evening, Sir, we are debating against the background of a global situation which was in equilibrium. Barbados is part of that global state, where not only one of the entities has been shifted but it has been imposed upon us and we cannot wait for the system to bring itself back into equilibrium hence this Government has come to the nation with a set of proposals to bring the system as closely back as possible to the point from which it has been dislocated.

It has been said several times that the crisis of the 1990s was tackled by maintaining or trying to maintain the parity of the dollar and holding balance of payments to a desired level. However, Sir, at this point in time this looming and yet further impending problem is concerned about maintaining employment but another look must be made to consider the health and nutrition of this nation. You know full well, Sir, that if you do not have a healthy work force then irrespective of what we legislate here this evening it would all come to a thing of naught.

Sir, the whole genesis of this problem which is rooted in the September 11 bombings is about terror, and terrorism is about fear, real or apparent, absolute or relative. Hardly had the rubble settled than yet another form of fear is raising its ugly head. This is the fear of biological terrorism. We have seen over the past two weeks the fear of the anthrax scare. Sir, this is a real fear in North America and in Barbados I would say it is less than apparent. Nonetheless, we cannot afford to drop our guard because Barbados is but part of the globe.

Sir, fear has a strong psychological component whether it is genuine or a hoax. If it is a hoax, then we must put measures in place to deal with such behaviour in a rather firm way. We must ask ourselves if our fragile and strained system can carry the problems at the moment which will require strong medical, analytical and biomedical services.

We know full well that tourism is our biggest money spinner. So the mere fact that tourism involves the movement of people to and fro, then we must take great care and great concern of any biological terrorism which will make its way into this part of the hemisphere.

Sir, we have factored into our equation all the "knowns" but there are those unknowns which we must be exceedingly sensitive about. Sir, no matter what our calculations, our adumbrations, extrapolations or interpolations have been and we are off course, then, it does not augur well for the country.

Irrespective, Sir, of our airlifts and airport security and we do not have certain measures in place, we will be working against a set of insurmountable problems. Sir, if we glance back to a few months ago, we would have seen the problems that Britain and parts of western Europe would have experienced because of the foot and mouth disease. So not only are we to be concerned with the problems which could be faced by humankind but also by the problems which will be posed to our livestock industry or plant and food crops.

International travel and the shuffling of international mail are services upon which the backbone of our very own economy is structured. Superimposed on this, as if it is not bad enough, is the possible scourge of yet another biological problem, that of smallpox. Most of us at this age would have been inoculated when we were very young against tuberculosis and smallpox. Already tuberculosis has reared its ugly head and there is the great possibility of the smallpox virus doing the same.

This is not sheer speculation but it has brought into sharp focus in recent times the concerns of the World Health Organisation. We have seen certain questions being asked already by the World Health Organisation (WHO)

particularly by its Director General, Gro Harlem Brundtland. She has asked that special committee which supervises smallpox and advisory groups to review certain guidelines associated...

Mr. SPEAKER, left the Chair and Mr. DEPUTY SPEAKER assumed the Chair.

Mr. D. T. GILL: We worked ourselves into a smug sense of comfort that the scourges and plagues such as the smallpox virus had vanished from the hemisphere since we have not seen an incident of it for the past quarter of a century. It is calculated that if such a virus were to take root again in our hemisphere that some 30 per cent of those contracting the contagion would die.

Already, the United States of America has put all of its strategies in line just as they have organised themselves for war and they have put in place some 15 million doses of the vaccine and some 14 to 20 million more have been put on order. So serious is this act of bio-terrorism that, as I speak, 10 000 Americans have been taking prophylactically the well-spoken of drug, Cipro, which has been forming part of their strategy to stave off the serious effect of the anthrax bacteria. Sir, we also know that some 100 million capsules of Cipro – and this is the way in which North America has been working out its strategy to tackle the scourge of an induced bio-warfare – have already been budgeted for. We ask ourselves at this point in time, what more do we have to do apart from the economic measure which we have put in place or which we have debated this evening?
10.50 p.m.

Sir, that part which we now must look at is the health of the country, the health of its citizens, so that we would be in a position to stave off or at the minute reduce or minimize the deleterious effects which these two lethal systems, both the anthrax and the small pox virus, could bring to bear on our country.

Mr. Deputy Speaker, I can see that you are signalling to me to wind up and I will so do because there are at least three more speakers to come after me.

I am obliged, Sir, for your assistance. Thank you.

Hon. G. A. CLARKE: Mr. Deputy Speaker, at this late hour, I will not be too long. I just want to raise the voice of St. George in this debate and to say that we are indeed pleased to support the measures that are before the House today. I must say that the world was not prepared for this crisis. There were crises in 1974, in 1981 and in 1991 but this crisis apparently was a crisis which the world was not prepared for at all. It shocked the world and therefore we have at this point in time to put strong measures in place to keep the economy moving and to sustain it from further decline.

It is recognisable that in this year 2001 the economy started to work and move securely. However, in the year there was some decline. This crisis has caused us some concern and as all Honourable Members have said before, it is important at this juncture for the Government to put measures in place to sustain the economy.

I want to make the point, Mr. Deputy Speaker, that unlike other crises before where previous Governments were taxing when there was a crisis – in 1991 the Government of the day taxed the people, put stabilisation measures in place, they had all types of measures to take money from the economy. It is the first time that I can remember that a Government is actually putting money into the economy. This Government, under the wise leadership of the Prime Minister, is putting approximately \$32 million into the economy to help spur that forth and keep the economy going.

I also want to say, Mr. Deputy Speaker, that it is important to note that the Government's programme will continue as usual, the building programme, the airport will continue, the Hilton will start and, of course, a number of housing programmes will get underway. We have a number of foreign investors that are interested in Barbados and I am sure that over the course of the next few months we will see an injection of foreign funds into the country to help spur on this capital programme.

It is important for us at this time to educate our people to have a full educational programme where we will teach young Barbadians to concentrate on what we grow to eat and grow what we eat. It is important at this time for us to concentrate on that, and I understand that all of us are in this together. I am sure the Opposition, after some reflection, would have wished that they are part of this programme and I am sure that the Honourable Member for St. Lucy's heart is in this programme, because he would have seen for the first time that a Government is putting money into the economy to help us to maintain the standards that we have achieved over the years.

I also want to say that it is important for all Barbadians to work hand in hand, glove in glove, to ensure that this economy keeps going forward. It is important at this juncture for all Barbadians to put their hands to the plough to work to ensure sustainability. It is important to note, too, that persons with funds, especially in the private sector, should use funds to help encourage employment.

So far, the Government has led the way and I am sure that there are a number of private sector agencies out there who will want to show their interest at this time where the economy has been doing not as good as it should. We will encourage the private sector to come forward with Government to ensure that they are part of this programme.

I would like to encourage the private sector not only to stand by to receive from Government but to put the money

that they would have worked and earned over the last eight years to help sustain this economy.

With those remarks, Mr. Deputy Speaker, I would like to say how I do wholeheartedly support these measures.

Mr. M. Z. WILLIAMS: Mr. Deputy Speaker, it seems as if I have been given the lot to come in at the last of this debate but I must say yes, this debate happens to be what I can consider to be a christening for the Honourable Leader of the House, being the first time in such a long debate. I do not know if it is the first time for the Leader of the Opposition or who is supposed to be the Leader of the Opposition. Perhaps we will find out that a little later on.

The important issue that I am concerned about is that I have heard so much talk over the last couple of days by the one whom we know as the guru of gloom and doom, who believes quite clearly that he has the path for Barbados and that his path for Barbados is the correct path. The guru of gloom and doom does not understand the seriousness of what has taken place in the world.

11.00 p.m.

Mr. Deputy Speaker, Barbados will not be the same after September 11 because the changes that will come about as a result of that event will be remembered by our children and grandchildren.

The Prime Minister was able to get together on September 28, a few days after, with the social partners at Sherbourne and invitations were sent out to everyone who has the interest of Barbados at heart.

Sir immediately after the crisis, the Democrats and Republicans came together and Barbados was the first country outside of the USA that made an effort to show the world that we could work together as one. The social partners met and out of that meeting a committee was formed called the National Emergency Economic Council. This Council comprises people from the community and from the University of the West Indies who really want to see Barbados go forward after this crisis.

Sir, it is strange that you can hear one taking to the airwaves being critical and one must ask that person what is his answer to this problem that Barbados and the entire world face at the present moment.

Sir, not only the Government but the private sector has come together with Government to save jobs to make sure that people can maintain their families because that is extremely important.

We have injected a considerable amount of money into the tourism industry because 15 per cent of our people work within this industry and one must commend the

Prime Minister and those members of the National Economic Council who are working with this matter at this time.

Sir, even though we have injected money towards the betterment of the tourism industry, I would like to see hotels give Barbadians the opportunity to use their facilities without having to feel that they are aliens on the premises. I would also like the people at the auxiliary end of the industry like the vendors, jet ski operators and taxi drivers benefit from this action as well. Sir, at this time we need to put our heads together to pull Barbados out of this crisis and we must commend the Prime Minister for having the foresight to bring the social partners together to work towards the betterment of this country in this time of crisis.

Sir, I am proud to be associated with this matter and one must understand that these measures will augur well, and within these 90 days we should see results for the betterment of Barbados.

Sir, I thank you.

Hon R. R. FARLEY: Mr. Deputy Speaker, we have had a full debate and I want to thank Honourable Members for their support of this Resolution.

The consensus arising out of the debate is that the matter is still unfolding. Members recognise that this is a 90-day plan which will be revised as required and we will continue the work of the underlying issues affecting the economy, the drive towards competitiveness, the focus on productivity, improving service standards and things of that nature.

Mr. Deputy Speaker, I ask that this Resolution be now passed.

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

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

ORDER NO. 13 – RESOLUTION TO APPROVE THE
ESTABLISHMENT OF THE POST OF CLERICAL
ASSISTANT TO THE PRIME MINISTER.

Rt. Hon. O. S. ARTHUR: Mr. Deputy Speaker, this is a relatively a simple matter. The Prime Minister's office is desperately in need of this Clerical Assistant.

I beg to move that this Resolution do now pass.

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

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

ADJOURNMENT

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, this brings us to the end of Government's Business for today. I wish at this stage to extend sincere thanks and appreciation to all those who have worked from early this morning even before the Sitting started to make sure that our business is done as expeditiously as it was done today.

In addition to the staff of Parliament, I would also like to thank the members of the Royal Barbados Police Force who, while not being officially employed as staff of this House, have ensured that adequate security arrangements have been maintained throughout this Sitting.

Finally, Sir, I would like to thank the Chair, the clerks and Members of the Chamber in ensuring that this matter which focussed today on Government's national emergency economic response could have started and completed in its entirety largely as a result of the nature of the seriousness in which the Government views the matter in respect of our response to the emergency.

ADJOURNMENT

Hon. Miss M. A. MOTTLEY: Mr. Deputy Speaker, Sir, I beg to move that this House be adjourned until Tuesday, November 6, 2001, at 11.00 a.m.

Rt. Hon. O.S. ARTHUR: I beg to second that.

The question that the House be adjourned until November 6, 2001 at 11.00 a.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER adjourned the House accordingly.
11.15 p.m.

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