
THE House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 2003 - 2008

HOUSE OF ASSEMBLY

Pursuant to the adjournment, the House of Assembly met at 10:00 a.m. on Tuesday, November 18, 2003.

PRESENT

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

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

Hon. Miss M. A. MOTTLEY Q.C., LL.B. (Deputy Prime Minister, Attorney-General, Minister of Home Affairs, Leader of the House)

Mr. D. J. H. THOMPSON, LL.B. (Hons.)

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

Hon. G. W. PAYNE, LLB.

Hon. R. C. EASTMOND, J.P., B.A. (Hons.), Dip. Ed., LL.B.

Hons.), L.E.C (Minister of Labour and Social Security)

Hon. G. A. CLARKE, B.Sc., Dip. Ed., J.P. (Minister of Public Works)

Mr. R. D. MARSHALL, (Chairman of Committees)

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 Housing, Lands and the Environment)

Hon. Miss C. Y. FORDE, J.P. (Minister of State, Ministry of Education, Youth Affairs and Sports)

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

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

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

Hon. A. P. WOOD, J.P., B.Sc., M.Sc., M.Phil., (Minister

of Energy and Public Utilities)

Hon. R. R. FARLEY, B.Sc., J.P., (Minister of Education, Youth Affairs and Sports)

Mr. C. A. MASCOLL, Bsc. (Econ.) (Hon.), M.A. (Public Finance), (Leader of the Opposition)

Dr. W. F. DUGUID, B.D.S. (Comm.), F.D.S.,
FDRCS., J.P.,

Hon. Dr. J. X. WALCOTT, M.B., B.S.,
(Edin.), F.R.C.S., J.P., (Minister of Health)

Hon. D. D. MARSHALL, LL.B., (Hons.),
L.E.C., (Minister of Industry and International
Business)

Mr. R. D. JONES. B.A. (Hons.), M.A., Ed.,
J.P.

Mr. M. A. LASHLEY (LL.B.)

Dr. D. C. ESTWICK, B.Sc., B.M., B.S.

Mr. R. L. SEALY, B.Sc., M.B.A.

Prayers were taken by Canon Father Ivan
Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Meeting held
on Tuesday, November 11, 2003.

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, November 11, 2003,
which Minutes have been circulated, be taken
as read.

Hon. R. C. EASTMOND: I beg to second
that, Sir. Mr. SPEAKER If there are no
corrections or observations, then let those
Minutes stand confirmed.

ANNOUNCEMENTS

Mr. SPEAKER: I am commanded to report to
this Honourable House that I am in receipt
from the Accountant-General of the Accounts
and Statements for the month of July, 2003.

PAPERS

Hon. Miss M. A. MOTTLEY: Mr. Speaker, I
am commanded to lay

1. The Value Added Tax (Refund) (Barbados
Cancer Society) Order, 2003.

SUSPENSION OF STANDING ORDERS

Hon. Miss M. A. MOTTLEY: Mr.
SPEAKER, I beg to move that Standing Orders
Nos. 6, 16, 18, 20, 42(5), 43 and 44 be
suspended for the rest of this day(s) Sitting.

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

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

ORDERS OF THE DAY

Hon. Miss M. A. MOTTLEY: Mr. Speaker,
before commencing Government Business, I
beg to move that Order No.7 on the Order
Paper be stricken off, given the fact that we
now have No. 9 on the Order Paper, which is a
Supplementary including the amount that
would have been provided for in Order No.7.

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

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

ORDER NO.8

RESOLUTION TO APPROVE THE
GUARANTEE BY THE GOVERNMENT OF
BARBADOS OF THE PRINCIPAL AND
INTEREST NECESSARY FOR THE
REDEMPTION OF THE BOND ISSUE BY
THE BARBADOS TOURISM AUTHORITY
IN THE SUM OF \$25 MILLION.

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

Hon. N. A. LYNCH: Mr. Speaker, this Resolution speaks to Government(s) guarantee of a bond issue in the sum of \$25 million, to be utilised by the Barbados Tourism Authority, to supplement its income for the year 2003.

Mr. Speaker, by way of introduction, this debate speaks to Government(s) guarantee of the bond issue but in the wider context, it also speaks to the Barbados Tourism Authority(s) tourism fortunes and how we intend to guide them over the years.

Mr. Speaker, this bond is meant to cover mostly the issue of marketing support for new air services that would come into Barbados during the years 2003 to 2004. Mr. Speaker, under the law, the Barbados Tourism Authority could borrow monies or could issue bonds in its own right. Although the Barbados Tourism Authority received the sum of \$55 million last year in the Estimates, it was agreed that rather than continuing to push up the fiscal deficit, we would use this model way to finance the Barbados Tourism Authority(s) programmes during 2003 and 2004.

I believe that prudent fiscal management is the order of the day. It does not push the fiscal deficit up but allows the Barbados Tourism Authority to borrow in its own right, to support its programmes and continues to protect our Foreign Reserves and the integrity of the system.

Sir, this continues to build more new capacity for Barbados in the long term. Fundamentally to building that new capacity must be our ability to create new products and services. We must, therefore, continue to bring more airlifts into Barbados, which would allow groups of Barbadians to participate more directly in tourism than they have been in the past.

Sir, I will speak to issues such as the number of airlines that are expected to arrive in Barbados, where these airlines would place the industry, why are we going this route, what are these new services, how they would boost tourism arrivals and why are we embarking on this particular journey. Sir, it is true to say that during the last year, our tourism industry has performed well under some of the most challenging of times. That is not to say that because we have performed well, that we are totally out of the woods in relation to our performance or expansion. What it does say is that in the face of some very serious global challenges which were not of our making, Barbados has continued to perform well. Barbados has performed better than any of the other matured destinations in the region.

It is not to say that this is the only statistical measure of performance that one could look at with regards to tourism but it drives home the point that this measure, with which we are familiar, is the one that continues to perform well for Barbados, vis-a-vis, all the other matured jurisdictions in the region.

Sir, the tourism industry is a very dynamic and fast-growing industry in the world. We have all the natural attributes in Barbados to be a good tourism destination but what we need for the long term, is to focus and to rebuild our tourism industry. Sir, centred to that must be the way in which we manage the agencies in relation to our tourism sector and specifically speaking, the Barbados Tourism Authority.

H:No.12(3)1030 a.m.

Tuesday, November 18, 2003

Continuation of Hon. N A. LYNCH:

Sir, most practitioners in the industry, those who are knowledgeable about tourism, those would-be marketers and tourism officials try to put the blame for the decline of our tourism fortunes in the region down to the incident of September 11, 2001 but interestingly enough that was not the cause of our misfortunes in the region. It simply showed up many of the weaknesses and cracks in the tourism sector in this region. I want to say that in the last decade there have been significant structural changes in the tourism industry across the world but more so in this region. The region has been slow to response to those structural changes at both the public and private level.

Over the last decade there have been deep technological changes in the industry. Nowadays consumers have at their fingertips the ability to be able to make decisions and in many instances there are tourism offerings on websites but in this region we still have small and large operators who are not up-to-date with the technological changes that are taking place.

In addition to that, there are inventory control issues and large conglomerates across the world own specific parts of the tourism makeup. They own airlines, hotels, tour companies and subsidiaries travel agencies. Sir, all these things are vertically integrated into the industry and in many instances because Barbados and the Caribbean have not continued to keep control of the inventory, persons in other parts of the world now determine our tourism fortunes. They determine if a passenger will go to Barbados, the Dominican Republic or Grenada and this puts us at a disadvantage vis-(a-vis our neighbours.

Sir, the Barbados Tourism Authority has jurisdiction for Barbados at the generic level in marketing and there has been a shift in that area as well, which is mostly based on niche marketing and packaging. Sir, even if Barbados has the best beaches and greatest sunshine in the world, it is important that Barbados and the rest of the region give people a specific reason to travel and, therefore, niche marketing becomes an important point. Sir, people may come for the sun, sea and surf but the ability to play golf, go to a cave, or look at the Concorde, will all make the difference to whether a person will travel or not.

If you are a golfer and you are traveling you will look for the places with the best golf course and if you are a horseback rider, you will do the same thing. If a person is an aviation enthusiast and aviation fuels flows in his blood, he will look for a place where there is the marvel of aviation excellence and in that case, he might end up in Barbados to see the Concorde.

There are other important structural changes like safety and security in travel and tourism which have become paramount in this day and age. Sir, no longer can people jump on an aircraft because it is a hassled exercise and people are concerned about safety and security when they travel. This security is not confined to the physical but people are concerned about financial safety and security in the jurisdiction to which they will travel. Therefore, it is important to recognise that people are concerned about how much money they will spend in a particular jurisdiction, whether it is what they intended to spend or if it is 30 per cent over what was estimated and this is the reason the concept of packaging was born.

Sir, I know that many people are against the packaging business in tourism and I want to say from the outset that packaging within the tourism sector is the fastest growing business

whether cruises, all-inclusive or modified American plans where there are many amenities in one confinement. It is important that Barbados has its foot in all these doors if we are to continue to market our tourism product effectively. Mr. Speaker, in addition to all that there are environmental concerns and people are making decisions about where they want to travel based on how environmentally sound the destination may be. This means that there will be issues of disposal of solid waste, sewage and water because these become important to people when they make a decision to travel.

Sir, somehow there is the idea that people do not make decisions to travel based upon their own needs and what the destination offers but people are making decisions to travel based upon a number of components which are not confined to any traditional behaviour or activity like sun, sea or surf. These are based on specific activities that are parallel to what they are accustomed to in their country. It is important to recognise that in Barbados we need to be on the ball in all of these areas if we are to continue to expand the tourism industry.

There are also issues of airline volatility which are fundamental to the development of the industry. There is also the issue of profitability of the industry because we are dependent on direct foreign financing for many hotels and many of the amenities and attractions in Barbados are dependent on new investment coming from overseas to ensure that they continue to operate. Those are some of the structural changes in the industry in the past decade.

In this region we did not respond as effectively as we should have to these changes and this has caused most of the challenges we face in Barbados and in the region. In many instances we are now feeling the impact of these changes and because people are now

more discerning about where and how they travel, we are now seeing it manifested in the tourism industry in the region.

In the midst of all these challenges our performance has been strong. Sir, no previous administration in Barbados had to deal with the impact of September 11th, the Gulf War, SARS, declining fortune in the global economy and still continue to perform well. Our continued performance did not drop out of the sky because the statistics are there to prove it and I have already quoted them in this Chamber. The fact that we are doing better did not just happen but it was due to our ability to do better research and planning than at any other time in our history.

Sir, as opposed to when the Leader of the Opposition sat on the board of Barbados Tourism Authority, we are now able to get statistics on arrivals figures into Barbados and other measures seven days after the close of any month. When I came to the industry, we were always trying to catch up on statistics.

H12/10:40 a.m.

Sequence 4

Tuesday, November 18, 2003

Continuation of: Hon. N.A. LYNCH

Hon. N.A. LYNCH: I do not know how the Honourable Leader of the Opposition and others who sat on the Board of the Barbados Tourism Authority at that time used to planned things because they were always four months behind in their planning.

Sir, one week after the close of any month we can tell you how many people arrived in Barbados and we can give you any other statistical measures of performance. Today, I can tell you what the arrival figures are for the

first eleven days of this month because there are available and this would give you an indication of the efficiency of the Barbados Tourism Authority.

Mr. SPEAKER: Please, order, please.

Hon. N.A. LYNCH: Mr. Speaker, the statistics of the Caribbean Tourism Organisation shows that Barbados has outperformed all of the other mature destinations in the region. Even though we hear tourism gurus on the other side of the aisle and other places quoting from literature, at the beginning of this month, the Governor of the Central Bank reported that tourism continues to drive the economy. The good performance of tourism has restored the fortunes of Barbados(economy during the first and second quarters of the year.

More important, while we look at the advanced bookings into the winter season and the first quarter of the 2004, even with short booking patterns, we can say with some certainty, barring any unforeseen circumstances, that this winter season and the first quarter of 2004 will be a good one for Barbados. The booking windows are now very narrow because people are still very concerned about safety and security of airlines.

Additionally, the English cricketers to the region are going to boost our arrivals during the first quarter of the 2004. Every time the English cricketers come to Barbados we do very well.

There is concern in the region about an additional levy that has been attached to tickets for cricket at some of the venues in the region, including Kensington Oval and Antigua. We are dealing with this issue which has the potential not only to disrupt the level of arrivals for cricket but to do some longterm damage to our relationship with British tourists coming to

the region for cricket. Sir, cricket fans are now being asked to pay approximately US\$265 for a seat at Kensington Oval to watch cricket next year.

Asides

Mr. SPEAKER: Please, please.

Hon. N.A. LYNCH: Sir, these things are of concern to visitors who have already book packages made a down payment and, therefore, could not cancel their bookings. Most of these people are accustomed coming to Barbados and are not used to paying these levies. The tour operators are also concerned and have written the Caribbean Tourism Organisation and individual tour operators have raised the issue with individual Ministries of Tourism and tourist boards across the region. It is a matter for concern and one which we will speak to later.

Sir, the circumstance of September 11th did not show its full effect until the first quarter of 2002. The year 2002 was the best year for arrivals that Barbados has ever had. In 2001 we were doing very well until September 11th which disrupted our arrivals for September and October. The months November and December are the months in which traditionally tourist arrivals should have increased but it continued to be a challenge. This resulted because developed countries were putting security measures in place after the incident of September 11th because it was still very much alive, particularly, in the minds of Americans.

Sir, we saw a decline in our fortunes in the first quarter of 2002. The Barbados Tourism Authority and the Ministry of Tourism in collaboration with the private sector, were able to put in place a recovery plan for Barbados. We lost a market share of approximately 5 per cent in the first quarter of 2002. However, that was not before the Government had intervened

and offered support to hoteliers and players in the industry.

The Government made available to the hotel sector approximately \$10 million for support during that period to help hoteliers to operate during the difficult period after the September 11th incident, which was mostly felt during the months of January to March 2002. Sir, we also put in an additional \$2 million for airline support. This money was used for marketing in collaboration with the airlines to ensure that they continue to fly into Barbados.

Sir, Barbados is one of the few countries in the region which does not have a national airline and there are some people who can remember the horror stories about an airline called Caribbean Airways that carried the Barbados flag and was our national airline. All jurisdictions in the region that have national airlines are challenged no matter which country we refer to. Sir, for example, Air Jamaica, BWIA, Bahamas Air, et cetera have been challenged

I think that Barbados has the perfect strategy, in that we are able to partner effectively with airlines across the world to keep these airlines coming into Barbados and to expand the air services without having to create our own airline. Barbados has been able to leverage its ability to help with marketing support and put a proper formula in place which allows us to be able to get more airlines to fly into Barbados.

Sir, there is a formula in which we have made contacts with our partners. We determined the cost of the airline flying into Barbados and at what seat level it breaks even. If an airline is willing to expand its services to Barbados and there is a fall-off in the threshold of seats that we have determined, then we would pick up the additional seat cost. Sir, to date we have not paid any airline flying into Barbados any seat subsidy to fly to Barbados. We have been able

to co-opt with them by offering a significant amount of marketing dollars which add more muscle to our overall marketing through the Barbados Tourism Authority and private players across the globe.

For example, when Continental Airline decides to fly from Newark into Barbados, on December 18, 2003, it means that Barbados is in its system globally. Sir, Barbados is now in Continental Airline(s) system and is available to all travel agents and this also raises the profile and name of Barbados.

H12/10.50 a.m.

Sequence 5

Tuesday, November 18, 2003

10:50 a.m.

Continuation of Hon. N.A. LYNCH:

Additionally, Sir, Continental has to run advertising, whether by a Billboard, electronically, printed in the Press or in a magazine, which means that Barbados is being mentioned every time they speak of the places where they fly, and this adds to the overall marketing muscle for Barbados.

Therefore, the money that is co-opted with an airline, in our opinion is money that is very well spent, because it ensures that we have sustained airlift coming into Barbados, at levels that we could not easily purchase, if we were running our own advertising. It ensures that Barbados(name is out there, specifically in the markets that have proven to feed tourists into Barbados. Sir, this is the real crux of why we are speaking today in this particular debate about this \$25 million.

Additionally, we created the Best of Barbados programme, through the Barbados

Tourism Authority, as part of the recovery strategy. There are many people who talk about marketing gurus. The Honourable Member for St. Lucy who is a would-be marketing guru, constantly speaks about the issues of marketing. Many people talk about the discount programme, which we like to refer to as a loyalty programme, for people coming into Barbados. Many people only on the rebate component of the Best of Barbados programme.

Sir, it is interesting to note that more money was spent on the advertising and public relations side of the Best of Barbados getting the message of Barbados out there, than was spent on the issue of the rebate, the \$100 or what it is we were giving back to people who come into Barbados.

Sir, when you hear people talking about what they are doing, you realise that at that time, everyone was discounting across the world. When a hotelier has empty beds, he does not run an advertisement. He calls up his tour operators, partners or business associates and says that he needs to cut something, offer an additional meal, or take a dollar off his rent, because that is how he could get people to come into his place. This is a fundamental premise of marketing. When the stores in town realise that they have merchandise and it is not moving, they run a sale. I suspect that the Honourable Member for St. Lucy should know about that, as a businessman.

Sir, when I hear critics talking about what was happening with the discounting programme, I marvel because the issue is that the whole world was discounting. People were not flying, and what was Barbados expected to do? Sir, we formed the Best of Barbados programme. It has a rebate portion to it that offers people \$100 off which the tour operators or hoteliers get back when they run the programme. Sir, this drove Barbados(number

beyond the competition and this is important, and for the rebate that we would have paid out, we made even much more back, with the level of arrivals that we had from the Best of Barbados programme.

Sir, it is also important to bring to the fore that a lot people who could have benefited before, benefited from this programme. Hotels were closing down all around us, for example, five hotels in one island closed and people were sent home. Two of them are now reopening for the Winter Season. Sir, this is the scenario that we were up against, where we were staring in the face of some critical issues.

Sir, people talked about the fact that we lost some rooms at Rockley and Sam Lords. The Government is working with the Principals of these establishments to get them up and running again. Let me also say, that in many instances, the Government cannot only shoulder the blame when entities in the private sector run into trouble. I say that the environment for tourism arrivals in Barbados has been good and the numbers have been increasing since April of 2002. The issue is that the onus is on the property owner to manage his or her product and to market effectively as well.

Sir, whenever I hear the (long talk(from people, they only pick out one or two little instances where some people have fall-offs and they cite them. There is one particular gentleman on the south coast who has now become the mouthpiece of the Democratic Labour Party. He is a tourism guru and nobody has ever investigated to see the occupancy levels that he is running, what is the quality of his property, how much he is spending in marketing, and why he cannot fill three rooms, but he can have the answers to all of the tourism matters in Barbados.

Sir, I say very candidly that there are many

success stories in the tourism industry in Barbados, as we speak. Whenever the media wants to quote on tourism arrivals and performance, they pick the ones who create the most contention in the industry, and most of them are not good examples of either hoteliers or people who are knowledgeable about tourism issues. What they will do is pick the ones who will give them the most negative comments.

I say, Sir, in this Chamber that our tourism industry has performed well. As I said, there are numerous success stories but there are some people who take it upon themselves every day, to try to put down the Government and its performance. They tie the performances of the Government or the sector to some small issues on which they want to hinge the entire performance of the entire tourism sector. I think this is nonsense.

Sir, in Barbados, the strategies of the Barbados Tourism Authority in the past year and a half have borne fruit. This can be said by any knowledgeable observer. Some people do not know what it takes to run a tourism economy 365 days a year, for example, the relationships that you need to build, what you market, how you deal with your airline partners, and how you take care of the environment to create the total package. Sir, they get some small idea printed in the newspaper, such as, we should get jet skiing people or sometimes even snow skiing people to come into Barbados.

Sir, since I have been in this industry, I have heard all types of ridiculous things, but let me say that our industry has performed credibly, in the face of some of the most difficult circumstances.

Sir, it must be very disconcerting for a hotel worker to get up a morning, knowing that the Government or his particular establishment is

doing the best that they can and they are successful but only hear negatives about the tourism industry, from people who are not knowledgeable to comment on the industry.

I hope that the media is listening and when they start to quote the negatives, they go into St. Lawrence Gap and look at Bougainvillea, Turtle Beach and Casuarina Hotels. They should also go to the west coast and look at places like Sandy Lane and Almond Beach. They should not only print information from one commentator who continues to speak negatively about the industry, and who is not in any position to say such things. I want the media to ask him what he did, and what is he doing to sustain the industry.

The other focus, Sir, is part of the strategy of the Best of Barbados. Foci were placed on the Caribbean market as one which is important for our continued tourism development. Again, we heard comments, but the fact is that no Government is perfect. The Barbados Tourism Authority is not perfect and we do not get everything right, but I can tell you that the majority of strategies that we do get right, work. Therefore, we cannot always be negative about our performance of the industry, when we perform better than most of our counterparts.

Sir, the Caribbean market becomes important. It has always responded as a market based on issues of events. Therefore, events tourism is what really drives the Caribbean. What we have to get people in the Caribbean doing, is to focus on the Caribbean as an alternative place to spend their vacations.

Sir, whenever we get vacation, we run off to Toronto in Canada, New York and London to shop, which at the end of the day, is not really a vacation. Caribbean people must be made to feel that the Caribbean is inviting and they can vacation in the Caribbean. Therefore, Sir, our

focus in the last few years has been putting additional funds into our budget for the Caribbean market.

House 12, sequence 6, 11:0014

Tuesday, November 18, 2003

Continuation of Hon. N. A. LYNCH:

Sir, we have arrested the decline in the first quarter of 2002 and from then until now our tourism figures have been climbing. In the last 18 months, there have been two months of decline and in both instances there were under two per cent. We had a decline of 1.3 per cent in one month and 1.1 per cent in the other month. Apart from that, when you look at the trend-line everything goes north.

Sir, there are other statistical ways in which you can measure the performance of the tourism sector other than by arrivals. Another way in which it can be measured is by hotel occupancy. Between 1999 and 2002 hotel occupancy were declining.

Sir, the Honourable Member for St. Philip West can instruct me on medicine not on tourism. He speaks about tourism but he does not have a clue about what he speaks. His constant banter is that if 500 000 people come to Barbados and the occupancy levels are only 50 per cent, it means that only 250 000 of them stay in the hotels, so where does the other 250 000 stay.

Sir, there are a number of different establishments in which tourists stay when they come to Barbados. They do not stay in hotels only. A study was commissioned last year by the Ministry of Tourism which shows that when people say that we are trading on 6 500 rooms in Barbados that we are really trading at about 8 500 rooms, but most of these rooms are not counted as hotel rooms.

Sir, when people visit Barbados they stay in apartments, guest houses and supplementary family accommodation in people houses as well. The greatest measurement of all that people miss is that of villas, either stand-alone villas or luxury villas, that have sprung up in Barbados. I am talking about places like Royal Westmoreland, Sugar Hill and Port St. Charles. The statistics which you get are based upon those 6 500 or so hotel rooms that are registered.

Mr. Speaker, there is also something called unregistered accommodation. All along the west coast and the south coast of Barbados people are playing in the tourism industry like they have never played before which is benefiting a class of persons who would not normally have been involved in tourism development. People are building apartments at the back of their houses, they are setting up websites and they are getting direct bookings from people who want to come to the island. So if you only take the hotel occupancy component into consideration, the figures would obviously be very much skewed.

In the Annual Statistical Digest, occupancy levels are based only on hotel rooms, not on villas or on any of the other unregistered accommodation which we have been able to identify in our study.

Sir, people who are involved in these unregistered accommodations are not generally inclined to let people know that this is what they are doing in terms of running a business. The Ministry is trying to get as many of these people on a statistical register but they are reluctant to register because they believe that we want them to pay taxes and all types of things. Sir, we want them to do that but most important we want to ensure that there is a certain standard of quality of these places whether it be for health or safety reasons.

Sir, as I mentioned before there are many ways to measure the performance of the tourism industry. I spoke of arrivals and hotel occupancy and I would go on now to dollars-spent which is a very important measurement as well. In the years when the hotel occupancy levels were declining, the contribution of real GDP in Barbados as it relates to tourism was growing. Sir, the Honourable Member for St. Philip West quotes all types of figures, so I am going to quote for him Barbados(contribution to real Gross Domestic Product (GDP) as it relates to tourism from 1996 onwards. Barbados(contribution to real GDP as it relates to tourism in 1996 was 442 million. In 1997 it was 450 million. In 1998 it was 482 million. In 1999 it was 457 million. In 2000 it was 498 million and in 2001 it was 471 million. Sir, this says a lot about our strategies and what we are doing.

Sir, people blamed us for putting all of our eggs in one basket on one side of the Atlantic, Great Britain., so we have diversified and put a lot more emphasis on the United States of America market.

Sir, I will educate the Honourable Member for St. Philip West. This is Tourism 101 and he must take it in. I taught it before and I am teaching him it now. Our length of stay from the American market is half that of the British market. Sir, because of the length of stay from the United States of America visitors, their dollars-spent per passenger is lower.

Sir, we are operating in a tourism industry with some of our major hotels out of commission. We operated for almost two years with the Sandy Lane Hotel out of commission which means that pool of visitors that use to go there and spend money were not coming to Barbados. Sir, the average daily rate at Sandy Lane Hotel is higher than the average daily rate for any hotel in the region. Sir, there is another

statistical measurement called Revenue Per Available Room (REPAR), that can be used as well to measure the performance of the tourism sector. Sir, since we brought Sandy Lane Hotel and some of the other luxury hotels back into the mix, our REPAR has been climbing. When the Hilton Hotel comes back next year, our REPAR is going to be higher because of the average rates they charge. Sir, the Caribbean Tourism Organisation has said that the REPAR in Barbados is the highest in this hemisphere. People pick some of negatives out of the tourism statistics and say that the occupancy levels went from over 60 to just over 50. Sir, this would be so because you are taking major rooms out.

The average occupancy level in Barbados is falling because there are a number of smaller hotels operating at the bottom of the ladder that are not spending as much as they should in their marketing and are not managing their properties as effectively as they should. Sir, the average occupancy of the luxury hotels in Barbados is constantly over 70 per cent, so the bulk of the room stock in Barbados is performing at levels that are comparable or better than any of the other hotels in this region.

Sir, most of the people who talks about tourism do not understand what they are talking about, so I am here to clarify all that has been said.

House 12 Sequence 0711:10 a.m.

Tuesday, November 18, 2003

Continuation of Hon. N. A. LYNCH:

Mr. Speaker, I am sorry that I do not have a blackboard and chalk because it would have been a real lesson for the Honourable Members.

Mr. SPEAKER: Order, please. Let me hear the Honourable Member.

Hon. N. A. LYNCH: Sir, it was clear that we had to shift many of our resources into the United States of America because, in many instances, people were saying that we were putting all of our eggs into one basket. Sir, one needs to go where the fish are biting and the United Kingdom has a natural affinity with Barbados, maybe much more than any other jurisdiction in this region.

Sir, September 11, 2001, is a good example that drives home that point. Sir, the Bahamas and Bermuda were more dependent on the United States of America market than on the United Kingdom or any other market. However, after that tragedy, because Bahamas and Bermuda were so dependent upon tourism that came out of the United States of America, their tourism arrivals fell, while we were able to survive because of the distribution of our markets across the Atlantic, for example, the United Kingdom and Canada, which are almost equal in terms of how we get our tourism arrivals.

Sir, what was important was that even if the United States of America or Canada had declined, we would have still been able to remain buoyant because of the United Kingdom market. Sir, this reinforces the point that there is need to constantly diversify in relation to our markets. This is part of our strategy when we speak to how we would approach the market in the future. Sir, the fact that we were able to create such a strategic move drives home that point.

Sir, when speaking to the issue of discounting factor, what came out of the Best of Barbados Programme, was that this might have been the best price at which Barbados trades. Part of the challenge in our tourism industry was that the entire experience was not always parallel on all

of its components. We are saying that Barbados trades at the best levels and, therefore, there is need to have all of our components operating at similar levels. Our greatest national challenge would have been to get all of our products and services within the tourism sector to similar quality, so that they can be traded more effectively across the globe. One of the problems with which we are faced is that we now see different components of the industry performing at different levels.

Sir, the West Coast and South Coast of Barbados must be brought closer together because with our limited resources, we cannot continue to trade in an environment in which there is a West Coast luxury product and a lower budget South Coast product. Sir, it means that we need to push the South Coast product up.

Sir, there are those persons who talk about the GEMS of Barbados and what it has or has not done. I believe we have done an excellent job in that aspect, the catalyst being that GEMS has raised the standard of the quality of hotels on the South Coast of Barbados. Sir, being the catalyst for further development on the South Coast, whether it be the Asta Hotel or the Cacrabank Hotel, it has driven the quality of the South Coast to a point where it has now become comparable with some of the West Coast hotels.

Sir, any future marketing strategy for Barbados must also be couched in a specific airline strategy. Sir, the long term strategy is one which talks about an airline and an aircraft policy. The two major policies in that strategy are the expansion of services from existing markets, the development of services from new gateways in existing markets and new services from new markets.

It means that our tourism industry cannot continue running on two planks. In the United

States of America for example, we had only airlifts coming out of Miami and New York. We must diversify out of those two gateways if we are to be more productive than we have been in the tourism sector.

Sir, at the end of 2001, we have been able to bring US Air out of Philadelphia, and that has opened a new market coming into Barbados. We have also been able to look at opening Newark, another north/eastern port coming into Barbados. What is important is that there is always the challenge of opening up new gateways that are close to other airways, one stands the chance of possibly diluting the passenger base from that market. In other words, if we open up Continental out of Newark, one could drive across the Bridge, and rather than taking a plane at JFK Airport, one can now come to Newark flying into Barbados. People think that Newark Airport is easier to access than JFK International Airport and might tend to do so.

It also means that in the case of Newark Airport, the feeder flights of American Airlines and Continental into Newark are not the same into JFK International Airport, so we have to go behind the gateway and do our work. It also speaks to the point that we cannot continue having a tourism industry that is primarily based on two markets, North America on one side of the Atlantic and Great Britain and wider Europe on the other side. We have to start thinking about how we should diversify our markets.

Sir, there are countries, for example, Jamaica, that has a high influx of visitors coming from Japan. About eight to ten years ago, Jamaica went into Japan and spent money developing that market. That is something which we have to do. South America was once an attractive proposition to us but many of the countries in South America have their own economic problems, which were part of the difficulty of

airlift coming into Barbados. When the Argentinian economy started to reel, that was one of the areas that we had targeted but the economy did not allow us to continue our efforts in Brazil or in Argentina. We are again looking at South America as some of these economies have begun to grow. It is not going to be easy because fundamental to these challenges must be the airlift component.

Sir, when I first became involved in the tourism sector, I was told that one of the strategies used was (the demand for the product fuels airlift). What is clear now is that if there is an aeroplane in a particular country, that also drives the passenger base as well because as long as there is a place, and one markets it well, people will travel.

Sir, as a fundamental component, we have been able to focus on a strategy of getting new airlifts out of these major markets, which has borne fruit. After September 11, 2001, we have brought nine new services into Barbados more than any other destination in the region or in this hemisphere. We were able to bring a number of airlines such as US-Airways out of Philadelphia; Monarch Airlines; Lauda Air out of Italy, which flies once a week out of Milan; BWIA service out of Manchester into Barbados; Condor, which came from Frankfurt, flying a weekly service and the Concorde, which has just retired, flying a weekly service from Heathrow.

Sir, we will continue to build on this issue to ensure we have persons coming in from all of our major gateways.

H:No.12(8)1120 a.m.

Tuesday, November 18, 2003

Continuation of Hon. N A. LYNCH:

We will continue to build on this particular

issue to ensure that people come from all our major gateways. This bond issue is primarily focused on financing the component of the...

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member said he was going to tell the House about nine new initiatives but so far he has only spoken about six.

MR. SPEAKER: No point of order.

Hon. N A. LYNCH: Sir, it is a point of foolishness.

MR. SPEAKER: Honourable Member, you cannot refer to anything said in this Honourable House as foolishness.

Hon. N A. LYNCH: Sir, I take your ruling and agree with you that it is not a point of order. Sir, this bond issue of \$25 million is meant to finance additional air seat capacity coming to Barbados in 2003. There is going to be 20 per cent seat capacity or 22, 000 coming to Barbados from the United Kingdom. Virgin Atlantic Airways was flying five services a week into Barbados with one of them linked with St. Lucia and Antigua. They will now delink the service to Antigua and instead fly seven nonstop services to Barbados. In other words, we will have two Virgin Atlantic Airways 747 aircrafts on the ground at Grantley Adams International Airport from Gatwick on Saturday during the winter period.

British Airways is moving their services from eight to eleven aircrafts this winter. Sir, we seven aircrafts used to fly from Gatwick seven days a week and then the Concorde would fly from Heathrow on Saturdays but now there will be seven services plus an additional wide bodied plane on Tuesday, Thursdays and Saturday.

In addition, we will get a 747, specially

configured for Barbados, flying out of Heathrow which has more first class space than any other 747 in British Airways fleet. It also has Club class to the back and only 20 economy seats to ensure that we continue to raise the level of our tourism.

Sir, Virgin Atlantic Airways will for the first time fly from Manchester four flights during the winter season and how they perform, will determine if they will keep these 747 aircrafts flying here from Manchester. Sir, for the first time in our history a British airline is going to fly from an alternative city other than London into Barbados. This means that Virgin Atlantic Airways will be flying from Manchester to Barbados this winter as well.

In addition, two charter services are coming here this winter. The Excel charter will fly weekly from December 15th to April 30th and the Budget charter will fly from Ireland in the summer of 2004.

When Continental Airways flies here for the first time out of Newark Airport starting December 18th, we will have 25 000 additional seats which will open a new gateway out of the United States of America into Barbados. Sir, depending on how this airline performs in April 2004, it will fly nonstop from Houston to Barbados. Sir, this is the first time a plane will be flying from the midwest of the United States of America nonstop into Barbados.

Sir, if a plane flies from the midwest nonstop into Barbados, it will open a whole new avenue for the entire west coast of the United States of America to feed into Barbados because at present you cannot get a direct flight from the west coast of the United States of America into Barbados. If you leave Los Angeles at 7:00 a.m. you will not get to Barbados before 930 p.m. because you have to fly to Dallas, then fly to Miami and then to Barbados or if you fly to New York, you have to stay

overnight. In addition, there will soon be another new airline flying nonstop from Atlanta to Barbados in the summer of 2004.

Sir, Additionally, American Airlines will increase their flights from two daily out of Miami. This means that for the entire winter period from December to the end of April, American will fly two daily services out of Miami airport into Barbados, one at noon and the other one to leave Miami at 4:30 p.m. This is an important development because it shows the confidence that American Airlines has in Barbados.

Air Canada will fly two daily services from Toronto into Barbados starting this winter. In addition, they will fly a daily service from Montreal and will also introduce a weekly service from Halifax into Barbados for the first time in our history.

Sunquest will fly a weekly charter from Toronto and, Sir, Lauda Air previously brought a weekly charter from Milan into Barbados but it will now fly two weekly charters to Barbados, one from Rome and one from Milan. This is the first time in the history of Barbados that a plane has arrived here from Rome. The Condor weekly service from Frankfurt into Barbados will come back again this winter. This paints a picture of what we have been doing over the past years to increase air services into Barbados. It speaks about an industry that is performing well and in which our partners have supreme confidence.

I want to go over the exact costs of the marketing support for each of these services totaling \$25 million.

Virgin Atlantic Airways flights daily from Gatwick and Manchester costs US\$2.5 million in marketing support.

British Airways has ten weekly flights from

Gatwick and one weekly from Heathrow which will cost US\$1.5 million in marketing support.

Excel Charter has one weekly flight from Gatwick which will cost US\$500 000 in marketing support.

Budget Charter has one weekly flight from Dublin which will cost US\$500 00 in marketing support.

Continental Airlines has four weekly flights from Newark which will cost US\$2.5 million in marketing support.

American Airlines additional service from Miami will cost US\$250 000 in marketing support.

Air Canada comes twice daily from Toronto, twice weekly from Montreal and once weekly from Halifax and these will cost US\$1 million in marketing support.

Canada Sunquest comes once weekly from Toronto, Canada and will cost US\$250 000 in marketing support.

Europe(s Lauda Air comes twice weekly from Italy, Milan and Rome and will cost US\$500 000 in marketing services.

Europe(s Condor comes once weekly from Frankfurt and will cost US\$500 000 in marketing services.

The total cost of the above is US\$10 million or BDS\$20 million and \$5 million of the bond issue is going to be used for additional market support behind the gateways.

H12/11:30 a.m.

Sequence 9

Tuesday, November 18, 2003

Continuation of: Hon. N.A. LYNCH
Hon. N.A. LYNCH It is important that this marketing support continues to fuel these services to Barbados. This cannot be a hit or miss situation so we have to ensure that the services come into Barbados the way in which we envision that is why we are asking for this bond.

The Central Bank of Barbados will take full responsibility for the management of the bond issue, which would be listed on the Barbados Stock Exchange. There will be an annual fee of \$10 000 for the first year and therefore \$5 000 will be met by the cash flow of the Barbados Tourism Authority.

The terms and conditions of the bond are as follow:

1. The bond would be issued in denomination of \$ 1 000 with a minimum purchase size of

\$ 1 000

2. The bond will have a life of 5 years.

3. Interest payable will be at 4.75 per cent and will be paid semiannually in the months of June and December.

4. The payment of principal and interest is to be made on the due date by the Central Bank by funds provided by the Government.

5. The issue will take place on December 2, 2003 and will remain open until fully subscribed.

6. The Bond will be secured by a Government guarantee pursuant to Section 18 of the Barbados Tourism Authority Act, Cap. 342.

Sir, there will be the establishment of a sinking fund by the Government at the rate 2.5

per cent to assist with the retirement of the bond. The bond are to qualify as an investment for the statutory fund of life insurance companies to the extended period required.

Mr. Speaker, the bond is to be zero rated and qualify as allowable reserves for local commercial banks. We are putting this bond issue on the market because it supports a very important component of the development of our tourism industry. If you live on an island where there is no airlift, you are literally a prisoner so we need sustained airlift.

Sir, other people have sought to create national airlines and have run themselves into heavy financial problems. This innovative way to finance the Barbados Tourism Authority and most of its efforts is an initiative that I laud and I hope that all Honourable Members would endorse this method of doing business under Barbados Tourism Authority This will continue to build more capacity in the tourism industry for the future and it will allow us to ensure that our tourism fortunes remain for a long time.

Sir, people talk about airlines and marketing strategy but fundamental to our marketing strategy must be the diversification of marketing and getting additional airlift from of the larger markets. In other words, we cannot continue using Miami and New York out of the United States of America, we need to go further afield. In Great Britain we cannot continue to use London, we need to get to Manchester, Ireland and move further afield. We may even be able again to look at South America, Asia and the possibility of Africa.

Mr. Speaker, for example, South African Airways flies over Barbados every day on its way to Miami. We in the region have been in negotiation to can get South African Airways to stop at Barbados at least once a week to dispatch passengers. The negotiation is not easy

and it has been ongoing for a long time. Part of the problem is that South African Airways does not want to stop at Barbados and then continue on its way north, and that has been our biggest challenge.

I suspect that in the future we will see an airline flying out of the African continent to Barbados in the near future. This is the measure of our thinking in relation to this bond.

I commend this particular bond issue and Resolution to this Honourable House. I believe it shows our ability to be innovative and creative about how we seek to finance our tourism product and that is the difference in thinking between the Barbados Labour Party and the Democratic Labour Party.

The Barbados Labour Party uses innovative and creative strategies that are homegrown to be able to create a base for future capacity building in the tourism sector and the funds do not have to come from Consolidated Fund.

Sir, the fact that we have the Concorde in Barbados is a perfect example of innovative and creativethinking and creation. While the Democratic Labour Party sees the Concorde as a piece of supersonic rust, we see the Concorde as the potential for an aviation museum. People come from as far away as Australia, Italy and South Africa to film the Concorde coming into Barbados and that has the potential to link our tourism to aviation excellence and hospitality. It says a lot about the quality of our people, the resilience and tenacity of the Barbadian spirit as we seek to go forward.

Sir, that is the difference between the Barbados Labour Party and the Democratic Labour Party. This is a concept that everyone in Barbados embraces but the Leader of the Opposition would say that it is foolishness.

Sir, if you ask people what makes the

presence of Concorde so important, they would say that it is not the plane but the ability to develop services and products around the plane that would give its worth to Barbados as a tourism destination and also shows the difference between the Barbados Labour Party and Democratic Labour Party.

I commend this bond issue to this Honourable House and hope that all Honourable Members would endorse and embrace it in the way we have presented it.

Sir, I am obliged to you.

Mr. C.A. MASCOLL: Mr. Speaker, this debate does reveals a lot about the management of the Barbados economy and the methods that have been used by this administration to get around the issue of coming to Parliament as was stated by the Minister the whole question of the normal channels so that such an expenditure would be reflected in the Government(s) fiscal deficit. This is worrying because the national debt of Barbados is almost \$4 billion, a substantial increase from the early 1990s and certainly the middle of the 1980s.

The Barbados Labour Party has always had a strategy of pursuing policies that increase the national debt of Barbados. For example, in 1976 when they took office, the national debt of Barbados was a mere \$266 million and by 1986 it had risen to \$1.3 billion.

Mr. Speaker, I am suggesting that this measure to allow the Barbados Tourism Authority to get access to \$25 million which still has to be carried by the Government of Barbados. In fact, the Barbados Tourism Authority does not make a profit. Where is the Barbados Tourism Authority going to get money to repay the bond issue? We know that the Barbados Tourism Authority is a statutory board but we also know that attempts were made for a company to run the affairs of the

Barbados Tourism Authority.

H/12/ 11.40 p.m.

Sequence10:

Tuesday, November 18, 2003

11:40 a.m.

Continuation of Mr. C.A. MASCOLL:

Sir, what is particularly fascinating about this bond issue is the fact that it is going to be denominated in bonds of \$1 000 which means that an entity that does not make profit is accessible to the average Barbadian, because the denominations would be of \$1 000.

Sir, we recently debated an entity, Barbados Tourism Authority, Inc. that made substantial profit in which there was a bond issue of \$34 million and the denomination was \$20 000, meaning, that the average Barbadians will not be able to buy into that particular entity, which is indeed a profitable entity. Now, just \$9 million less than that bond issue, the denominations are as low as \$1 000, making, as I said, that this particular entity that is not profitable, accessible to the average Barbadian.

Sir, we are concerned but this has been a trend that was going on for the last several years by this administration, even when you check the annual reports of the Central Bank and you look at the increases in the national debt. The Central Bank stated here quite clearly, that loans guaranteed by Government have increased significantly over the last couple of years.

It goes on to say that the beneficiaries were, HRL, Hotels and Resorts Limited (HRL), the Transport Board, the Barbados Light and Power Company Limited, the University of the West Indies, the Barbados Agriculture and

Marketing Corporation, the National Housing Corporation, and the Barbados Tourism and Investment Inc. Therefore, what you are having is the Government guaranteeing loans for statutory bodies and these are off-budget items, but they continue to impact heavily on the affairs of the Government.

This is exactly what caused a major debate last year, because it cannot be fair, in any administration, where the Cabinet does not have to come to Parliament to be able to make significant advances to establishments off-budget, that is not within the domain of central Government. The same way that the Board of Directors of a company lays down a policy, and does not give the CEO the privilege of borrowing or engaging in contracts beyond a certain limit, there should be some degree of control over the Cabinet of Barbados and it can be controlled within Parliament. Therefore, when you allow a Cabinet to lend as much as \$145 million to a company, without recourse to the Parliament of Barbados, it does not speak well for the management of this country.

It must be a major cause of concern that the Government continues to guarantee loans, as in this case for the Barbados Tourism Authority, and is able whenever it wishes to lend to companies without having to secure the permission of Parliament.

As I said, any other private sector organisation would have to come to the Board of Directors for such permission. This is a major concern. This loan is indicative of how this Government has been managing the affairs of Barbados where the Barbados Tourism Authority that does not make any profit, in fact, it gets a substantial subvention from the Government, in excess of \$50 million, in is a position, because the Government does not want to account for the expenditure in its central Government(s) statements, is able to advance this kind of position and has been

doing so for the last several years.

The management of the tourism sector, under the Barbados Labour Party, has been characterised by:

- 1.Changing ministers frequently.
- 2.The removal of the Heads of the Barbados Tourism Authority.
- 3.Concerns against crime against tourists.
- 4.The declining contribution of the small man in tourism.
- 5.Excessive tax impositions.
- 6.Lower revenue per room per visitor.
- 7.Falling employment and shorter work weeks.
- 8.Lower profitability within the sector.

Sir, I sat and listened to the Minister speak about these issues, and he got up in his teaching mode and talked about revenue per available room. He said that the revenue per available room is the highest in the region but he did not go on to say that in spite of that, the tourism sector of Barbados, in terms of profit, experiences the lowest level of profitability, according to the study that was conducted by the PKF.

Therefore, it is well known, and the Minister would know, that there have been studies on profitability across the region, and that Barbados has been ranked among the lowest, in terms of profitability of hotels across the region. Peat Marwick and other people have done studies. The Minister knows this and still comes and talks about revenue per available room and get pompous, not recognising that we are not performing well. Sir, this is where I will

begin my assault.

Mr. Speaker, at a seminar in 1999, the Minister of Tourism, the Honourable Member for St. Michael South is on record as saying boldly, that he was not engaged in the numbers game, because you cannot analyse the tourism sector only on the basis of arrivals, you need to look at the achieved rates for rooms and you need to look at profitability. He now saying that to use arrivals as an assessment of the tourism sector is not a problem. It has never been a problem and he can quote figures as he wishes because the arrivals are up. Then, he went on to say that in spite of the fact that arrivals are up, we have engaged in discounting across the region, so it must mean, therefore, that the revenue earned, per visitor, is down. In fact, the evidence is quite clear on this matter, across the region.

Sir, when you look at the actual data, in 1990, the average spending per tourist in Barbados, in US dollars was \$1 142 per tourist. It reached the peak in US dollars of \$1 549 in 1996. In the year 2001, the average spending per tourist in Barbados fell to \$1 301 per tourist, a significant fall in excess of 15 per cent. If you look at it in real terms, it means that the decline would be even greater.

Sir, I am saying that the Minister must accept that notwithstanding all the (lot of long talk(that he just engaged in, that when you truly analyse the performance of the tourism sector, that as the Minister, he must be concerned about the fact that spending is down and he must be concerned that the performance within the hotel sector is of concern to hoteliers.

House 12, sequence 11, 11:5014

Tuesday, November 18, 2003

Continuation of Mr. C. A. MASCOLL:

Sir, rather than the Minister lambasting the hoteliers who are bold enough to speak to the issues by suggesting that they do not understand what they are talking about, I think it is perhaps time for him to accept that the individual whom he referred to, has been on record over the years for analysing the issues in tourism and demonstrating that we are not doing as well as the Minister has been suggesting.

Mr. Speaker, the question of discounting cannot be disputed. We have seen substantial discounting in the tourism sector of Barbados. I just want to explain to the Minister that an increase in arrivals would still make the tourism data look good because it is measured by bed nights. The way in which the data is calculated in tourism is by bed nights, so if you get more United Kingdom visitors than United States of America visitors your value added is going to look extremely good because value added is calculated by bed nights which tells you nothing about the expenditure in tourism. So once you get that shift from the United States of America to the UK it is going...

Asides.

Mr. C. A. MASCOLL: Years ago when the Democratic Labour Party took the decision under Minister Hall to place significant emphasis on the UK market we were told by the other side that it was a misguided strategy. One would recall that in 1994 when the first major impact of cricket took place with the England team, we were told that the tourism performance of 1994 was as a consequence of the British tour. I am happy to see now that the Minister is placing a lot of weight and emphasis on the potential of the tour next year to Barbados. One cannot deny that the then Democratic Labour Party took a bold decision to put greater emphasis on the UK market precisely because of the natural affinity of which the Minister spoke.

We are little Britain. We share cricket. We share a lot more with the United Kingdom than we do with the United States of America. Suddenly, the Minister is understanding the benefits of the Democratic Labour Party policies as they relate to tourism. He can support the initiative taken then but in 1999 he could not understand why certain measures were taken in earlier days. The Minister is the person who said that the tourism performance cannot be assessed on the basis of arrivals. Hon. N. A. LYNCH: On a point of order. Mr. Speaker, the Honourable Member is misleading the House. My comment has always been that tourism arrival is not the only measurement on which you can assess tourism performance. So for him to come here and say that I said it is not important is untrue, the issue is very clear.

Mr. C. A. MASCOLL: It is not untrue, Mr. Speaker. That speech of 1999 is available for all to read. In fact, he went on to say that we had reached the roughest time ever in the history of tourism in that year.

Asides.

Mr. C. A. MASCOLL: The Minister said so in a speech at the Hilton Hotel in 1999. It was not me. He was then the Executive Vice President of the Barbados Hotel and Tourism Association.

Asides.

Mr. SPEAKER: You have to address the Chair, please.

Mr. C. A. MASCOLL: Well, he knows it.

Mr. SPEAKER: I have not said anything.

Asides.

Mr. C. A. MASCOLL: The Honourable

Member for St. Michael South is the one who said that you should not assess the performance in tourism only on the basis of arrivals.

Sir, now that we are discounting rates heavily and now that we are not effectively performing in tourism because of the discounting and the occupancy rates are down, the Minister wants to take all kinds of credit for the so-called increase in arrivals without looking at the real state of the tourism sector.

Sir, to see the true status of the tourism sector, let us look at the plight of Sam Lord(s Castle. Sam Lord(s Castle and the Rockley Resort have closed doors. The Government took the decision to destroy the Hilton Hotel. Thank God for the Republic Bank Limited of Trinidad, they were able to sell off the Barbados National Bank and use the funds to address the issue at the Hilton Hotel. It is also well-known that it would have required about \$192 million to complete the Hilton Hotel of which \$76 million were to come from the private sector by way of equity. Given the fact that there is low profitability in the tourism sector of Barbados, it was hardly likely that anyone was going to put a major investment into the Hilton Hotel, therefore, the Government found itself having to secure finance in order to come close to the completion of the Hilton Hotel, which is why the Barbados National Bank(s shares were sold.

I would address this matter more extensively next week because all kinds of decisions were taken about how we need to pursue the path of economic enfranchisement by allowing the small man to have access to the shares of the Barbados National Bank and the Insurance Corporation of Barbados and then we still took a decision as a Government to sell off the BNB shares in the interest of raising finance for the Hilton Hotel.

Mr. Speaker, in order to demonstrate the lack

of profitability within the Barbados tourism sector, let us use Paradise Hotel as an example. Paradise Hotel was put into a deal with the La Toc Hotel of St. Lucia. For a number of years the Sandals Group invested in St. Lucia, Antigua, Jamaica, in fact, all across the Caribbean and in Cancun. If it were that profitable to invest in tourism in Barbados would the Sandals Group not see the Paradise Hotel as a prime opportunity to enhance its profitability?

Let us not speak to the issue of Sandy Lane Hotel because Sandy Lane Hotel is just a replacement. Let us not speak to the issue of renovations on the south coast either. There has hardly been any major new hotel property in Barbados in recent times. The Minister can think for himself, I do not have to think for him, so he should ask himself which new hotel chain has invested in Barbados and why would the Sandals Group not engage in enhancing that property at Paradise. If he really wants to understand if there is lack of profitability, all he has to do is to cast his mind back to the St. James Group that owned Tamarind Cove, Colony Club and two other hotels.

House 12 Sequence 12

12:00 noon

Tuesday, November 18, 2003

Continuation of Mr. C. A. MASCOLL:

Mr. Speaker, I distinctly recall the then owner saying that he loves Barbados and that he would have remained. Sir, within two years, the owner of the St. James Group of Hotels sold those properties to Elegant Hotels.

Mr. Speaker, it is quite understandable why they were sold. If, in fact, there is a situation where tourism is not showing the kind of profitability in Barbados as one would wish,

then there is the situation where the real estate values on the West Coast appreciated substantially, it immediately meant that the tourism plant became more valuable as real estate than it would have been as a tourism product. Therefore, the owners saw the opportunity and immediately sold the St. James Group of Hotels on the West Coast.

Sir, this was not by accident, there is no businessman who is in love with a country more than anybody else. What he would be in love with would be his money and rates of returns on his investments. Therefore, when one sees those kinds of decisions being taken, one, therefore, needs to look across the landscape of Barbados.

Asides.

Mr. C. A. MASCOLL: Well, tourism would continue to live on in spite of such difficulties but we have not been able, as a country, to attract large entities. In fact, Pemberton Resorts, Divi Hotels and some other major players, have all pulled out of Barbados over the last number of years.

Sir, the evidence is in articles that were prepared by the Chairman of the Barbados Tourism Authority: (Tourism, a Successful Caribbean Strategy.) In that article, the Chairman has lamented that Barbados has been unable to attract high-end hoteliers. Therefore, one needs to ask the question, if Barbados is so good in terms of its management and has been performing so outstandingly under this current Minister, why is it that there has been reduction in employment within the tourism sector?

Asides.

Mr. C. A. MASCOLL: There has been a reduction and rightly so, over the last number of years. Mr. Speaker, if Sam Lords Castle closes its doors, if Rockley Resort closes its

doors?

Hon. N. A. LYNCH: On a point of order. Mr. Speaker, the statement that employment levels in the tourism sector have fallen in recent years must be substantiated by some statistical measure. The Honourable Member simply cannot make such a statement without proof. First of all, the statement is not true and secondly, where is the documentation?

The Honourable Member is misleading the Honourable House when he proffers the argument that employment levels in tourism have fallen. They have not.

Mr. SPEAKER: Proceed, please.

Mr. C. A. MASCOLL: Mr. Speaker, the number of employed persons in tourism are documented in the Annual Statistical Digest of the Central Bank of Barbados.

Mr. SPEAKER: Order, please.

Mr. C. A. MASCOLL: The number of persons employed in tourism has declined and it cannot be disputed.

Asides.

Mr. SPEAKER: Order, please.

Mr. C. A. MASCOLL: Do not even go there because you are going to lose. There has also been evidence beyond the Annual Statistical Digest.

My God, Mr. Speaker, there is Paradise Beach Hotel that has been out of business for a number of years; the Hilton Hotel being pushed down unnecessarily; Sam Lords Castle; Rockley Resort; many workers in the tourism sector are working on three-day work weeks. What greater evidence does the Honourable Member need? The reality is there. It is plain to

see that there has been a contraction, not only in tourism when one looks at it in real terms but there has been a contraction even in employment levels.

Sir, that is why I need to speak to the Honourable Member for St. Michael South because being in Government is not just about public relations, keeping noise or being on television. It is about being in a position where the Honourable Member could analyse the very data to which he speaks.

Hon. N. A. LYNCH: On a point of order. The Honourable Member continues to mislead the Honourable House. The Honourable Member has no statistical information to show that the employment levels in tourism have fallen during the last number of years.

Sir, as a matter of fact, the Central Bank(s) Statistical Digest, 2002, only shows figures for 2001. In these figures, it shows that the numbers have risen and since there is no statistical data for 2003, the Honourable Member cannot quote such data.

Asides.

Mr. C. A. MASCOLL: Mr. Speaker, if we look at tourists arrivals in Barbados...

Mr. SPEAKER: From what are you quoting?

Mr. C. A. MASCOLL: Sir, I am quoting from the Economic and Financial Statistics of the Central Bank of Barbados.

Mr. SPEAKER: What year is it?

Mr. C. A. MASCOLL: September 2003.

Asides.

Mr. C. A. MASCOLL: Sir, let us go back to 1990s. Tourist arrivals in 1991 were

approximately 400 000. Over the last 12 to 13 years, they have increased by over

100 000 persons, which constitutes a 25 per cent increase in arrivals. If one looks at the employment levels, one would see that in 1998 the figures quoted by the Central Bank suggest that there were more persons employed in the tourism sector in 1998 than now.

Asides.

Hon. N. A. LYNCH: On a point of order. Mr. Speaker, that is exactly what I am speaking about. I want to show you how the Honourable Member is misleading this House. This is in the Central Bank(s) Report, quoted in thousands

EMPLOYEE LABOUR FORCE BY INDUSTRY GROUPS

YearPercentage

1991 9.5

1992 9.8

1993 9.4

1994 11.1

1995 11.9

1996 12.3

1997 12.3

1998 14.0

1999 12.5

2000 14.5

2001 13.9

Mr. Speaker, there is nothing there that quotes 2002. As one could see, since this Party has been in Government the employment figures have continued to grow. What am I hearing?

Asides.

Mr. C. A. MASCOLL: Mr. Speaker, it shows how figures could be misused and abused.

Asides.

Mr. SPEAKER: Order, please.

Asides.

Mr. C. A. MASCOLL: Mr. Speaker, let me show the folly of the statistics. In 1998, 512 601 long term visitors came to Barbados.

Asides.

Mr. SPEAKER: Please.

Mr. C. A. MASCOLL: Man, keep quite.

Mr. SPEAKER: Are you referring to the Speaker?

Mr. C. A. MASCOLL: Not you, Sir. Mr. Speaker, I really wanted to do this for a very long time.

H:No.12(13)1210 p.m.

Tuesday, November 18, 2003

Continuation of Mr. C.A. MASCOLL:

Sir, in 1999 tourism arrivals to Barbados increased by exactly 2 000 persons over 1998. When you check the employment data, it says that in 1998 there were 14 000 employed in the tourism sector. In 1999 when tourist arrivals increased by 2 000 the number of persons

employed declined by 1 500 persons in the same sector.

Mr. Speaker, I always wanted to say that these figures must be taken with a pinch of salt because these are not figures from the Central Bank of Barbados but from the Statistical Department.

I also want to make the larger point that in analysing these figures you need to look at the trend and reality of what has happened in Barbados(tourism because in spite of the fact that we had a bigger budget and in spite of the fact that we are supposed to have had an increase in terms of arrivals, there has been a declining trend in Barbados(s tourism because you cannot use arrivals alone. Sir, it is the lack of profitability that would ultimately cause a company to downsize. This has nothing to do with how many tourists come to the hotel sector but with the revenue generated and the overall cost of the hotel. Therefore, the issue of profitability is extremely critical.

Asides.

Mr. C.A. MASCOLL: It cannot be proven because there has been a declining trend in tourism employment since 1997 and no one can dispute it. Mr. Speaker, if you walk around Barbados, you will know that Paradise Hotel, Rockley Hotel and Sam Lords Castle are closed. In fact, if you recall, Elegant Hotels sent home several people two or three years ago and there has been no increase in tourism activity to cause these people to be reemployed. As I speak to you, persons in the constituency of St. Michael North West recently lost jobs at the west coast hotels.

Mr. Rudolph Hinds of Brandons, St. Michael North West, lost his job and I am saying that there is need for a proper analysis of the tourism sector and that we should not use figures as the Honourable Minister does.

On a previous occasion the Honourable Member denied that tourist arrivals could be used as a good indicator but now that he is the Minister of Tourism, having pushed another Minister out in pain....

MR. SPEAKER: Honourable Member for St. Michael North West, you have to withdraw those words.

Hon. N A. LYNCH: Mr. Speaker, on a point of order. The Honourable Member continues to mislead this Honourable House. The fact from the Central Bank of Barbados speak for themselves. Since 1997 arrival and employment figures have gone up every year with the exception of one year. If the Honourable Member wants to dispute this and he thinks that people need to take these figures with a pinch of salt, that is his business but the statistical measures say that both arrivals and employment continues to grow.

MR. SPEAKER: Honourable Members, I would like to suggest that we move on. It is clear that both members are quoting from different statistics. There is a different interpretation and different opinions being given and we should move on.

Mr. C.A. MASCOLL: Mr. Speaker, the figures show that between 2001 and the year 2000....

Hon. A.P. WOOD: Mr. Speaker, on a point of order. While I agree with the Chair that we need to move on, I think that I have a duty to bring some order to what the Honourable Member for St. Michael North West said. A few minutes ago, the Honourable Member made mention that since 1997 the trend has been a declining both for tourist arrival figures and the employment figures. I am going to draw heavily from the Annual Statistical Digest, 2002 which will allow us to move on. I

want to quote year by year the arrival figures at page 184 and the employment figures at page 215 and then all members in this House and visitors in the gallery would be able to form their own opinion as to who is correct. I do not think that this point should be belaboured and delay this Honourable House in its discussions.

Sir, in 1993 tourist arrivals were 395 979 and employment level for tourism was 9 400.

In 1994 there was an increase to 425 632 arrivals and employment level increased to 11 100.

In 1995, tourist arrivals increased to 442 107 and employment levels also increased to 11 900.

In 1996, tourist arrivals were 447, 083 and the employment levels increased to 12 300.

In 1997 tourists arrivals increased to 472, 290 and employment levels remained at 12 300.

In 1998, tourist arrivals again increased to 512 397 and the employment levels increased to 14 000, quite unlike what the Honourable Member for St. Michael North West said about there being a decline in arrivals and employment.

H12/12:15Sequence 14

Tuesday, November 18, 2003

Continuation of: Mr. C.A. MASCOLL
Therefore, I am suggesting to you that the potential to merge even in an industry where the emphasis on service is great because ultimately it is going to be about the type of service that is being delivered to the tourists and that makes tourism different from manufacturing or retail outlets in that regard, in that we are seeking to get people here and

then offer then a service.

I have no doubt that it is going to be a very challenging future, not only for tourism in Barbados but tourism in the region. All the indicators suggest that we

need to be a position to better manage the affairs of the sector. I have been arguing for the past several years that apart from looking at the ability of the sector to generate revenue, which is only one component of profit, we need to look at the whole question of cost. I am not satisfied that we have done so in the kind of way that I would wish to see.

We introduced a Value Added Tax that unnecessarily imposed additional taxes on the hotel room. Sir, at the time of the implementation of the Value Added Tax, the room rate was 5 per cent, when we introduce a 7 (per cent room rate we actually increased the rate by 50 per cent and, apparently, did not recognise it.

In addition, we also have to understand that when we talk about the ability of a company to recover Value Added Tax, you can only recover Value Added Tax if you get back the inputs. Since it is obvious that the hotel sector, in particular, is heavily service oriented and has high labour input, which is necessary, and knowing that labour does not carry a Value Added Tax, it means that it has implications for the overall incidence of Value Added Tax on the hotel sector. That is, if the ratio of labour to other inputs is high in the hotel sector, then Value Added Tax damages the hotel sector rather than improve it. I tried to make that point about six years ago and some people never understood it.

Sir, another thing happened at the time of the implementation of the Value Added Tax. The hotel and restaurant tax was 5 per cent, when you put a 15 per cent Value Added Tax on

food you have increased the rate by 200 percentage points and that never seemed to be understood and it has had, to my mind, some detrimental effect on increasing the cost of tourism to the visitor.

Mr. Speaker, I would like to think that in this post-lunch debate that we have become more focused on the real issues in tourism and speak to them. However, I recognised, that we are running away from the issue that I made in relation to employment and the trend that there is an increasing amount of persons becoming unemployed in Barbados in the last five years. The figures indicate that and it cannot be disputed.

I wish to suggest that there are major concerns in the industry and we need to become more settled in terms of the structure of the industry. We need to be able, not only to attract individuals to work in tourism but to maintain these individuals. There is no benefit to the industry if individuals are going to work for a year or two, acquire experience and then go elsewhere. Sir, that has happened repeatedly in Barbados since 1994.

Mr. Speaker, I wish to say that it is important that small persons are allowed to share in the gains, if there are any, in tourism. The best way in which you can encourage the overall population to get involved in the industry is to give them a chance to become involved in the profit making within the industry. To some extent what we have seen in the last several years has been a deterrent to enter the market by small people and not any encouraging signs to pull individuals into the market. Even where we have done so, especially in the area of transport, we have now, to my mind, flooded the market to the extent where it becomes more difficult for persons to make a living.

Therefore, there is no disputing that there has been low revenue achieved per tourist in

Barbados in the last seven years. When you look at the data, it states clearly that the average spending has declined. This morning the Honourable Minister admitted that we have had a significant shift from our dependence on the US market to the UK market. The Honourable Minister also admitted that the UK visitor spends less per day than the US visitor. Therefore, the natural outcome of that condition is that the overall tourism expenditure has been affected and we are concerned that we are not getting the kind of yield that we should be getting in the industry.

I know that because of the international happenings, compounded by the local policy positions, the industry as a whole has not seen the kinds of benefits that it could otherwise have seen in a more favourable business environment. The fallout has therefore caused shorter work weeks for hotel workers, it has seen less earning power on the part of hotel workers, we have seen some fall in the employment level within the industry and again this can be verified by appealing not only to the data that we are trying to deal with but doing surveys among the hoteliers to see that it has become the reality of life in the industry.

Mr. Speaker, I have my concerns about the raising of this \$25 million bond, not from the point of view of the use to which it can be put, but from the point of view of the method that has been employed, as was stated by the Honourable Minister, in not coming through the usual channels of allowing this money to be reflected in the fiscal accounts of Government but treating it as an off-budget item. As I said at the start of the debate, it has become a fairly common practice for this administration to secure and guarantee loans for several statutory bodies which were identified at the beginning. Sir, while one could always justify giving resources to our leading sector, it must also be the case that we should be in a position to be transparent and accountable to see how these

funds would be effectively and efficiently used in the interest of the industry and in the interest of the overall economy.

Sir, a concern was raised about the immediate prospects in tourism and the pending visit by the English cricketers. There should be no concern on the part of the Honourable Minister about the cost of tickets because what has happened is that business persons have simply seen an opportunity to exploit a particular area of economic activity in the form of cricket, to charge the true value of the product to overseas persons. You cannot fault a businessman who in Britain, in a limited market, uses the concept of demand and supply to get what he can for a ticket at Kensington Oval.

14.20 p.m.

H 12/20:

Tuesday, November 18, 2003

12:30 p.m.

Continuation of Hon. A.P. Wood:

I am going to give you the difference between the number of people in the labour force, as is contained here and the number of persons employed. Sir, the residual would be the absolute number of the unemployed.

I am going to go down the line and show you that the difference in 2000, 2001, 2002 is of a material number, relative to what it was in the early 1990s. Also, that the differences in the numbers for 2000, 2001, 2002 are significantly smaller than they were in the early 1990s. This would give the lie to what he is saying, because he is deliberately trying to mislead this House and he knows better.

Sir, let me give the figures. In 1991, the

labour force was of the order of 129 600 of which 107 100 persons were listed as employed. The difference there, I submit is about 22 500 persons. In 1992, there were 132 100 persons in the labour force. The number of persons listed as employed is 101 700 and the difference there is approximately 30 000. In 1993, the number of persons listed in the labour force was 132 800, of which 100 500 were employed. The difference there is about 32 000 persons.

Sir, the Honourable Member for St. Michael North West is so accustomed to being part of an administration when the absolute number of those who are unemployed is so high that he has a fixation...

Mr. SPEAKER: Please, the Honourable Member, you are on a point of order, please.

Hon. A.P. Wood: Thank you, Mr. Speaker.

Mr. Speaker, in 1994, the number of persons listed in the labour force was 134 900 of which 105 600 are listed as employed. Sir, that gives us a difference of just under 30 000.

The average of the difference between those listed in the labour force and those employed, for those three years which I have just mentioned, namely, 1992, 1993 and 1994, is about 31 000 persons. Please hold that figure in mind. I will now go to the end of the series.

Mr. Speaker, in 2000, the number of persons listed in the labour force was 142 200, so he was correct that the labour force increased. The number of persons listed as employed was 129 000 giving us a difference of 13 200, in absolute number.

In 2001, the numbers of persons listed in the labour force was 145 000 and the numbers of persons employed was 130 800. The difference there is just under 15 000. In 2002, the number

of persons listed in the labour force was 143 400 of which 128 700 were employed. The difference there is again about 15 000 persons.

Mr. SPEAKER: Order please, order.

Hon. A.P. Wood: Mr. Speaker, I submit that if I take the average of those three figures, 13 000, 15 000 and 15 000, which makes 43 000, divide that by three (3) is just over 14 000. This Honourable Member stood in this House and said that the absolute number of those unemployed, in this day and age, has gone back to what it was in the early 1990s.

Sir, I have given you all the facts from this statistical publication which shows that in the three-year average from 2000 to 2002, that absolute number is just more than 14 000. If that compares quite similarly to what it was in the early 1990s, as I quoted the figures and made the calculations for those three years, that average in the early 1990s excess of 30 000. The only thing similar in a number in excess of 30 000 and a number just more than 13 000 is the digit three (3) in total.

Asides.

Hon. A.P. Wood: I have pointed out that this Honourable Member has deliberately misled this House, because he has used the same figures I have used to enlighten this House and to correct him, and I would want him to desist from this practice. If this is what we have to sit through next week in his Budget reply, I think we are going to have some good fireworks in this Honourable House.

Thank you.

Mr. SPEAKER: Honourable Members please, I am suggesting that surely, you who are very acquainted with arguments relating to statistics, would recognise that you never get anywhere. Surely, this is not the topic which is before the

House. I must bring some order back to this debate and I suggest that there must be something call relevance. I am trying here to see the relevance of this argument as it relates to this topic and I cannot see it.

I am suggesting that for us to continue on this line, this argument must relate to the topic before the House. It is going down the wrong line, in terms of the statistical argument. I do not believe that we will get anywhere because this Chair has concluded that it is a matter of interpretation. We all know what can be done with statistics, so I think, for the sake of proceeding, we will get back to the topic.

SUSPENSION

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I beg that this House be now suspended until 140 p.m. today.

Hon. N.A. LYNCH: I beg to second that, Sir.

The question that this Honourable House be now suspended until 1:40 p.m. today was put and resolved in the affirmative without division, and Mr. SPEAKER suspended the House accordingly.

House 12, sequence 16, 12:3840

Tuesday, November 18, 2003

RESUMPTION

Mr. SPEAKER: This Sitting is resumed. Before the Honourable Member for St. Michael North West continues, let me suggest to Honourable Members of this Honourable House that we proceed with the Resolution before the House. Before we took the break, much of our argument related to statistics on

general employment and not necessarily to the tourism sector. I am suggesting that we move on. I am not saying that reference cannot be made but that connection needs to be established. Surely, we should not have a discussion if a point of reference is made on that point of reference. So let us proceed please.

Mr. C. A. MASCOLL: Mr. Speaker, in the pre-lunch session I have indicated that this Resolution is going to increase the national debt of Barbados and expressed concern that the bond issue was being raised for an entity that makes no revenue which would in every sense of the word be incapable of repaying this debt.

I have also indicated that in this instance we have an opportunity for smaller players to enter and purchase bonds denominating at \$1 000. I asked the question about the capacity of the entity to repay. We then discussed at some length the question of the impact on tourist arrivals and whether or not tourist arrivals should be used as the gauge for assessing the performance of the industry at this stage.

We looked at the question of the revenue per available room. It was suggested by the Minister of Tourism that the revenue per available room in Barbados is the highest in the region but he did not indicate that Barbados(profitability was also among the lowest in the region as it relates to tourism. We looked at the question of the impact of tourist arrivals on the overall performance of the industry and discovered that whereas, as measured in value-added, increases in arrivals from the United Kingdom have consistently improved the apparent performance of tourism, discounting has caused the more important revenue generating capacity of the industry to decline somewhat.

The question of profitability was looked at

from the point of view of the closure of some of the major hotels in Barbados such as Sam Lord(s) Castle, Rockley Resorts and the Barbados Hilton Hotel. Between 1990 and 1996, five international chain resorts ceased operations in Barbados. These were Divi St. James, Cunard Paradise, Wyndham Heywoods, Marriotts Sam Lord(s) and Sandy Lane. In more recent times, there was the closure of the Princess Hotel and Pemberton Resorts. I am suggesting therefore, Mr. Speaker, that notwithstanding what we have been addressing in tourism over the last eight to nine years, five major chains would have withdrawn from the hotel sector of Barbados. I think that speaks to the question of profitability in the industry.

Hon. N. A. LYNCH: On a point of order. The Honourable Member is misleading the House, if he quotes hotels which have closed their doors or change their names but where the hotel capacity continues. For example, Heywoods Hotel became Almond Beach Hotel which added more rooms. When the Honourable Member speaks generally to issues of the closing of doors, Pemberton Hotel, Royal Pavilion, he knows that those hotels continue to function. All they have really done is to change their names. So it is to mislead the Chamber on whether or not there are closures or whether or not we are losing rooms.

Mr. C. A. MASCOLL: Mr. Speaker, I never suggested that these hotels were in fact closed. I am making the point as it relates to profitability - and it is time you protect me from the Minister of Tourism - that five major international chains have left Barbados in the decade of the 90s. It has nothing to do with whether or not there is still a Heywoods Hotel. I am saying that Wyndham was responsible.

Asides.

Mr. C. A. MASCOLL: What I am suggesting, Mr. Speaker, that cannot be denied,

is that international chains have been leaving the shores of Barbados because of the question of profitability. No major company is going to leave an area where profitability is to be had. I am surprised by the Minister because he is on record as suggesting that we need to attract large international chains back to Barbados at some stage, so for him to get up and interrupt me on this matter is amazing.

International hotel chains have not been coming to Barbados the way we would like to see. It is well-known in the industry that such chains are able to market an island far more effectively because of resources.

House 12 Sequence 17

1:50 p.m.

Tuesday, November 18, 2003

Continuation of Mr. C. A. MASCOLL:

Sir, the point I am making is being reinforced by the fact that, within the last decade, international chains have not been coming to Barbados and, therefore, we have to be concerned. It makes no sense to look only at arrivals or at what we have done in the industry. It makes more sense to look at whether or not there is the kind of profitability within the industry that we want.

This has been a major bone of contention because there have been persons in the industry, Executive Vice Presidents at the Barbados Hotel and Tourism Authority, who have identified such issues as declining market share in the Caribbean, and Barbados has, in fact, experienced declining market share with respect to the overall region.

Mr. Speaker, the numbers are there to verify what I am saying and, therefore, I do not have to bring them to bore persons. The Caribbean

Tourism Organisation is in possession of all the information that is required to demonstrate that Barbados has lost its market share in the region. Sir, we can anticipate that because there have been emerging markets and threats from places, for instance, Cuba becoming more involved in the tourism product. Therefore, the future becomes even more challenged and, therefore, that is understandable.

Sir, on the question of occupancy rates, Barbados has not been performing as well as has been anticipated in the region. We have the experience on declining room stock in Barbados over the last number of years. Sir, what we are speaking about is not the return of a refurbished Hilton Hotel or Sandy Lane Hotel but of the overall stock of hotel rooms that have declined and, therefore, has become a source of concern for the administrators of tourism in Barbados. Therefore, we have had those kinds of claims which have been justified and, in fact, could be verified by the information that is available.

Mr. Speaker, I have long said that the way in which VAT was applied to the tourism sector might have been a major problem for the industry. While we might now be seeking to get funding to enhance the marketability of the industry, the question is, are we putting in place the kinds of measures at the micro level to assist the hotel sector in being able, not only to make a profit but to put aside resources to invest in a new tourism product in the future and to improve on its ability to offer higher levels of technology to the industry, so as to reduce cost and to make the overall industry more competitive?

Sir, those issues have not been addressed. We have been particularly concerned with how much money is being given to the Barbados Tourism Authority, when anyone who has had any experience with the Barbados Tourism Authority would well know that the money

which the Barbados Tourism Authority spends, is not effectively used for marketing and that most of it goes towards administration.

Sir, that point alone should have caused the Minister in his present capacity, to think about the establishment of a company called the Barbados Tourism Company, which would run the affairs of Barbados in terms of marketing. Sir, this was discussed at length by the Board of the Barbados Tourism Authority. The whole composition of the Barbados Tourism Company was to be predominantly public sector funded with some assistance by the private sector primarily by way of the imposition of a tax on rooms. Apparently, it never came to fruition. However, notwithstanding the fact that the Barbados Tourism Company was never formed, a position was taken to reduce the staff, with the understanding that it would have repositioned the Barbados Tourism Authority to take advantage of this new global era.

Mr. Speaker, we saw several casualties at the Barbados Tourism Authority, we saw all forms of restructuring in the North American market, in the European market and here at home. It cannot be denied that years of experience in tourism were lost as a result of the removal of certain individuals at the Barbados Tourism Authority and, in spite of the fact that a company has not yet been formed, the Minister of Tourism has been able to rid the Barbados Tourism Authority of certain kinds of staff members.

Sir, we are not certain whether or not there has been any major impact on the overall marketing efforts of the Barbados Tourism Authority as a result of such. We have seen a recent casualty at the Barbados Tourism Authority in the form of an individual who has made rapid strides. That individual came from another statutory board, was placed at the Barbados Tourism Authority, and has now

proven not to be the kind of material that was being sought. Sir, we have seen all kinds of rapid movement within the Barbados Tourism Authority.

Hon. N. A. LYNCH: On a point of order. The Honourable Member is misleading the Honourable House. Sir, a staff member has resigned from the Barbados Tourism Authority on his own volition, which is his right. That is not to say that member was not the kind of material that the Barbados Tourism Authority needed, thus giving the impression that member was pushed.

Mr. C. A. MASCOLL: Well, it is his right as a friend of the Minister to resign. I admit to that but the thing about it is that we need to question the culture of the Barbados Tourism Authority because having appointed three individuals at very handsome salaries, in less than fifteen months, we have had one of those persons resigning, then in less than two years, we have had another member resigning.

Mr. Speaker, when those individuals were appointed, their appointments caused considerable debate across the landscape of Barbados. Sir, I well recall that we were in the Senate at the time discussing the legislation, while these men were on the job and we did not get the chance in the Senate to make any real determination.

However, what I am suggesting is that at the time we were told that the Barbados Tourism Authority needed certain kinds of individuals with certain skills to advance their cause but that those individuals did not last three years in their posts. We then had other persons being appointed but they did not last long either. We then had an exodus of individuals, not on their own accord but resulting from the restructuring that occurred at the Barbados Tourism Authority, in spite of the fact that the company was never formed.

Mr. Speaker, I am, therefore, saying that perhaps there is need to look at the culture of the Barbados Tourism Authority because we have to be concerned about the lack of stability in that organisation. It is well known that organisation is responsible for the overall marketing of the Barbados product and when we see an exodus of so many able-bodied persons being appointed to important positions at the Barbados Tourism Authority, there must be cause for concern.

Sir, therefore, these questions could be asked: Is it going to be the case where this \$25 million we are seeking to raise is going to be used within the existing structure at the Barbados Tourism Authority? Is it going to be used to reposition the Barbados Tourism Authority in such a way that it redounds to the benefit of the overall tourism product? Sir, I am not so sure what is the intent of these funds and how they would redound to the benefit of the overall tourism product.

Sir, there is clearly no line of evidence to suggest how we are going to use these funds that are being raised by the Honourable Member. When we look at the plight of not only the small hotels in Barbados but the plight of craftsmen, taxi operators or small restaurateurs, we need to ask whether or not any benefits are trickling down to the players who would have sustained the industry in the earlier years.

H:No.12(18)1400 p.m.

Tuesday, November 18, 2003

Continuation of Mr. C.A. MASCOLL:

When you seek to answer the question, you do not get the impression as Barbadians that the kinds of trades that craftsmen engage in over the years are being sustained at the level

of the 70s, 80s or early 90s. You do not get the feeling that Barbadians are truly participating to the extent that they did in the tourism products.

There is a bone of contention that if you get establishment of all-inclusive property across the length and breadth of Barbados, there is a need to question whether the benefits are going to small players in the market. This statement is up for consideration and judgement as we are not sure that the proliferation of all-inclusive properties will redound to the benefit of the smaller players in the industry. If we look on Broad Street you will see an abundance of taxi operators in Barbados but you do not see the same activity you saw before. I noticed that the taxi cars have almost reached Z 1 600 and this is fascinating because I recall when a previous administration issued permits, it was said that there was a flood of taxis in the industry but every day on the streets in Barbados you can see an upsurge in the amount of (Z) permits. I have no difficulty in small players being enfranchised but if you speak to these taxi operators they will tell you that the industry is not expanding at a quick enough pace to absorb the amount of persons allowed to ply the trade. Sir, this is a major bone of contention and a cause of concern for taxi operators.

Sir, I have said before that there is a potential threat from water taxis. This mode of transportation seems to be on the cards. Sir, we had extensive discussion on water taxis because it might ease the pressure on the land-based taxis in terms of congestion on the road. Will all individuals have access to licences to operate water taxis and on what basis will we make that kind of determination?

Sir, it is necessary to outline clearly the strategy because we have been hearing about this proposal for a long time and we are now hearing it in relation to the Bridgetown

development plan which is yet to come on board. We are not sure what is the true stage and we are not clear as to where it is going and what is the real intent.

Sir, in terms of the future we cannot focus in such a way as to exclude the small players in the market. This is a concern we all have because we understand only too well the implications of coming together and of globalisation.

If we look at the distribution and retail sectors you will see that for the last several years a number of mergers has occurred to the disadvantage of small players in those markets and the potential would be very real for it to happen also within the tourism sector. There is no reason to believe that there cannot be threats to existing small businesses in the industry as a result of the coming together of the region.

Mr. Speaker, we know about the pending liberalisation and coming together through Caribbean Single Market and Economy. We understand the need to liberalise and free up the services sector and the other sectors in the region. We need to anticipate what the possible fallout could be for travel agencies in Barbados as a result of the opening up of the markets.

If it is the case that the intention of this bond is to increase the opportunities for tourism in Barbados, then we ought to be able to analyse what the environment would be in the foreseeable future because it will become more challenging for small players to survive. Sir, the extent to which we anticipate the challenges and create opportunities for these individuals would constitute good management and leadership of the industry.

Sir, there are concerns coming out of the existing state of tourism in Barbados. You only have to speak to workers in the industry to

understand that over the years they would have enjoyed a more secure working environment and had greater access to tips over the years. When you speak to hotel worker they will tell you that they are not in the same lucrative position as before. The overall problem is that even though we are looking to create an environment of growth a lot of what is taking place in Barbados, not only in tourism, is to the disadvantage of the small workers in the industry and it cannot be disputed.

The other issue is the coming together of the south and west coast. I heard much discussion on this issue this morning but we know that one of the attractive things of Barbados was the diversity of the product and that to this date it remains the attractive thing in Barbados. If you check across the region in Jamaica and St. Lucia to name a mature market and a less mature market, part of the attraction of Barbados was its ability to cater to the high end of the market as well as the medium and low end of it.

Sir, no one can dispute the need for an upgrade of the tourism product and any thing that is done in the interest of the product would be welcomed. We must understand that the upgrade is going to be contingent on the prospect for growth and profitability. If small hotels see the opportunity to grow and prosper in the future, they will make the necessary investment.

Sir, part of what happened on the south coast of Barbados had to do with our initial policy in tourism which was rooted in the criteria for loans of the Barbados Development Bank which limited those loans to hotels with 25 room. Whereas, in the 1970s and 1980s we were able to attract tourists out of Canada who were comfortable in these small types of hotels, the Canadian market fell through almost twelve years ago and we are now catering to a different kind of tourist.

Mr. Speaker, in today's world, small is not necessarily beautiful especially in a business environment and, therefore, the concept of economies of scales is responsible for the mergers and acquisition that we are seeing in other sectors of the economy. One can anticipate that kind of thing would also happen in the tourism sector because you still need a financial controller if you have a hotel of 25 rooms, a human resource manager and a business structure. When you need all of these individuals and you only have 25 rooms it puts increasing pressure on the business to manage effectively.

H12/14:10 p.m.Sequence 19

Tuesday, November 18, 2003

Continuation of: Mr. C.A. MASCOLL
Therefore, I am suggesting to you that the potential to merge even in an industry where the emphasis on service is great because ultimately it is going to be about the type of service that is being delivered to the tourists and that makes tourism different from manufacturing or retail outlets in that regard, in that we are seeking to get people here and then offer them a service.

I have no doubt that it is going to be a very challenging future, not only for tourism in Barbados but tourism in the region. All the indicators suggest that we

need to be in a position to better manage the affairs of the sector. I have been arguing for the past several years that apart from looking at the ability of the sector to generate revenue, which is only one component of profit, we need to look at the whole question of cost. I am not satisfied that we have done so in the kind of way that I would wish to see.

We introduced a Value Added Tax that

unnecessarily imposed additional taxes on the hotel room. Sir, at the time of the implementation of the Value Added Tax, the room rate was 5 per cent, when we introduce a 7 (per cent room rate we actually increased the rate by 50 per cent and, apparently, did not recognise it.

In addition, we also have to understand that when we talk about the ability of a company to recover Value Added Tax, you can only recover Value Added Tax if you get back the inputs. Since it is obvious that the hotel sector, in particular, is heavily service oriented and has high labour input, which is necessary, and knowing that labour does not carry a Value Added Tax, it means that it has implications for the overall incidence of Value Added Tax on the hotel sector. That is, if the ratio of labour to other inputs is high in the hotel sector, then Value Added Tax damages the hotel sector rather than improve it. I tried to make that point about six years ago and some people never understood it.

Sir, another thing happened at the time of the implementation of the Value Added Tax. The hotel and restaurant tax was 5 per cent, when you put a 15 per cent Value Added Tax on food you have increased the rate by 200 percentage points and that never seemed to be understood and it has had, to my mind, some detrimental effect on increasing the cost of tourism to the visitor.

Mr. Speaker, I would like to think that in this post-lunch debate that we have become more focused on the real issues in tourism and speak to them. However, I recognised, that we are running away from the issue that I made in relation to employment and the trend that there is an increasing amount of persons becoming unemployed in Barbados in the last five years. The figures indicate that and it cannot be disputed.

I wish to suggest that there are major concerns in the industry and we need to become more settled in terms of the structure of the industry. We need to be able, not only to attract individuals to work in tourism but to maintain these individuals. There is no benefit to the industry if individuals are going to work for a year or two, acquire experience and then go elsewhere. Sir, that has happened repeatedly in Barbados since 1994.

Mr. Speaker, I wish to say that it is important that small persons are allowed to share in the gains, if there are any, in tourism. The best way in which you can encourage the overall population to get involved in the industry is to give them a chance to become involved in the profit making within the industry. To some extent what we have seen in the last several years has been a deterrent to enter the market by small people and not any encouraging signs to pull individuals into the market. Even where we have done so, especially in the area of transport, we have now, to my mind, flooded the market to the extent where it becomes more difficult for persons to make a living.

Therefore, there is no disputing that there has been low revenue achieved per tourist in Barbados in the last seven years. When you look at the data, it states clearly that the average spending has declined. This morning the Honourable Minister admitted that we have had a significant shift from our dependence on the US market to the UK market. The Honourable Minister also admitted that the UK visitor spends less per day than the US visitor. Therefore, the natural outcome of that condition is that the overall tourism expenditure has been affected and we are concerned that we are not getting the kind of yield that we should be getting in the industry.

I know that because of the international happenings, compounded by the local policy positions, the industry as a whole has not seen

the kinds of benefits that it could otherwise have seen in a more favourable business environment. The fallout has therefore caused shorter work weeks for hotel workers, it has seen less earning power on the part of hotel workers, we have seen some fall in the employment level within the industry and again this can be verified by appealing not only to the data that we are trying to deal with but doing surveys among the hoteliers to see that it has become the reality of life in the industry.

Mr. Speaker, I have my concerns about the raising of this \$25 million bond, not from the point of view of the use to which it can be put, but from the point of view of the method that has been employed, as was stated by the Honourable Minister, in not coming through the usual channels of allowing this money to be reflected in the fiscal accounts of Government but treating it as an off-budget item. As I said at the start of the debate, it has become a fairly common practice for this administration to secure and guarantee loans for several statutory bodies which were identified at the beginning. Sir, while one could always justify giving resources to our leading sector, it must also be the case that we should be in a position to be transparent and accountable to see how these funds would be effectively and efficiently used in the interest of the industry and in the interest of the overall economy.

Sir, a concern was raised about the immediate prospects in tourism and the pending visit by the English cricketers. There should be no concern on the part of the Honourable Minister about the cost of tickets because what has happened is that business persons have simply seen an opportunity to exploit a particular area of economic activity in the form of cricket, to charge the true value of the product to overseas persons. You cannot fault a businessman who in Britain, in a limited market, uses the concept of demand and supply to get what he can for a ticket at Kensington Oval.

14.20 p.m.

H 12/20:

Tuesday, November 18, 2003

2:20 p.m.

Continuation of Mr. C.A. MASCOLL:

Sir, to some extent, this should tell us the value of the product called cricket, and our capacity to seek to exploit its true value in the international market. It does not mean that you are asking local Barbadians to pay that brand of money for a ticket because the principle of demand and supply would differ.

If you have a situation in which several British persons would wish to come to Barbados to watch cricket and you, as an individual can assign a value to the cricket that reflects the demand for the ticket, then all that is happening is that the individual businessman has seen an opportunity and has sought to exploit it. It is actually rooted in a very basic principle of economics, called a price discriminating monopolist, where you segment the market, you see that one man wants it more, and you charge the price accordingly. Whether or not we benefit is a different thing. What should happen is that the Barbados Cricket Association (BCA) must, therefore, recognise that the sale of a ticket in a British market must carry a different price from the sale of a ticket in the local market. The BCA should be in a position to exploit the benefits of giving access to British persons, our cricketing product.

There is nothing wrong with it, so if they feel that any businessman in the UK is going to be in a position to get (200 or (300 for a ticket, they should be in a position to be able to sell on, to that individual, to reflect the benefit and

value of the ticket, so there is nothing to really scream about. It is something that we should be seeking to exploit. If the Minister accepts that we are offering a product of value, why the concern about what is the cost of a ticket for the British person wishing to come to Barbados? What should concern the Minister is whether or not the BCA is exploiting the opportunities to get the correct price for the ticket in the British market. Do not let people come from overseas and trick us.

If I may be able to use the debate, Mr. Speaker, to go further, if we are planning as a tourism destination for the impact of 2007, then we also have to be concern about the issues that are already being raised, like accommodation. I have already heard that a British businessman is planning to lease a cruise liner and to use it across the length and breadth of the Caribbean during the World Cup.

This is a wonderful piece of innovation on the part of that individual, who sees an opportunity to exploit, again, a West Indian product but decides that he is not going to rely on the land accommodation, but gets into his own mind, identifies that a moving piece of accommodation is far more appropriate for the cause.

Therefore, he decides to use his skills and recognises the opportunities that he can derive, by simply taking a cruise liner to the port where there is cricket. When cricket shifts to St. Lucia, you go to St. Lucia and keep the tourists on board. When you move down to Trinidad, do the same. Now, that is what we should be doing, even at this stage. We should be seeking to exploit the benefits of the future, and not simply seeking to put funds because we are being told that a Government(s job is to facilitate.

A Government can also provide leadership and needs to provide leadership and

demonstrate where opportunities exist for people in the private sector to exploit these benefits and opportunities. This is what I am talking about. There cannot be anything wrong. You cannot argue against an individual using such initiative.

What we should be doing is inspiring the BTA to understand the opportunities that exist in this new global year which we can exploit. It gives us a very great opportunity to understand what globalisation really is about, to understand what the new world is about and where tourism can play its part.

Sir, what you are talking about is exploiting the very essence of your experiences in tourism, exploiting the very essence of what you do well, that is to serve people, provide people with a product, an experience called tourism. There are several opportunities to be had and we must be able to look to find where they are and seek to provide our people with the chances, but never lose sight of the fact those small persons involved in the process should also be given opportunities to gain and to exploit any potential benefits that may accrue.

I therefore, Mr. Speaker, would only quarrel about the method by which these funds are being raised. I cannot quarrel about the intent of the use of these funds, but I really do express concern about this Government(s ability to go off-Budget and to allow statutory bodies to raise funds, having guaranteed these funds.

This is a trend that has taken root under this administration which really is a major cause for concern. We have to make sure that when we give certain statutory bodies the opportunity to raise revenue, that those statutory bodies are in a position, where they can contribute to the repayment of these revenues that they derive via bonds, as in this case, and that is a concern which I have, but certainly, there are concerns

within the overall tourism sector.

Mr. Speaker, there are concerns about the kind of revenue that we are deriving. There are concerns about the methods of discounting that we have been using. There are concerns about the kinds of closures that we have been seeing, Rockley, Sam Lord(s and others. There are concerns about the overall health and state of the tourism sector. There are concerns about the job security issues within tourism. There are concerns about the plight of the small hotel players in tourism. There are concerns about the plight of craftsmen in tourism. There are concerns about the future viability of the small taxi operator. Sir, these are overall concerns that we express about the state of tourism.

I thank you, Mr. Speaker.

Mr. D. St.E. KELLMAN: Mr. Speaker, I rise to speak in this debate and from the outset I want to say, Sir, that after hearing the Honourable Member for St. Michael South, one gets the impression that the Minister of Finance has no more problems to deal with, he could come next week and tell the public of Barbados that all his problems have been solved by the good performance of the Minister of Tourism. He could then turn and fire the entire of the Frontbench because the Minister of Tourism has delivered all the goods and revenue needed by the good Minister of Finance.

Mr. Speaker, do you know what is rather interesting, Sir, after hearing the Minister of Tourism, one thought that he would have enlightened Barbados about our new product, the Concorde, and he would have told this House the cost of the Concorde to the Barbadians public.

Asides.

Mr. D. St.E. KELLMAN: He would have told this House how much this new attraction

has cost and how it would be financed by the BTA, considering that we have not come to this Parliament to get a supplementary to pay for it, but yet, we are in here today seeking permission for the Barbados Tourism Authority to borrow \$25 million.

Asides.

House 12, sequence 21, 14:3015

Tuesday, November 18, 2003

Continuation of Mr. D. St.E. KELLMAN:

I would like to know how much of this money would be needed to finance the purchase of the Concorde and how much would be needed to build...

Hon. N. A. LYNCH: On a point of order. The Honourable Member is misleading the House. Mr. Speaker, the Government is not buying the Concorde. The Concorde is a gift through an agreement made between the Government of Barbados and British Airways.

Mr. D. St.E. KELLMAN: Sir, I am glad to hear that we are not buying the Concorde because there has been a lot of bidding for it. So I hope we would not come to this Parliament with a supplementary for anything relating to the cost of the Concorde. I hope that the only money we would come to this House for would be to house the Concorde. I hope that we would not have to look for any foreign exchange to pay for the Concorde because if we are only looking for money to build somewhere to place the Concorde then there should be no use of foreign exchange.

Asides.

Mr. D. St.E. KELLMAN: It was not I who started on the Concorde, it was the Minister of Tourism. The Minister of Tourism gave the

impression that the Concorde would enhance the Grantley Adams International Airport and that if we did not get the Concorde, the airport would have been of no use to Barbados.

Hon. N. A. LYNCH: On a point of order. That statement is completely erroneous. I have never said that and no Honourable Member on this side has ever said that, so that remark needs to be withdrawn.

Mr. D. St.E. KELLMAN: Mr. Speaker, I am saying that the Grantley Adams International Airport can enhance the Concorde but the Concorde cannot enhance the Grantley Adams International Airport.

Mr. Speaker, I have a problem with where the Government is going to house the Concorde. I cannot see what they can do with the Concorde that will enhance the tourism product by putting it so close to the Grantley Adams International Airport. One would have thought that the Government would have found it possible to find somewhere away from the Grantley Adams International Airport to house the Concorde because the airport is already an attraction in itself.

Asides.

Mr. D. St.E. KELLMAN: It is not for me to suggest a venue, it is for the Minister to admit that where they are going to place it, is the wrong place for it. I am saying that any good planner would have made provision for that to be housed somewhere else and not so close to the airport. I am saying that the opportunity cost of placing it at the airport cannot be of any benefit to the Barbadian public as if it had been placed somewhere else in Barbados.

Asides.

Mr. SPEAKER: Alright, please, let us hear the Honourable Member, please.

Hon. A. P. WOOD: On a point of order. The Honourable Member for St. Lucy seems rather annoyed that we have decided to house the Concorde at the Grantley Adams International Airport. He said that any serious planner would have found another location for the Concorde. Asides.

Mr. SPEAKER: He is getting to the point of order.

Hon. A. P. WOOD: Mr. Speaker, I would like the Honourable Member for St. Lucy to tell this Chamber where the alternative location is and how we would have got the Concorde there.

Asides.

Mr. D. St.E. KELLMAN: Mr. Speaker, if the Concorde is to add to the tourism product of Barbados, it would have been better suited to be located somewhere else in Barbados.

Asides.

Mr. D. St.E. KELLMAN: Sir, if we were in Government I could assure you that the Concorde would have been in Barbados but not at that location.

Asides.

Mr. D. St.E. KELLMAN: The Honourable Member for Christ Church East has allowed it to be there for this time because he represents that particular constituency. If he did not represent that constituency, he, as well as the Honourable Member for St. Philip South, would have knocked it. They would have used the argument of opportunity cost to destroy the presentation by the Honourable Member for St. Michael South because you do not put something like the Concorde so close to something that is a natural tourism product and a natural attraction. The opportunities to be

created from the Concorde cannot be gained by putting it so close to the airport.

I want to hear the tourism players who have been asking the Government for new tourism products to enhance the tourism product of Barbados speaking on this particular matter. Everybody knows that if you had to land the Concorde you would have to get a runway and not a runaway because that is exactly how the Minister of Tourism is behaving. He is behaving like a runaway Minister because he feels that he can come in here and once he presents something to Barbados that we have to accept it.

I am saying that we need to get the maximum benefits from any product we are adding to tourism. Whether we like it or not people will still leave St. Lucy, Christ Church and St. George to go to the airport to look at the airport. I am saying that it does not make sense for someone to come into Barbados, get off a plane and go right next door to look at a Concorde. If the Concorde is located somewhere else in Barbados, you would have had added value. By locating it so close to the airport they are destroying the real potential of developing that into a true tourism product. The Minister of Tourism and the planners on the Frontbench should have known that.

I want the Minister of Tourism to understand that what was said in here today was heard by at least ten Honourable Members. He ought to be glad that the Members of Opposition were in their seat. I want the Minister to understand that nobody from the Government, especially the Frontbench, wanted to hear him. The impression that was created by the Frontbench is that they have heard that story already and they did not want to hear anything from the Minister of Tourism because they want something new. As you are aware, Mr. Speaker, if the Members of the Opposition did not remain in their seats he would have had no

one to create a quorum for him. So he should thank the Honourable Member for St. George North for being so diligent by observing what I was about to do and like a good (Bee) went and call some of the others so that there could be a quorum on the other side.

House 12 Sequence 22

2:40 p.m.

Tuesday, November 18, 2003

Continuation of Mr. D. St.E. KELLMAN:

Mr. Speaker, the Honourable Member should really thank him so that we could have a tourism debate in this House today.

Asides.

Mr. D. St.E. KELLMAN: Mr. Speaker, if we are to enhance the tourism product of Barbados, we have to utilise fully all of its resources. It does not necessarily have to be finances, neither must the impression be given that because Barbados now has a Concorde, the Museum has to be next to the airport. Sir, the logic I am getting from the Other Side is that because the Concorde is an attraction, it has to be put next to the Grantley Adams International Airport.

Asides.

Mr. D. St.E. KELLMAN: Mr. Speaker, would you believe that in the year 2003, there are Honourable Members asking how could one get the Concorde placed somewhere else. Sir, it is for those Honourable Members to work that out. If I had to deal with it, I have already worked out where it would be placed, how it would build the country up and what added attractions that it would bring to the tourism sector.

Mr. SPEAKER: And you are not sharing those with us?

Mr. D. St.E. KELLMAN: Not at this time, Sir. The important thing is for me to show the folly in the decision and later, when the Government responds to what I have said, if they could, it would then be for me to show them how it could have worked. I am not a Member of Government but of the Opposition but the important thing would be for me to work out how we would have dealt with that situation and I have worked it out.

Sir, the Honourable Member for St. Michael South cannot continue to criticise and to fish ideas from me to take back to the Barbados Tourism Authority Board, or to signal to those honourable men and women who Your Honour cannot see, who are regarded as strangers, for them to write when I am speaking so that they could get policies to implement. That is exactly what the Honourable Member does, then comes to Parliament three or four weeks later and put them to this House and call them policies. The Honourable Member does not even apologise but comes to Parliament and say he knows that the Honourable Member for St. Lucy would say that these are his ideas but that he is the Minister.

Asides.

Mr. D. St.E. KELLMAN: That is exactly where I am, on the bond issue. You are not behaving like an economist, you are making assumptions, while I am dealing with the actuals.

Sir, the Honourable Member must understand that tourism is the product that is keeping this economy alive and that we have to be very careful how we spend the resources of the country on tourism. We have to make sure that whenever those resources are spent, that they are spent in a most effective manner.

Sir, the Honourable Minister of Tourism must justify why his Ministry is coming before this Honourable House to borrow money. The Honourable Member must tell the country what it stands to gain by the borrowing or whether it would be done by debentures, loans, et cetera. The tourism product of Barbados, as it presently stands, is the most important product.

Sir, it is alright to quote statistics but what is important in this country is that the masses of people in Barbados must be able to feel and to know what the Honourable Member is talking about. If one goes to any street corner and asks anyone what tourism means to them, he or she would say that he or she does not know what it means.

Sir, do you know why this would be? In 2003, we are not as effective with our tourism product as we were in the 1960s, yet we brag about the number of tourists that arrive in Barbados but when one looks at the effectiveness of tourism on the masses of people of Barbados, it does not have the same effect.

Sir, if we are to speak about progress, it must be progress for the people of Barbados. We should not be speaking about progress when it could be quantified in such a way that only a few persons would have received the benefits from tourism.

Mr. Speaker, the whole country would have to support this bond issue but at the end of the day, would not have gained anything from it. Sir, I want to see tourism returning to the days like it was in the 1960s and 1970s, where everybody in Barbados felt that tourism was their product and that they had to put their hands to the plough to make sure that it worked.

Sir, what we are seeing in Barbados is an

aggressiveness against tourism. The tourists come to Barbados and speak about the importance of the people but the people cannot speak about the importance of the tourists. Sir, the reason for this is that the tourists can interact with the people and can witness the pleasantness of them but the people cannot feel the revenues that would have come from the tourists. Sir, the progress of a country can be judged by how the resources of a country and the workings of a particular industry are shared.

Asides.

Mr. D. St.E. KELLMAN: Sir, the Honourable Member would worry about the use of English and not about the masses of the people of Barbados. What the Honourable Member is interested in is how many persons he could invite to cocktail parties and how Government is going to raise finances to support the development of tourism but the Honourable Member cannot tell this Honourable House what would happen to the tourism product at the end of the day.

Mr. Speaker, let me say this to Your Honour and to this Honourable House, the best way of measuring the performance of tourism has nothing to do with tourists arrivals nor with employment but with the amount of money that is earned from the industry that could otherwise create employment.

Sir, if there is an effectively working tourism product, it would help to create indirect employment and an atmosphere within the economy where the (boys on the block) would not have to worry about anything. They would be involved in the tourism product and would feel its impact.

Sir, what has been happening is that the Minister of Tourism has been bragging about the number of jobs that have been created in the tourism industry and about the number of

visitors that are arriving on our island but has not been able to say how effective it has been to other Honourable Members constituencies. Government has been able to say that the tourism industry is doing well but as one travels across the island, one could see the many unemployed persons that are (liming). Sir, what is needed is an effective programme to eliminate that.

Your Honour, do you know what is interesting? The same Honourable Minister of Tourism who brags that there is no need to deal with the statistics from the Barbados Central Bank, that there is another group of tourists who stay in houses and villas, et cetera, when we had sought to show this Minister the importance of community tourism, the Honourable Minister had asked who wanted \$20 tourists. He said that he was going after the tourists who could bring in \$1 000 per day.

Sir, suddenly in the defense of the Honourable Member for St. Michael South, he now speaks about the number of tourists who are staying in private homes and villas, and not in hotels. Sir, suddenly the Honourable Member can understand the importance of community tourism.

H:No.12(23)215 p.m.

Tuesday, November 18, 2003

Continuation of Mr. D. St.E. KELLMAN:

I have been trying for months to show the Honourable Member that the best blend would be a combination of villas, community tourism and the hotel product. All of a sudden he is now the glorified guru on community tourism but has done nothing to enhance the product. He only brings legislation in this House to push back the progress of persons who have been trying to develop something that the Minister of Tourism never supported. I want to tell

Barbadians who are involved in community tourism..

Hon. N A. LYNCH: Mr. Speaker, on a point of order. I am sorry to interrupt the Honourable Member in his flow but for him to state in this House that I have never been in support of community tourism is erroneous. It is not true. The Honourable Member for St. Lucy keeps on making this point and I would like him to bring proof of it.

Mr. D. St.E. KELLMAN: Mr. Speaker, you have been in the Chair for a long time and I know that you can easily judge without getting involved in the debate who is telling the truth and who is not. Sir, when I make a point in this House I have always asked you not to worry about what the Minister of Tourism says because six months after, he will repeat the point as if it is his own.

I am happy that he is not the Minister responsible for intellectual property in Barbados because he would be the first person to be prosecuted under the Act and I would be the first person to bring a charge against him. Sir, the Honourable Member for St. Michael South would get lock up for implementing foolishness because everything that I speak of in this House he calls foolishness but then he goes to his Ministry and implements it.

Mr. Speaker, we have to understand that tourism has taken over from the sugar industry. When the sugar industry started, the masses were seen as the workers but as soon as the masses started to own the sugar fields of Barbados the importance of the industry switched.

We have to understand that community tourism provides an opportunity for the masses of people in Barbados to have equal shares in the tourism cake and an enlightened Government will make sure that more people

are involved in tourism. Instead of ignoring community the way this Government does, it would be better for the Minister of Tourism to study community tourism and the effectiveness of it as it relates to the live of the masses of people and also how the tourism cake can be shared equally.

I want to say to the Minister of Tourism that he needs to formulate a relationship with those persons who are now involved in community tourism and not to put them on the backburner. Even though he may not know all the players, it is in his interest to encourage more people in Barbados to get involved in community tourism.

The Minister of Tourism should encourage the Ministry of Housing to acquire large parcels of land especially on the beach side and protect that land so that locals and tourists would have access to the beach. This means that wherever you live in Barbados, there will be easy access to the beach and where there is available space, you can encourage people to use the space to be rented out to tourists.

Sir, I am saying that you do not have to live on the beach nor be the owner of a hotel to be part of the tourism product. We should encourage every Barbadian to get involved in tourism because there is an opportunity for them and we could use that concept to reduce crime in this country.

Sir, as long as the Government practises selfishness in tourism, nothing will be done to impact on the crime level in Barbados. We need to continue to develop the relationship that was planted in the early 60s and 70s to enhance tourism.

Hon. N A. LYNCH: Mr. Speaker, on a point of order. The Honourable Member is misleading the House when he says that the Government is practising selfishness in

tourism. Sir, it is not true. The Honourable Member constantly makes these unqualified references. They are his own opinions and he is imputing false motives on the Government when he says that it is practising selfish tourism.

MR. SPEAKER: Honourable Member, could you make your point in a different way and please withdraw those words.

Mr. D. St.E. KELLMAN: Mr. Speaker, I plan to substantiate the statement. Sir, you are assuming that it is a reckless statement but I do not think so. Sir, everyone in this House understands that the all-inclusive concept is a selfish one to tourism and that it does not allow tourists to move freely across Barbados.

Hon. N A. LYNCH: Mr. Speaker, on a point of order. That statement is untrue as well. The Honourable Member does not know of what he speaks. The all-inclusive concept in Barbados does not stop people from moving across the country nor from participating in any activity here. As a matter of fact, tourists are implored and pushed to go out of the property when they get here in Barbados. Sir, the all-inclusive concept is simply an economic issue in tourism because as long as a person has paid for his fare and amenities, it is to the benefit of the hotel to get that person to go out and spend.

MR. SPEAKER: Honourable Member, must you use the word reckless.

Mr. D. St.E. KELLMAN: Sir, I did not use the word reckless. It was the other side who used it. I would never use that word in here, Sir. It is not me, Sir. The Minister of Tourism is known for using such words.

Mr. Speaker, it is good to get into controversial debates with the Honourable Member for St. Michael South. A moment ago he spoke of the concept for all-inclusive and

why it should be practised. I cannot believe it is the same honourable gentleman who said in this House that when people spend money, you cannot tell them how to spend it.

H12/15:00 p.m.

Sequence 24

Tuesday, November 18, 2003

Continuation of: Mr. D. St.E. KELLMAN

Aside.

The same Honourable Member is lacking in memory.

Mr. SPEAKER: Please, please.

Asides

Mr. SPEAKER: You cannot speak of the Honourable Member like that. He is an Honourable Member and his faculties are supposed to be working well.

Asides

Mr. D. St.E. KELLMAN: Mr. Speaker, when I heard the Honourable Member on a point of order a little while ago, I asked myself, how can you make a point of order on yourself. The same thing that I said about all inclusive tourism is the same thing that he is now saying.

Asides

Mr. D. St.E. KELLMAN: Mr. Speaker, it is known that I was against all inclusive in the way it was practised. The truth is, after I put some lashes in them consistently for nine years, they have now changed their concept.

Hon. N.A. LYNCH: On a point of order. The concept of the way all inclusive is practised in

Barbados has never changed since it was implemented.

Asides

Mr. SPEAKER: Please, please.

Hon. N.A. LYNCH: Almond Beach Hotel introduced the concept of all inclusive to Barbados. Mr. Speaker, the concept of all inclusive has never changed. The Honourable Member for St. Lucy misleads the House constantly because he is confused about the way all inclusive is practised in other jurisdictions as opposed to Barbados.

Sir, in other jurisdictions where it was practised, people were encouraged to remain at the hotels because of the crime situation. It was first introduced in Jamaica. In Barbados people have always been inclined and encouraged to leave the properties and experience Barbados under the all inclusive concept.

Mr. SPEAKER: Honourable Members, do not let us get into any crosstalk about all inclusive at this moment. From what I understand, you have many more points to make and you only have four more minutes.

Mr. D. St.E. KELLMAN: Sir, you have to add on extra.

Asides

Mr. SPEAKER: I am going to give you a little extra time.

Mr. D. St.E. KELLMAN: Mr. Speaker, it is reflecting badly on the Chair. The Honourable Member is speaking as if he is the only authority on all inclusive tourism and your knowledge of all inclusive is...

Mr. SPEAKER: I have not made a judgement on his point. I have asked you to proceed. Let

us continue.

Mr. D. St.E. KELLMAN: Sir, you have been in this Honourable House before the Honourable Member and what the Honourable Member is saying that everything that you knew before he came to this Honourable House, that you should forget about and only listen to what he says.

Mr. Speaker, you heard it being mentioned in this Honourable House that there were people going to all inclusive properties and that they were treated like prisoners. Let me explain that, Sir. The tourists were taken to the properties and were given the impression that they should do everything on the properties and not leave them. However, when they left the properties they were transported in buses and were treated like they were moving from Glendairy Prison to another police station.

The tourists who stayed at the all inclusive properties were taken where the operators of the properties wanted them to go because the operators were scared that they would lose their clients and thus protected them. To make matters worse, the tourists were advised by way of an advertisement that they should leave their wallets at home. Is the Minister of Tourism aware of that advertisement?

Asides

Mr. D. St.E. KELLMAN: Mr. Speaker, if you go somewhere and you do not have any money, how can you help other people by saying that you have contributed to their lives.

When all inclusive tourism was first introduced to Barbados, there were people who advised tourists to leave their wallets at home. I am now saying that I have seen a change and the Honourable Minister is aware, because he reads my articles every week and takes notes too.

Asides

Mr. D. St.E. KELLMAN: He is aware that I said that there is now a change in the all inclusive climate and that the all inclusive players now understand how to save money. I said in this Honourable House that it was in the interest of the hoteliers to encourage their clients to leave their properties to reduce their costs.

The Honourable Minister said that I was talking foolishness. I am now hearing him repeating today what I said months ago and he is behaving as though he saying this for the first time.

Asides

Mr. SPEAKER: Honourable Member seeing that we were talking about aircrafts earlier, you have landed.

Asides

Mr. D. St.E. KELLMAN: Mr. Speaker, for someone who is supposed to be independent, you can play some very good shots, Sir.

Asides

Mr. SPEAKER: I did not hear anything coming from you.

Asides

Mr. D. St.E. KELLMAN: Sir, may I remind you that the same behaviour I expect from you when we are away at a conference, I would expect you to behave in the say manner. We are all on the same side when you are in that Chair and no political biases would be shown.

Mr. SPEAKER: That is right

Asides

Mr. D. St.E. KELLMAN: Mr. Speaker, we have to understand that whatever is done with this \$25 million it cannot be money used for the too few. It has to be for the total tourism product and those players involved in community tourism must be able to benefit from this \$25 million. It cannot only be money for those at the top, the cocktail group, it must be money for the rice and stew group too.

I am aware that when you say cocktail group, the Honourable Minister is always angry.

Asides

Mr. SPEAKER: Please, please. Let us hear the Honourable Member.

Mr. D. St.E. KELLMAN: I am saying that what is important is the effectiveness of the programme. We must ensure that everything that we have agreed to on the floor of this Honourable House must be to enhance the tourism product and we must benefit from our spending. It is not for the Honourable Minister to behave as though he is the super minister of the Cabinet and the only minister who is performing.

I want to warn the Minister that if he continues in this vein, he will get no support from the Frontbench as occurred earlier this morning.

I thank you, Sir.

Hon. R.R. FARLEY: Mr. Speaker, I rise in support of this Resolution to permit the Barbados Tourism Authority to float this bond issue in support of our tourism. We heard presentations from Honourable Members on the other side which were wide off the mark. We heard the Honourable Member for St. Lucy making a strong case for the Concorde to be

located in St. Lucy which is as far away as the North Point Lighthouse is from the South Point Lighthouse from the position that his leader has taken on the Concorde.

15.10 p.m.

H12/25:

Tuesday, November 18, 2003

3:10 p.m.

Continuation of Hon. R.R. FARLEY:

His leader would not have it. The Honourable Member for St. Lucy, not only wants it, but wants it in St. Lucy. Of course, Sir, I believe the Honourable Member was getting to a larger point. I must congratulate him for being consistent. He has always maintained that we need to have a spare airport in St. Lucy. The reason he was careful not to make the point as to how it would get there, is that he is aware that you need to have a runway for the Concorde to land. His strategy, Sir, is simple, to build a runway in St. Lucy, land the Concorde there, and then convince us, that as we have a runway and we could as well build an airport.

Asides.

Hon. R.R. FARLEY: Sir, that is the extent of his contribution to this important matter of tourism. I must say that at least he recognises the importance of airlift capacity in tourism. I could give him more credit for that than I could give him to my friend, the Honourable Member for St. Michael North West, who did not recognise that if we are to contemplate all the important matters that he spent his time on, such as visitor spending, bed nights, investment in hotel plant that, at the end of the day, one of the key components to the tourism recovery

strategy was to protect our airlift.

Sir, this strategy has separated Barbados from other destinations in this region and, indeed, other destinations around the world, during the period of post September 11, 2001, when a number of markets which are heavily dependent on tourism, were looking at their strategies and many of them were giving away money left, right and centre.

Asides.

Hon. R.R. FARLEY: ...Sir, not only to protect it but to expend it because we recognise that no matter what you did to save the hotels, no matter what you did to prop up other aspects of the economy and the tourism industry, in particular, if there was not the capacity for your people to get there, you are wasting time.

Sir, they started from this position. The bulk of this money to be raised in this bond issue is to be used in joint programmes of these airlines not only to consolidate their operations, by way of making the routes more profitable, but to attract flights from new routes, thereby broadening the opportunities.

Sir, let us be practical, whatever our ambitions, in terms of expanding the number of markets and cities in the United States, from which we draw our customers, they have to get here by air.

Asides.

Hon. R.R. FARLEY: The Honourable Member should have made his point when he had the chance. He has to sit and listen now.

Mr. Speaker, the point is that the Barbados Tourism Authority must be congratulated for the creativity that it has shown in this area. In fact, Sir, I am not surprised that it has recently earned the major award, as a leading tourism

office. What they have been able to do is to recognise that we need to build our marketing for tourism around the airline network that we have.

Sir, there are flights coming from Miami, what is the point of advertising in Alabama, Connecticut or Colorado, if the flights coming out of Miami begin to come under the microscope of the airlines, because of the lack of profitability. Therefore, you look to see who are the people, most likely, in the first instance, to come through the Miami gateway, what states and cities, and you build your programme concentric.

Sir, you will then look then at the destinations which send flights into that gateway and you work outwards from there, so that looking at the network of routes that we have, has been the creative approach which the Barbados Tourism Authority has used in marketing our tourism. This is very important.

Sir, it goes beyond that, the Barbados Tourism Authority Inc., and the Ministry of Tourism must be further congratulated because they recognise, notwithstanding the usefulness of Charters, that in Barbados, we always need to maintain as many schedule carriers as we can, not only scheduled carries, but daily and several times daily, where possible. Therefore, investing jointly with the airlines, again, in order to consolidate and to strengthen the presence of scheduled carries, such as American Airlines, BWIA, British Airways and others, recognises that our tourism and business sectors are inextricably linked, the same features that have made us an attractive tourism destination, particularly in the upper end of the market, are the features which have made us an attractive international business destination.

There is great synergy, Sir, between the people travelling here on business, whether it is for board meetings, conferences, seminars,

whether it is to oversee their operations that they own here, and the fact that it is not unusual for them to bring a spouse, other members of the family and friends, in order to have a working holiday. Sir, people, whether on business or on holiday, like to have the option in their travel of being able to change their schedule.

Personally, I do not go anywhere where I am locked into a charter arrangement that I can only travel on certain two dates, and if the one plane that the company has breaks down, I have to wait until whenever next they can borrow a plane. I prefer to travel, Sir, in order to ensure my flexibility if I have to come back home earlier, if I want to come back home later, I prefer to travel within a network that allows for that flexibility, and that is the reality of the travel psychology and the psyche of the traveller.

Asides.

Hon. R.R. FARLEY: Mr. Speaker, the Honourable Member for St. John wants to remind us that he uses the same approach in his many travels to Africa, Asia and the most exiting and exotic places in the world, where he spends a lot of time these days, and I am happy for him. He is doing a good job making this country proud in those far away places.

Sir, in all seriousness, our ability to not only hold the airline capacity that we have, but to increase it in a way that has never happened in the history of tourism and international transport in this country, must be to the credit of the Honourable Member for St. Michael South. The Honourable Member in the most trying circumstances, when airlines were dropping out of the skies, literally and figuratively, Sir, but airlines were failing, left, right and centre. Airlines were being propped up by the U.S. Government and there were all kinds of problems, airlines were cancelling

routes left, right and centre, on the main US flights, routes were cut back, where they maintained flights, they used smaller aircrafts.

You will know, Sir, that as you travel from Barbados to the USA, you may travel on a large aircraft, you may decide to carry a larger piece of carry-on luggage, but it is not unusual these days, Sir, that when you are going to another city in the USA, you have to go on to a small plane like a LIAT, that is part of the cost cutting measure. There are places where they do not bother to have flights anymore.

House 12, sequence 26, 15:2015

Tuesday, November 18, 2003

Continuation of Hon. R. R. FARLEY:

Therefore, from a point of view of strategy to have focussed on international transport as the foundation for tourism is important. We can only get to what the Honourable Member for St. Michael North West was speaking about if we get past this point, that is, that we have a creative way by which we are able to show those kinds of results.

Sir, in looking at the support for the airlines I want to commend the Honourable Member for St. Michael South because while there were governments that were into the business of paying airlines to put bodies in seats there was no obligation for performance. You basically had to come and the Government paid some portion of the cost. In this joint marketing approach, it is in the interest of both the Government and the airlines to have people coming on board because at the end of the day we do not want the airlines to fly into Barbados empty.

I am pleased to see, based on the statistics, that visitor arrivals have increased. In fact, the long-stay visitors arrivals were 6.9 per cent

higher between January and September of this year than they were at the same time last year. Indeed, we are not talking cruise, but cruise arrivals were up some 2.4 per cent as well.

Sir, if by way of joint marketing with the airlines we are marketing destination Barbados, it means by extension that the same hotels that we are speaking about will get the benefit. It means as well that the villas will get the benefits. It means that the community tourism thrust, which is taking a significant portion of business these days as compared to the past, will get a benefit.

You may ask, Sir, what community tourism development thrust I am talking about. The Honourable Member for St. Michael North West wanted to give the impression that the financial gains to Barbados are limited and the Honourable Member for St. Lucy wanted to suggest that the way tourism operates in Barbados today that the benefits are limited only to a few and that these are the large hotels. The Honourable Member does not know, perhaps it does not occur in St. Lucy, that in addition to the hotel accommodation sector and the luxury villa sector that there is also the village tourism sector. There are a substantial number of persons who now spend their holidays in Barbados in places like Silver Sands, Inch Marlow, Landsdown, Oistins, Scarborough and Thornbury Hill which are regular Barbadian villages.

There are also places where people who own regular Barbadian homes, two-bedroom and three-bedroom wooden houses and wall houses for ordinary residences, are advertising on the internet and by word of mouth who are providing an interesting and exciting holiday opportunity for our visitors and making significant amounts of foreign exchange in the process. For example, there is a group that books every year from Germany who stays in a number of houses around the Silver Sands and

Inch Marlow areas.

Sir, when Northern Air from Germany was coming back to Barbados after it has been out for a while, a lady who owns one of those houses was on the beach in front of Mr. Nurse(s) shop breaking sea eggs and she said to me, (Farley, I too glad that this airline is coming back to Barbados.) I said, (well oh.)

Asides.

Hon. R. R. FARLEY: Mr. Speaker, she said that a lot of her guests in the past have been Germans. She also said that she has so many bookings now that she has to send the excess to Asta Hotel. Sir, it must be noted that Asta Hotel is not sending the excess to her. This tells us that our tourism product does not consist only of the big hotels, the all-inclusives or the luxury villas.

This \$25 million bond issue which would be used to co-market the airlines will be bringing guests to the villages and making sure that those houses that are owned by ordinary persons are ready, not by absentee landowners or by rich people. These are the tourists who catch the ZR vans and go to town. These are the tourists who go down to Oistins at nights for the fish fry. These are the tourists who go at Buddie(s) Bar in Inch Marlow to get some fry chicken and pork, some Banks beer and other products on Fridays or to pick up their groceries. These are the tourists who go down on the beach and buy the pot fish and go home and try (a little) cooking. Sir, these are the tourists who get their pudding and souse on Saturdays like you and I.

These are the tourists who make friends with Barbadians. In fact, there is an interesting reverse trade going on. Through this community tourism supported by this bond issue, Barbadians have become so much part of the friends and families network of these

tourists that they are invited to visit them at their homes in Germany, Sweden and the countryside of England. So for someone to say that this bond issue is about propping up some big people, that it has nothing to do with the small man and that the small man is so badly off, is to be as far from the truth as the North Point Lighthouse is from the South Point Lighthouse and as far from the airport the Honourable Member for St. Lucy wants in St. Lucy from the real airport. I am sure that the Honourable Member for St. Lucy being the decent man that he is would not want to appear to be acting in self interest.

Sir, both you and I know that this bond issue will bring tourists to Moon Town, the bottom line of that very wonderful business establishment which has been able to enhance the quality of our culinary presentation both for locals and visitor alike and which has been able to bring moments of joy to people like myself, unlike the Honourable Member for Christ Church East Central who has not gone and the Honourable Member for St. Michael North West who would not go.

House 12 Sequence 27

3:30 p.m.

Tuesday, November 18, 2003

Continuation of Hon. R. R. FARLEY:

Mr. Speaker, this is not about pie in the sky ambitions nor being so macro in its perspective as to be out of touch with the common man. Sir, we have made sure that we have active marketing through protecting our airlift capacity and by supporting and working with the airlines to make sure that the destinations from which they fly are marketed effectively. Therefore, if we have airlines coming out of London, we must, therefore, advertise in Redding, London, and in those areas where

persons would keep that London airline busy. That would then encourage the airline to add flights, which would encourage us to market to further areas such as Scotland and Ireland.

Mr. Speaker, this Resolution is as much about strategic planning and marketing as it is about ensuring the fullest participation of the ordinary man in our tourism product. Sir, the day that airlines arrive in Barbados empty or there are cancellations of routes instead of additions, it is then the ordinary man in Silver Sands would suffer. Sir, whether it would be Marcie(s) Bar, with her night time activity or Olson Nurse(s) shop with his day time activity.

Asides.

Hon. R. R. FARLEY: Sir, I am showing that this is practical and not theoretical. Sir, when there could be a situation where an ordinary Barbadian shop could cater dinner for a number of guests who are staying at nearby hotels or guesthouses, it tells us how our tourism works. It also tells us that the benefits from these actions that we take, such as giving the permission by way of this Resolution to this bond issue, is of practical significance.

Therefore, we have to commend the Honourable Member for St. Michael South for Barbados having daily flights by Virgin Atlantic from Manchester, ten flights per week by British Airways, not only out of Gatwick but recognising that there are Londoners who like to fly from Heathrow, having Continental Airlines arriving in Barbados four times per week from Newark and for American Airlines coming twice out of Miami. Sir, these are all important things to the tourism product for Barbados.

Sir, part of the psychology of tourism is that whenever one travels, one does not like to lose any time. If one arrives in a country during night time, that person would feel as if he or

she has lost the day. The flights which would be most attractive and added value to our visitors are those flights which would arrive during the morning or afternoon, so that persons could check into their hotels, have a swim, go shopping or to be able to do things during the day time. Sir, my simple message today is that all Honourable Members should be pleased and proud to support this bond issue.

Sir, the Honourable Member for St. Michael North West has raised a matter which has suggested that there was an effort on the part of Government to hide this money and not to bring it to full accountability. This is but part of a strategic investment and, for all the reasons mentioned, I have no difficulty with spending it or with the method by which it is being raised.

Sir, Government cannot continue to rely only on the traditional tax and spend methodologies. We cannot think that every year we could raise the taxes that are needed and could spend the money from that year. Sir, during the time this Government has been in office, persons have seen a number of creative strategies that have been used, such as the floating of bonds, private sector partnerships, transfer arrangements or lease arrangements. We continue to see a series of innovations in our public expenditure management and in the means by which we raise the revenue that is required to develop this country.

Sir, we are at a critical juncture in our history. We believe this is the time to invest. We are investing in a situation where we are expanding the size of our airport because we expect to have a vast increase in the number of persons who would use it. We are investing in the various attractions around Barbados because when we bring persons here, we need to give them things to do. Therefore, Sir, it would be a very foolish thing not to invest in the means by which our visitors come to Barbados.

Sir, for all of those purposes, I commend this Resolution to this Honourable Chamber and I salute and commend the Honourable Member for St. Michael South for what has been one of the most impressive performances in tourism. This country, for the first time in a long time, had been winning a number of awards.

Therefore, Mr. Speaker, on behalf of the people of Christ Church East, who are involved in community tourism in a big way, who are dependent on this expenditure to improve our airlift and to expand the numbers and ranges of airline services, I commend this Resolution.

Mr. Speaker, I am pleased to support this expenditure on their behalf.

Dr. D. C. ESTWICK: Mr. Speaker, I rise to make my submission on this Resolution. I believe that any attempt to strengthen any aspect of the tourism sector in Barbados must necessarily be looked at very seriously. Tourism being one of the export services sector in Barbados, represents the major foreign exchange earner to this country.

Mr. Speaker, whenever money is being spent on tourism, I am concerned whether or not that money would be spent in such a way that there is going to be empirical evidence to support the view that the sector has been performing in the way in which many Honourable Members have suggested in this debate.

Mr. Speaker, I strongly believe that when the empirical evidence is reviewed, there would be none or little evidence to suggest that the tourism sector in Barbados has performed effectively over the past seven or eight years. I believe this bond issue is just another debt on the people of this country.

Sir, the reason why I am concerned whenever there is an increase in the debt, even though it might be a domestic component of the debt, is

that any debt that is owed has to be repaid. I raise that concern because between 1994 and 2001, we have seen an increase in the National Debt of over \$1 billion, and I am concerned about it.

H:No.12(28)340 p.m.

Tuesday, November 18, 2003

Continuation of Dr.D.C. ESTWICK:

I am also concerned when I see the domestic component of that debt increase by more than \$563 million over the same eight-year period.

Mr. Speaker, this Government continues to attempt to develop Barbados by developing one sector which is a fundamental error. The Barbadian economy is like a stick insect with six legs but five of them have been chopped off and it is tottering on tourism. This Government does not understand that there were significant attempts in this country from the 1960s to diversify the capacity to earn foreign exchange and to do it in a way that would broaden the foreign exchange earning capacity in Barbados.

I intend to carry this debate into the area of the export services sector and how the tourism sector has performed because it is the only way it is relevant to me.

Mr. Speaker, by no stretch of the imagination can any Honourable Member on the other side argue that we have had stable management in the tourism sector since 1994. Within an eight-year period there were four ministers. Sir, this would be unheard of in a private sector entity and it is mismanagement, Sir.

We had Minister Cheltenham, Minister Miller, Minister Payne and now we the fastest Minister in Barbados, the Honourable Member for St. Michael South. We have also changed the Barbados Tourism Authority management

at least three time in eight years. Sir, if we do not have stable management there cannot be output that reflects it. I will demonstrate that by utilising the evidence.

Sir, the Honourable Member for St. Michael South attempted to intimate that you could not use primarily tourism arrival statistics to deduce that the sector has been performing well and he went on to argue this point with some members on that side who were ill-informed. I want to bring some evidence to this Honourable House.

Mr. Speaker, Sir, when we look at the Barbados Economic and Social Report, 2002, it is clearly indicated that tourists expenditure in Barbados declined by 5.6 per cent between 2000 and 2002. The actual numbers from \$1.37 million to \$1.29 million. I will now corroborate that with visitor arrivals so as to support that fact that there is no grandiose performance by the Barbados Tourism Authority and the Honourable Minister.

Sir, I want to bring the debate back to some statistics but I will use averages.

Asides.

Dr.D.C. ESTWICK: They are all economic gurus and statistical gurus but they cannot refute this. I will further corroborate my statement by looking at the analysis of hotel occupancy that correlates with the elements I brought earlier.

In 1994, it was 56 per cent, 1995 was 56 per cent, 1996 was 57 per cent, 1997 was 56 per cent, 1998 was 58 per cent, 1999 was 57 per cent and in 2001 it was 53 per cent and falling. When I analyse the average for that nine-year period, it is 56 per cent. In other words, over the period of time there has been no change in the occupancy rate even though there was significant increased expenditure. Sir, this

point cannot be refuted by any Honourable Member in this House.

Sir, between 1994 and 2002 there has been no significant change in the number of hotel beds in Barbados. I have the evidence in my hand and if the Honourable Member for St. Michael South wants me to pinpoint them for him so that he can write them down, I will do so. The average number of beds over the nine-year period was 12 096 in 1998 and before that it was 11 661. Sir, in 2002, it was 12400, there was no significant difference in beds over that period. I want to see the evidence that the Barbados Tourism Authority is functioning in a way that contributes effectively to the foreign exchange capacity of this country.

Sir, this Government must decide what strategy it wants to use. The Government sells profitable entities like Insurance Corporation of Barbados and Barbados National Bank and holds on to an unprofitable entity like the GEMS project. They then attempt to fool Barbadians that Hotel and Resorts Limited is profitable even though it shows a debt of more than \$150 million on its financial statements. Sir, how can that be? It is good that Barbadians are not stupid.

Sir, the Honourable Member for St. Michael North West made the point that taxpayers were made to pay off the debts and this is how the GEMS project became profitable overnight. I want to further corroborate my point by looking at tourism contribution to the total production of this country. It is important because it the only fundamental yardstick that determines whether the money being spent in tourism is contributing to the gross domestic production in this country.

Mr. Speaker, I will go back as far as 1994. At that time the total contribution to GDP was over \$410 million, in 1997 it was \$450 million and in 2002 it was \$453 million. Again, there

was no significant difference because the average was \$452 million.

H12/15:50

Sequence 29

Tuesday, November 18, 2003

Continuation of: Dr. D.C. ESTWICK The point that I am making here is that if this Government is going to argue that they are going to be spending taxpayers' money, liberally in one sector, the tourism sector, then I must see the empirical evidence to demonstrate that, and I am not seeing that at all.

Mr. Speaker, I am going to go a step further because I want to add another criterion to the two already looked at, which are tourism arrivals and expenditure by tourists. I add to want employment in the tourist sector.

Asides

Dr. D.C. ESTWICK: Sir, in 1994, the number of people employed in the tourist sector in 1994, was 11 000. When I take the best year prior to 2001, prior to September 11, 2001, there were only 13 900 employed. In other words, during that period of time this Government could only boast of creating 2 900 jobs in the entire tourist industry, and that cannot be refuted.

Sir, millions of dollars are being spent every year and this Government can only show 2 900 jobs in seven years. This is madness and it must be mismanagement.

Mr. Speaker, I want the Honourable Member for St. Michael South to explain to the people of this country how is it that every year the Barbados Tourism Authority has been spending more money on marketing, yet when you

analyse the period between 1994 to 2002 we cannot show any significant increases in tourist arrivals in Barbados, hotel occupancy rate, the number of beds available in Barbados and the people employed in the tourist industry. Those must be the yardsticks of definition that would assist any Barbadian to determine whether this sector is performing. I have also indicated and brought evidence to show, that tourists are spending less in Barbados. I do not know about the super performance of which the Honourable Member spoke about. However, he is very good at those things.

Sir, anytime that we are discussing tourism as a sector, it is part of traded sector in Barbados, to properly understand and place it into the context of the Barbadian economy, we must look at the performance of the traded sector over the same period of time.

I want to say to this Honourable House that when I look at the Annual Statistical Digest of the Central Bank for 2002 and corroborated by the Economic Reviews for the same period, both of them have shown that since 1994, the Barbados economy has recorded a steady decline in the performance of the traded sector, including tourism.

In fact, the review also stated that if one looks at the contribution of the GDP by the traded and non traded sectors since 1994, the best performing year was 1994 immediately after the structural programme in Barbados. What has this Government been able to accomplish? Sir, with four ministers, three dream teams and millions of dollars of additional spending in tourism. I want to know what they can show for it in a tangible way.

I want to remind the Honourable Member for St. Michael South that the Barbados Economic and Social Report of 2002 has indicated that tourist expenditure fell for the last three years by more than \$90 million. If the Honourable

Member wants the quotations he can go and check it for himself.

Sir, I see this bond issue as nothing more than another debt being incurred by Government. It is a debt that is not going to be shown in the expenditure of Government in a way that it would affect the fiscal deficit on current account but that is a strategy, as indicated by the Honourable Member for St. Michael North West, that this Government likes to employ. They feel that they could fool Barbadians because it is not a loan from Government directly and would not necessarily show in the current accounts.

Sir, people in Barbados still have to repay that money whether or not shown in the deficit. It is the responsibility of Honourable Members on this side to make sure that anytime taxpayers' money is being utilised in this country that it should be utilised well and there should be accounting and reporting procedures to demonstrate that it has been spent well.

I thank you, Mr. Speaker.

Hon. A.P. WOOD: Mr. Speaker, I rise to make my contribution to this debate on this most important tourism sector. At the outset let me enter my full support for this bond issue.

We have heard a lot from this side and some statements from the other side. We have gone around the periphery of the subject. At some times the Honourable Member for St. Michael North West went towards the core of the subject matter but I cannot say that the same obtained for the other two Honourable Members from the other side.

Sir, the fact is, when persons come into this Honourable Chamber I think that we need to lift the level of discourse.

Asides

Hon. A.P. WOOD: I heard from the outside the Honourable Member for St. Philip West, my colleague, made mention of something that is as far away from the truth than it can be. He said that since 1994 there has been no real improvement in the tourism sector and we are led to believe that all that this Government has tried in respect of engineering and re-engineering the tourism sector in order to have it play a more prominent role in our economic development for the last nine years, that we have misled the nation.

16.00 p.m.

H12/30

Tuesday, November 18, 2003

4:00 p.m.

Continuation of Hon. A.P. Wood:

Mr. Speaker, we heard figures bandied around here this morning, and I am not going to repeat them. Sir, the Honourable Member for St. Michael North West reminded us that apart from the effect which the economy would have suffered in 1999, occasioned by decline in the national economy and then the events of September 2001, which this would have shown up in the tourism performance, especially in the latter half of 2001, and into 2002, the fact of the matter, Mr. Speaker, is that between 1994 and 2003, apart from those periods which I have just identified, this tourism sector has expanded.

Sir, if we looked at tourist arrivals, the employment figures and contribution to domestic output, we would see that from 1994 to 2003, there was an expansion in the tourism sector. I am not going to dwell on that point any longer but I would share in the sentiment of

the Honourable Member for St. Michael South that the Barbados tourism sector in 2003 has been rebounding and that is not in dispute.

Sir, whatever the Honourable Member for St. Michael South and his planners in the Ministry of Tourism are doing, notwithstanding the difficulties you may have here and there, like any other Ministry or sector, I would encourage them to press on and they have my full support. The direction in which the tourism industry is going in the 11 months of this year, I think we want it to continue in that direction.

Mr. Speaker, the Honourable Member for St. Michael North West also made mention of the fact and the issue, really, and he was supported by the St. Philip West representative, in that the manner in which we are seeking to get these funds for the tourism sector, is in some way mystical in that we are trying not to leave it to the responsibility at this round, to the treasury to provide these funds to move the tourism sector forward. The Barbados Tourism Authority is not a profit-making entity, and if you take that to its logical conclusion, you might want to conclude that under no condition will we come into this Honourable House and seek to get any funds for the Barbados Tourism Authority, because it is not a profit-making entity. Therefore, it might fall to the responsibility of the Consolidated Fund to meet these payments when they are due.

Sir, I know that the Honourable Member for St. Michael North West knows differently. The Honourable Member for St. Philip West may not know differently. He knows that the real issue is not the option exercise in order to avail the tourism sector of the money, but it is the effectiveness with which the money is used. We seeking to utilise these resources in the best possible way to move the tourism sector forward and in so doing to move the economy forward, so that we build capacity within tourism and outside tourism and generate

enough activity in the macro economy, to ensure that when the payments are due that the economy is in the position to make the payments. This is the real issue.

Sir, I am not saying whether we should leave it to the responsibility of the Treasury up-front and bring it from the Consolidated Fund or whether we should use a bond issue, and later it falls to the Consolidate Fund to make the payments at the appropriate time. I am more concerned, as to whether we are seeking to make the most effective use of the \$25 million to promote development in a sector that is vital to the economic fortunes of this country.

If the Honourable Member for St. Michael South tells us that this money is to be used for worthy and noble purposes, as we seek to expand activity in the tourism sector, that is what I am concerned about. I am concerned about expanding activity in the tourism sector. I am concerned about raising the levels of employment in the tourism sector. I am concerned about guaranteeing airlift. I am concerned about us gaining access to new markets and getting more of the existing markets through more airlift, so that the employment level would increase and the Honourable Member for St. Philip West would be happy.

Sir, once we have it right and we are on the mark, then it would impose little or no burden on the system, in order the make the payments when they are due.

Mr. Speaker, I am going to move on from there because I heard the Honourable Member for Christ Church East addressing this same point with some eloquence, so I am not going to dwell on it. Sir, there is a point which the Honourable Member for St. Lucy likes to dwell on, and you would think that he is the strongest proponent in the architect of community tourism. As a matter of fact, if you listen to

him carefully, and you actually believe him, you would think that he is a consultant on tourism to this Government. He fancies himself as an expert in tourism with a specialty in community tourism.

Sir, he went on to a very important point, which I am going to spend some time on now. That is, sectorial linkages, and how we can use the tourism sector as an anchor, where through backward and forward linkages, we can stimulate some activity in the other sectors. I thought that he was going to - then again, I should not be misled, it is foolish to think that he could develop a point as important as that one - but I actually thought for a change that he, having zeroed in on something that makes sense, he would seek to elaborate on that particular point.

House, 12, sequence 31, 16:1014

Tuesday, November 18, 2003

Continuation of Hon. A. P. WOOD:

Mr. Speaker, when we come in here to discuss a sector that is as important as the tourism sector, what we should try to do, after we get past the (long talk) and the pulling down of each other, is to look ahead to see how best we can move the sector forward. We agree that it is pivotal to the macroeconomic performance and to the extent that is the case, therefore, when we come in here to speak about it we should be offering suggestions for the way forward. I must admit that the only Honourable Member from the other side who attempted to make contact with that important issue is the Honourable Member for St. Michael North West.

When we look at the way forward, we must address this issue of sectoral linkages. When I was Minister of Agriculture and Rural Development, I said both inside and outside of

this House on numerous occasions that we needed to use our best efforts to develop stronger linkages between agriculture and tourism. When I was at the Ministry of Agriculture and Rural Development, we initiated an economic linkage project because we wanted to see how best we could link agriculture to the other sectors in the economy because there was a school of thought that commentators not well-informed were seeking to decry the efforts of the agriculturalists and to give the impression by using summary statistics alone and not understanding the true importance of the agricultural sector to the macro economy that we can downplay the strategic importance of the agricultural sector.

An issue as to how you can measure the true impact of agriculture to the economy came up. When we engage in serious discussions on that, it forced us to look more at enhancing and strengthening the linkages between agriculture and the other sectors of the economy. They were getting the measurement issue wrong but even beyond that it was vitally important for us to examine and re-examine this issue of sectoral linkages. So we initiated work on this economic linkage project and we said we would spend more time on addressing the linkage between agriculture and tourism. Naturally, we engage the stakeholders and we had a series of meetings with them and we got the players in the tourism sector to buy into the project. Some of them expressed reservation in making financial resources available to facilitate the consultant work but they were willing to contribute in other ways to the project.

We did the demand side of the study. We also in a very meticulous way, made use of some work that was previously done by the Caribbean Agriculture Research and Development Institute (CARDI) and determine in a very definite way the demand profile of the tourism sector. Having done that, we needed to

feed this information into the supply side to determine the supply capability and capacity of the agricultural sector. The important thing then was to get the timing and the quality issues correct. We recognised also, and I am not ashamed to admit it, that such an effort could not be a one-off thing because it was an activity that you needed to stick to.

Sir, with the help of the Inter-American Institute for Cooperation on Agriculture (IICA) we got them to take the lead in keeping this project alive. They have agreed, and it would be written in their work programme over the next four years but more particularly they would be taking it on during this year, that they would seek to establish an agro-tourism council in Barbados. The expressed purpose of that is to provide a forum through which discussions can take place and information generated which could link the agriculture sector to the tourism sector in a very meaningful way.

When the Honourable Member for St. Lucy made contact with this sectoral linkage issue, I thought that those are the types of things that we want to talk about because those are the things that are important if we agreed that tourism is the sector that would lead our growth. There is potential for other sectors as well. In enhancing the linkages, tremendous efforts should be paid to exploring the full extent of the gains that can be had from strengthening those linkages.

Mr. Speaker, the Honourable Member for St. Michael North West in a very direct way in which we could all understand, quite unlike the Honourable Member for St. Lucy who attempted to make a similar point but in a way that we could understand, encourages us to take a very holistic and comprehensive view of the tourism sector so that the way forward should not be one which is characterised by effective planning for only certain segments of the sector but we should seek to move every segment of

the sector forward together. I agree with that. I know that the strategic plan of the tourism sector, the one the Honourable Member for St. Michael South is so capable of speaking to, embraces all segments of the sector, and that is a fact.

I can stand here and recite the establishment of the various funds designed specifically to spur activity among the small hotel sector of the industry. I can stand here and recite the efforts being made at the level of community tourism. I can stand here and speak to how this Government has been facilitating the industry by making use of the consultative process. We all recognise the importance of this sector and the importance of getting all the stakeholders, whether central or peripheral, involved in the consultative process with a view of determining a plan for the industry which would see it expanding in such a way that the gains to be derived are shared among all who want to play.

Mr. Speaker, when one hears the Honourable Member for St. Lucy speaks about community tourism, one would think it is something quite unknown to the Ministry of Tourism and it planners and would think that it is something that the Honourable Member for St. Lucy has been trying to drill down the throats of the tourism ministers over time on this side.

House 12 Sequence 32

4:20 p.m.

Tuesday, November 18, 2003

Continuation of Hon. A. P. WOOD:

Mr. Speaker, the fact of the matter is that this Honourable Minister of Tourism, this Government, this team of tourism planners, have all formulated a reasonable comprehensive plan for community tourism.

Sir, I can assure Your Honour that the elements of this plan, once effectively implemented, once wider Barbados gets the chance to evaluate and to access the worthiness of this plan, they would be asking for replication of certain elements of this plan.

Sir, the Ministry of Tourism and International Transport programme entails the following initiatives:

De Heart Uh Barbados celebrations.

This initiative is being undertaken in collaboration with the Environmental Special Projects Unit of the Ministry of Housing, Lands and the Environment. Its aim is to sensitise communities around St. Thomas and the surrounding parishes of the nature-based attractions within their communities. The celebration is also aimed to provide a forum where residents can showcase their various talents and skills whilst deriving economic benefits. Sir, this initiative is rooted in the community for the benefit of those small business persons located therein.

A Bed and Breakfast Accommodation pilot project.

This initiative is also being undertaken in collaboration with the Environmental Special Projects Unit, where residents within the heart of Barbados would provide bed and breakfast accommodation to visitors.

Sir, I must admit that the Honourable Member for St. Lucy would fully support this because, on a number of occasions, I have heard the Honourable Member speaking to this project.

The Barbados Black Belly Sheep Initiative.

This initiative is being undertaken in collaboration with a number of governmental,

non-governmental organisation and regional agencies. It aims to create a signature mark/logo for the Barbados black belly sheep and to create souvenirs/novelty items, using the Barbados black belly sheep as the theme.

A Local Arts and Crafts Exposition.

This initiative is aimed at exposing local arts and crafts to the tourism industry. It is undertaken in collaboration with the Barbados Arts Council and the Barbados Craft Council. Sir, two expositions have already taken place at the Colony Club and the Blue Horizon Hotels.

The Barbados Scotland District Eco-tourism Initiative.

This was undertaken in collaboration with a number of regional and governmental agencies which aim to develop the agro-potential of the Scotland District.

(f)Community Awareness Tourism Workshops.

These workshops are targeted at communities across the island with the aim of equipping them with the necessary skills to develop community-base tourism projects. The most recent workshop was held in February, 2003, at the Speightstown Resource Centre.

Mr. SPEAKER: The Honourable Member has two minutes.

Hon. A. P. WOOD: Thank you, Sir. This programme is speaking to the importance of educating Barbadians about the worth of the industry and of the tourism product. Sir, this programme attempts, in a very structured and coordinated way, to bring the benefits to be derived from tourism into the heart of the communities, so that there would be wider acceptability and awareness being created amongst Barbadians about the vastness of the

tourism industry and about the possibilities that exist for many Barbadians to participate in the tourism sector at some level.

This is the strategic importance of this programme and, therefore, I would like to support the Ministry of Tourism and International Transport in its efforts in this regard.

Mr. Speaker, as a Member of Parliament for a rural constituency like that of my Honourable friend from St. Lucy, I know that as long as it is taken to this level and is expanded, my constituents from St. Philip North and St. Philip West, would be able to benefit at some stage.

Mr. Speaker, I have addressed a number of issues and would need time to deal with the others but I did say that I would have been brief. The fact that I was not brief is a clear indication of the importance attached to the tourism sector. I am certain that all Honourable Members in this Chamber on both sides would want the sector to rebound and to prosper because as long it is done right and managed properly, there would be benefits to be derived, even for the smallest business person in the society. I thank you, Mr. Speaker.

Hon. R. C. EASTMOND: Mr. Speaker, on a number of occasions the Honourable Member for St. Michael South, the Minister of Tourism and International Transport, has referred to Barbados as a matured tourist destination. Mr. Speaker, I take it that when the Honourable Member makes such a pronouncement, he is doing so in circumstances where he is aware that comparatively speaking, there are countries such as the Dominican Republic, Cuba, and some that are in the Anglophone Caribbean, that are younger tourist destinations.

Mr. Speaker, at the same time, I have every confidence that the Honourable Member for St. Michael South is a marketeer by profession and

in the context of marketing, reference to a matured destination means that our tourism industry is neither in an early growth stage nor that stage following an early growth but that it is approximately 50 years old and has reached a point where the types of synergies and consequences that would have flowed during the early growth stage and the maximum growth stage, are not now available in the same degree as before, and so we are challenged to find new strategies.

Sir, I think we are at a stage now where when Barbados(tourism when compared with Cuba, the Dominica Republic, Grenada and St. Lucia, is a product that has aged. What it, therefore, means is that we must ensure that the law of economics which speaks about the law of diminishing returns, does not affect our tourism.

Within economics, I am told by economists, is that up to a certain point, there might be increasing returns to a scale but then there would be a peak and, therefore, the returns then slowly diminish. Quite frankly, I suspect that is the point that the Honourable Member for St. Philip West was making by implication. H:No.12(33)430 p.m.

Tuesday, November 18, 2003

Continuation of Hon. R.C. EASTMOND:

However, I shall get to the contribution of the Honourable Member for St. Philip West later on in this debate.

Mr. Speaker, when we look at tourism we have to look at a number of other variable besides airlift, the hotel plant or the degree in which the population as a whole has been mobilised to support the industry. We also need to look at what threats there are as there are real threats to tourism. In a culture where the number of tourism attractions in Barbados

are not unlimited and are not numerically outstanding we must constantly bear in mind this particular variable and work to suit.

Mr. Speaker, I recall some years ago a survey being done which reflected the shortage of tourism attractions in Barbados and amazingly, even though everybody recognises that Harrison's Cave, in recent times, has been identified as the number one attraction, would you imagine that six months after Chefette at Warrens was built that some people naively mentioned it as a very important tourism attraction in Barbados. I think that anyone who makes that observation is reflecting the fact that we do not abound in terms of the number of attractions that we have in this country. Therefore, we have to be cautious and prudent in our tourism planning.

There was a time when French Canadians came to Barbados in large numbers in the 60s and 70s because of the island's indigenous attraction and because the tourist product at that time was not mature, aged nor decrepit but young, vibrant and virile. Mr. Speaker, in the last ten years the numbers of French Canadians coming to Barbados have gone down and one factor for this has been the absence of airlift.

If we take it that French Canadian tourists have not been coming to Barbados in the same numbers as before, then in a situation where there are no direct flights from Montreal to Barbados, we would have to blame the decline to some extent on absence of airlift. Before I come to the aspect of the speech of the Honourable Member for St. Michael South that dealt with airlift I want to look at a few items mentioned in this debate.

More than once, I heard the Honourable Member for St. Philip West expressed alarm at the national debt. I want to focus for a few minutes on that aspect of the Honourable Member's speech that addressed the national

debt. If in the normal course of things, an individual with no income and a poor credit rating continuously borrows on tender resources then his behaviour as a debtor would be considerable cause for concern. I want to make the point that before we assess the speech of the Honourable Member for St. Philip West we have ask ourselves if the debt to which he referred is sustainable or unsustainable.

My own position is that even though borrowing will affect the national debt, unlike the period 1991 to 1993 when this country experience a diminution in its credit rating, Barbados' credit rating is high at the moment.

I see this Resolution before the Honourable House as one attracting funding in the form of investment. The Honourable Member for St. Michael South is asking Parliament's authority for further investment. If it were money to be acquired for consumption, especially when one considers its debt generating capacity, I would have been alarmed like the Honourable Member for St. Philip West. However, Government's management of the economy, the deficit and the size of our foreign reserves will have to be taken into full consideration against any charge that we are behaving recklessly in terms of borrowing.

Mr. Speaker, when the Honourable Member for St. Philip West does his research, goes down the road of history and then make allegations that reflective of our inability to manage the affairs of tourism, is the fact that we have had four tourism Ministers in a short space of time, I want the Honourable Member to follow this dream that I seem to recollect.

I recollect the years 1992, 1993 and 1994 that a man called Arthur from Passage Road, whose brother is a famous attorney called Herbie Arthur, was to be put into a particular job and there seems to have been divisions in the rank of the Democratic Labour Party to such a

degree that one tourism minister changed, another one changed and it is for the Honourable Member for St. Philip West to work out in his research how many ministers of tourism there were just before 1994 and just before the no confidence motion that brought the Democratic Labour Party administration down.

I want the Honourable Member to research this not in a bias or lopsided way but to look to see that there have been four Ministers of Tourism in four months when the Democratic Labour Party maladministered the affairs of this country. Sir, this history is there for all to see.

Sir, a Prime Minister got lynched, so the name Lynch is not peculiar to the Honourable Member for St. Michael South. In all that, there was a Sylvia Lynch and the ultimate effect of it all, Mr. Speaker, was that in 1994 we had a successful no confidence motion against the Prime Minister when he was lynched and brought down.

MR. SPEAKER: Honourable Member for the parliamentary record, I hope you would go on to say that he was lynched and explain what it means.

Hon. R.C. EASTMOND: Mr. Speaker, not very many Honourable Members in here today were in Parliament in those days.

Asides.

Hon. R.C. EASTMOND: Mr. Speaker, you seem impatient for a speedy response. A no confidence motion was brought against the Prime Minister of the day. It carried and the Prime Minister was found guilty by this Parliament because it expressed no confidence in him as an officer of this Parliament.

Sir, Parliament reserves the right to discipline

its officer and the Prime Minister of the day was so disciplined that he had to call an election and in the process he and his party got lynched. He was so politically mutilated as to be finished politically. H12/16:40

Sequence 34

Tuesday, November 18, 2003

Continuation of: Hon. R.C. EASTMOND Mr. Speaker, I am not talking about lynching in the context of the Ku Klux Klan, I am talking about becoming so politically mutilated as to meet ones political demise.

Mr. Speaker, I want to look at the matter that the Honourable Member for St. Michael South raised. The critical importance of a plan which, in my view, is not separate and distinct from marketing but a plan which is inextricably linked with marketing. This proposal has to do with increasing the frequency and availability of flights coming from places that the Democratic Labour Party never thought existed.

Sir, the position is this. As I said earlier, we need to formulate stratagems by which we try to preserve our tourist product and push our tourist industry. The Honourable Member for St. Philip South was making that point, when time unfortunately ran out on him. There are still persons in England, America and Canada who have never heard about Barbados. There are still persons in this world, if you tell them that Barbados is a premier tourists destination, would ask you, in which part of Jamaica Barbados is located. Bearing this in mind, the Honourable Member for St. Michael South has cleverly worked out which new areas abroad ought to be areas from which we should pull tourists to entice them to come to Barbados; that is not asking too much.

In many situations, one of the problems with

Caribbean tourism is a shortage or absence of repeat visitor arrivals. In the 1960s and 1970s if a person went to the Bahamas he would go back in those days but that does not happen to the Bahamas these days as much as it did then. I do not know, so I will rely on the resources of my my friend, the Honourable Member for St. Philip West, as to the number of repeat visitors who visited Barbados five years ago. I will work with the Honourable Member for St. Philip West, both to find out that information and to enlighten him in the intricacies of economics and marketing for I sense we have an enthusiastic Member of Parliament but at the same time a misguided Member of Parliament.

Asides

Hon. R.C. EASTMOND: This is a fact not mentioned by the other side and no Barbadian can ignore it. If this Government, after September 11, 2001, had curled and said, (Alas, Alas, the Gods have decended in their fury upon us.(If this Government had given up and panicked, then the question would be, where would our tourism be today.

Instead, we had a national consultation inviting all the relevant stakeholders and we set about to care for tourism in a way, perhaps, never known before. How many Caribbean countries this evening whether in the English, French or Spanish Caribbean can say that their tourism recovered to the same degree as Barbados(tourism since September 11, 2001? That is a point that I want the Honourable Members from the other side to appreciate.

Sir, there can be no question that the Honourable Member for St. Philip West is correct in his assertion that arrivals by themselves do not necessarily mean great spending in the economy and that is a point that I would yield to. However, at the same time there must be a certain minimum number of arrivals to make our product feasible and viable

and we have passed that minimum number.

Mr. Speaker, our product still, despite the mature stage that it has reached, has a lot to offer. The reputation of is Barbados strong. Sir, even though I have mixed feelings about what I am going to say now or even though I have not properly thought through all the possible consequences especially in the long-term, let me make this point. Barbados has proved so attractive not only to people coming as tourists but to persons from abroad who want to acquire property here and live here permanently.

Mr. Speaker, a point not mentioned by the Honourable Member for St. Philip West is this. When his Party demitted office in 1994, investor confidence just like credit rate rating was low. Today in Barbados investor confidence is high and the number of Barbadians in 1994, seeking US visas to flee the country to go abroad has decreased. Sir, people in Barbados have greater confidence in their country now than when the Democratic Labour Party ran this country between 1991 and 1994.

The Honourable Member for St. Philip West made the point that the national debt was lower in 1994 than it is now. Yes, it is in terms of actual figures. It is not as simple a matter to say that there is a billion more in debt without looking at the total GDP, the expansion of the economy and the foreign reserves. What was the level of foreign reserves in 1993 and 1994 in Barbados compared with what it is now?

Asides

Mr. SPEAKER: Please, please, please.

Hon. R.C. EASTMOND: Mr. Speaker, when we consider where we are now, we have to bear in mind that even though Barbados is not the number one tourist destination in the world, it could very well be the number one tourist

destination in the English-speaking Caribbean. Even though there is still a lot of work and reviewing to be done, we still have hope.

Mr. Speaker, for anyone who might be curious as to what we are doing on the floor of this Honourable House now, I would refer him/her to the actual terms of the bond issue. The terms of the bond issue suggest a level of prudence, taking into the account those who would be buying the bonds and those who would be liable to repay them.

Mr. Speaker, at the same time, as I suggested earlier, we have to see what we are doing here not as acquiring money, and if I were like a former Honourable Member for St. Michael South Central I would say (To run in Nelson Street and lick it out.) We are not doing that Mr. Speaker. This is not money borrowed to be licked out or to be fretted away. This is money which is being acquired for investment in an enterprise in an area of economic activity which is important to us and which we know led Barbados(economic recovery and economic fortune since 2001.

Mr. Speaker, I conclude, as I started, by speaking to the marketing aspects of management. We have reached a stage in terms of our marketing that we have to look at all of Barbados. We have to look to see to what extent people still come for the sea, sun and fun. We have to see to what extent people come for sports, and this is an area that the Honourable Member for St. Michael South would clearly explore and we have to look at the extent to which Barbados is a desirable destination for conferences.

I am not unaware that Trinidad and Tobago is fast seeing itself as the conference centre of the Anglophone Caribbean. We cannot ignore that fact.

16.50 p.m.

H12/35:

Tuesday, November 18, 2003

4:50 p.m.

Continuation of Hon. R.C. EASTMOND:

Sir, we have to look at the extent to which the ordinary recreational side is still a factor in the tourists minds, to the extent to which sports is a factor and conferences is a factor. Mr. Speaker, we also have to capitalise on the extent to which cultural activity can be a big pull factor to this country. We have to access all that there is which we can offer.

Sir, it would be wrong, as I consider our bringing that Concorde here for anybody to think that you could just set up a hanger for a Concorde and nothing more. The whole area around the Concorde is going to be made attractive to pull people to visit the plane.

Mr. Speaker, when considering marketing, we also have to look at the degree to which we have penetrated markets, and the extent to which there are markets, untouched. I believe that all Barbadians will be well-encouraged to come to the realisation that, notwithstanding the excellent efforts we have made so far in marketing our tourism, there is still scope out there. We, in Barbados, have not seriously considered the extent to which Latin America, or parts thereof, could be attractive to persons coming from there for purposes of holidaying or doing other touristic activities in Barbados.

We also have, Mr. Speaker, in a situation where there are some controversies enveloping the area, to consider the question of how far have we really reached, on the cruise side of tourism, the extent to which we can sit down and negotiate with cruise ships for them to

consider extending their time of stay in Barbados. If you look to see where cruise ships can function in the entire world, the cruise liners that come to Barbados do not really have any (elbow-room) to operate in the Pacific Ocean or in the Indian Ocean. It is the Caribbean that they must come, and we should bear that in mind as a principal negotiating strategy when we talk to the cruise lines.

Unfortunately, because some cruise ships only come for a few hours, those persons operating in the secondary businesses in Barbados, such as taxi drivers, entertainers and such like, do not get the maximum out of the cruise industry. A few drivers, yes, a few persons that sell souvenirs, yes, but a lot more could be done if we could encourage cruise liners to come more often and encourage them to spend longer lengths of time here in this beautiful country.

Mr. SPEAKER: The Honourable Member has two minutes to conclude.

Hon. R.C. EASTMOND: Sir, for which I am very grateful. Would you believe, Mr. Speaker, that a half hour ago, I had no intention of taking part in this debate, but so intellectually provocative was the contribution coming from the Honourable Member for St. Philip West, albeit in his role as an amateur economist, that I had to get involved in this debate.

Mr. Speaker, I want to thank you for being so patient and I want to say, that ultimately, if we consider the foundations of our economy, and what those foundations consist of, we would be less than wise if we took any negative position that our tourist industry has come to a stage where we should not nurse it along, even further.

I thank you, Mr. Speaker.

Mr. R.D. JONES: Mr. Speaker, I do not, by

any stretch of the imagination claim to be an authority on tourism issues. I am so founded, like the Honourable Member for St. Michael South, who, in his meandering ways tried to connect all and sundry to make what he assumes is a profound point, rather than to deal, Sir, with the Honourable Member for St. Michael South, I would want to share, because there has been a lot of discussion about statistics between both sides of the House today, and I want to encapsulate that by sharing a small anecdote with you, Sir, and the Honourable Members of this Chamber.

The story is told of a stranger seeing a young girl running up and down on the beach, not in Barbados, picking up star fish and throwing them back into the sea. The stranger asked her what difference does that make? The young lady, like so many of our school children said, as she continued to throw the star fish that was washed up on the beach back into the water, to that one it makes a difference and to that one it makes a difference. Therefore, to the thousands of unemployed people in Barbados who were previously employed in tourism, to each and everyone of them today, who are not employed in that sector, it makes a difference.

Sir, it makes a substantial difference and rather, we get up in here and revel ourselves in all of the language and in the quoting of statistics, the proof of how any collapse in tourism, impacts on this country, we have to look at the individuals. When we sort of build that up and look at the total numbers that this would impact, we will see that it does not only impact on the individual person but on that individual(s) family.

I would therefore want to encourage, Mr. Speaker, when the Honourable Minister of tourism, and those on the Other Side who buttress themselves with a large mass of statistics to try to disprove the substance and the strength of the argument coming from This

Side of the research carefully analysed, that they take stock.

Sir, statistics are good, they are important to point us in a given direction but at the end of the day, we must consider the individual, those small men and women that the Government and the Honourable Member for St. Thomas like to talk about, particularly not in this Chamber, that they would pay attention to that very small fact. It is a small fact in their minds, Mr. Speaker, but it is a major fact to those persons whose capacity to earn would have become highly diminished, because they do not or were not able to find employment in that sector.

There should not be any quarrel on the issue of seeking to have an expansion in this economy, led by the tourism sector. When that happens, you know people in Christ Church East Central who have been trained in the hospitality services at whatever level, either here in Barbados or in the Bahamas, would be able to find sustainable employment within that sector. Persons in other constituencies, Barbadians who are willing to go into that service oriented industry, would be able to find employment in that sector and this is what I would want to see.

Therefore, when it is shown and it is lucidly clear that there has been some decline, there is no need to fight and to get into the verbal or feudalistic combat that some on the Other Side want to do. They should recognise the point and understand that any criticism which is coming from This Side is set up in a constructive mode, in order to persuade them that there are things to be done so that the total Barbados benefit from whatever fare is provided by the tourism product within the country.

We have a responsibility, Mr. Speaker, to point to the weaknesses of any policy, idea or programme which is brought by the Other Side.

House 12, sequence 36, 17:0014

Tuesday, November 18, 2003

Continuation of Mr. R. D. JONES:

It is unfortunate that the Honourable Members on that side, those who were in here in the early 90s and those the people of Barbados sent in here since the early 1990s- I have no quarrel with that - all seem to be caught up in a time war. They have no true understanding of events and the historical processes that those events have caused. In order to make a cheap shot there is a lot of froth and fury emanating from their mouths which does not carry us any further than at a particular point, but we need to move further.

I would want the representative of the people of St. Thomas to recognise that point and make the kinds of contributions which...

Hon. Miss C. Y. FORDE: On a point of order. Mr. Speaker, I have not yet made any contribution in this debate, therefore I think it is unfortunate that the Honourable Member continues to refer to me.

Asides.

Mr. R. D. JONES: Mr. Speaker, the Honourable Member for St. Thomas has been a friend of mine for nearly 30 years and I do not know why she continues to pick at my contribution. I am not following the analogy of (hen and peck).

Asides.

Hon. Miss C. Y. FORDE: On a point of order. I never supported him as the union(s) president at all, so I do not know where that talk is coming from.

Asides.

Mr. SPEAKER: I was about to ask him if in those 30 years, he has paid her the appropriate attention.

Asides.

Mr. R. D. JONES: I thought, Mr. Speaker, that in some slight shift that might be the reason for the problem, but I am trying to make up as we go down to lunch on afternoons.

Asides.

Mr. R. D. JONES: Mr. Speaker, I was making the point about the time warp mentality of the Honourable Members on the other side. We cannot spend our time as a Parliament and as a people marching time in mud, we must progress forward to find solid ground on which we can build this economy and this country.

I do not believe that by the mere bringing of this Resolution to this Parliament by the Honourable Minister of Tourism that we would find that solid ground. All the people of Barbados must be involved in that search to find the solid ground particularly as the Honourable Prime Minister continues to speak about the new issues which we are facing at this point in time as it relates to the development of this country. So let us search for solid ground and let us encourage those who are comfortable in wallowing in mud, to wash their feet and walk with us on this side in finding those solid solutions for the development of this country.

Mr. Speaker, there is a difficulty with the tourism product in Barbados which has nothing to do with mature plant or aging structures. There is a substantial disconnection at this point in time, between the people of Barbados and tourism as a product. There was a point in time in Barbados when the smile was not a

forced smile, we did not have to squeeze a smile out of the faces of Barbadians to make anybody feel welcome and we did not have to encourage the Government Information Service (GIS) to parade persons before the television saying that tourism is our business let us play our part. There was a natural response of the Barbadian character and spirit.

Today, it appears as though we have to squeeze the smile and therefore the smile only reaches the stretched lips and does not carry up to the eye and the forehead. These are some of the issues which the Minister of Tourism, the Barbados Tourism Authority and maybe the wider Barbados might have to consider as we address one of the major sectors in the Barbadian economy if we want to go anywhere. So this disconnection has to be eliminated or brought down to the lowest possible level.

Beyond the issue of education and the issue of trying to suggest to people that this product is important to the development of Barbados, because the Government of Barbados has been forcing this country down this very narrow niche, we have to let people know that it touches the individual in a direct way, in that, the resources that are generated from this product impacts on our earning capacity, our social welfare situation, our education and on our health. In other words, the tourism product impacts on our total livelihood of individuals and the nation and forces or encourages our people to see tourism in that kind of way rather than as an institution where a tourist comes and you want to do anything to simply drag that dollar out of the tourist.

We must see that the tourists regardless of whatever complexion - and I am talking about the colour of their skin and not of anything else - are treated in a manner in which we would want to treat our neighbour, as guests in our homes.

There can be no arguing the question that regardless of the restructuring of the Barbados Tourism Authority around 1995\1996 that at this point in time the seven-year period has come and almost gone, so we need a careful reformatting of the Barbados Tourism Authority.

The Honourable Member for St. Philip West spoke of the dream team, those who were to rescue the tourism product. What we have seen, and I have stated it before and I will merely repeat it, is a constant trek of persons out of the Barbados Tourism Authority. Some persons have spoken of the demolition of those persons. I do not know, I was not there and I did not participate therein. All I can tell you is that many of them have emerged from their collision with the affairs of the Barbados Tourism Authority bent and broken. Therefore, something has to be wrong within the walls of the Barbados Tourism Authority and in the minds of those involved in the Barbados Tourism Authority.

I would speak of a constant which is the Minister even though there were several ministers. When you remove the persons and speak of the authority, the authority is the Minister which is the only constant. One therefore would have to see some kind of causal relationship between that constant and the movement of persons out of the Barbados Tourism Authority. That is why I called for the reformatting of the Barbados Tourism Authority and the Ministry of Tourism. Maybe we need to have somebody in that position who is not a guru on tourism in Barbados but someone who is willing and able to learn and therefore would try hard to ensure that he or she is successful. I have the highest respect for all those persons who have been involved in education, so I am suggesting that we could promote the Honourable representative for St. Thomas to that most important aspect of the economy of Barbados.

House 12 Sequence 37

5:10 p.m.

Tuesday, November 18, 2003

Continuation of Mr. R. D. JONES:

Mr. Speaker, I am requesting the job for my Honourable friend and colleague because I believe she would do a better job since she is in a learning environment and might be willing to listen.

Mr. Speaker, there must also be a cordial relationship between monies paid to persons and their productivity levels, like there must be a cordial relationship between the amounts of monies that any entity receives and spends and the level of productivity and in this case, the levels of money which the tourism product earns for Barbados.

As a country, we are being asked to provide \$25 million through the issuance of a bond to the Barbados Tourism Authority. Sir, I am not going to kick this out through the window. It is demarcated in denominations of \$1 000, at a five-year duration, at 4.75 per cent per annum. I would encourage any entity to which I have some connection to make an investment here because it is better than what one gets in the banks today.

Sir, I do not believe that the Barbados Tourism Authority and by extension, the Minister of Tourism and International Transport, could successfully argue that the amounts of money that have been poured into the Barbados Tourism Authority since 1994 and the returns, have correlated very nicely.

Sir, I was born parallel to the runway at the airport, formerly Seawell, now Grantley Adams International Airport. Sir, I saw every airplane,

BOAC and others, some of them have gone and some have died. I saw the Concorde when it first came in. I saw it too yesterday when it came for the last time to be parked at Spencers Plantation. What surprises me is that the Government of Barbados has gone out of its way to accept this gift.

The Honourable Minister has said that it is a gift and I want to stress that point. Even though there are ways and means of hiding many things, it is said to be a gift to the people of Barbados.

There is nothing wrong in develop an aviation museum if a (sugar daddy) is providing it for them. There must be something that they are getting in return but what is important, as they develop this aspect of our tourism, I have seen and have heard many Honourable Member on that side...I remember the Concorde is linked very closely to England, the former mother country, but there are elements or Honourable Member on the Other Side, who have caused this country to be caught up in debates about historical sites and symbols of Barbados to be removed and to be auctioned on the Internet, without recognising the importance of those symbols to the tourism product of Barbados.

Mr. Speaker, I call no name, those persons would know what I am talking about. They are getting rid of everything, so we are going to use the Internet, the great frontier, to sell some of the sites and symbols of Barbados and to get rid of schools from in high places. Therefore, maybe this is a new rethinking of that and outside of all noise initially created by many of those on the Other Side, well now see a calming of those waters, and those sites and symbols which were previously connected to Britain, will not now be removed because they have added to those historical symbols what some persons now called a beautiful technological bird, at Spencers Plantation,

Christ Church.

Sir, persons who have studied and have understood those things must be at a lost. There is no condemnation of the Concorde landing or of Government creating an aviation museum but we also have to move to the issue of how sustainable we could make the marketing and promotion of our tourism product. Sometimes one gets the impression that the efforts of the Barbados Tourism Authority and the Ministry of Tourism and International Transport are fluttering. Today, there would be a promotional idea and as time goes by, that idea would change, as though Government does not understand how they want to promote or to market Barbados to the wider world. There is no consistency and since there is no consistency, there is no sustainability in this effort. Therefore, there cannot be any sustainability coming from the tourism product in the area of job creation or in anything else.

Sir, I, therefore, would want the Honourable Member not to stand and throw stones at the Other Side but, in fact, to understand that we must work in consort to do something substantial for the people of Barbados with regards to tourism, to ensure that it reaches the kinds of levels we all would want it to reach. This is even going to help the Honourable Member when he is no longer in this Chamber, when he goes back as a marketeer in the private sector, when he is removed by the honourable people of St. Michael South, hopefully sometime in the future.

The other thing is that we have to give credit where it is due. Sometimes one gets the impression that all of the initiatives of others, are the initiatives of Government and, therefore, they do not commend those who have done the hard work on their behalf.

I heard the representative for Christ Church Hon. R. C. EASTMOND: . I almost forgot that

was there. I had hoped that he would not have been here but the people have made their choice and, therefore, I have to serve with him in this Chamber. I heard the Honourable Member speaking about persons in Silver Sands, McCleans Road, et cetera. The Honourable Member rises and makes statements without understanding the true reality of how tourism could seriously impact on those persons, and on sending their children to school. He thinks that simply making reference to a village or to a district, or talking about Buffy(s Bar or Marcy(s Shop, places that I know quite well, that somehow all of those persons could be persuaded that Government is working on their behalf.

H:No.12(38)520 p.m.

Tuesday, November 18, 2003

Continuation of Mr. R.D. JONES:

Mr. Speaker, as I conclude, I want to say that I am dissatisfied that enough attention is not being paid to sports tourism. I hope the Honourable Minister of Tourism would not get up to berate me because I understand he has an interest in sports and that he was an athlete of some repute.

Asides.

Mr. R.D. JONES: The Honourable Member for St. John says he was not bad and I will accept that because I never saw him run. I have heard him talk and I hope that his running is far superior to the way he talks. Sir, sports tourism needs to be pushed because a lot of the work presently being done is by voluntarily sporting organisation. Those organisations need more help and assistance to ensure that persons can come from overseas and participate in sports, in adequate facilities, against Barbadians as well as against teams from overseas. Therefore, an appeal must be made

for enhanced sporting facilities across this country and I know I will get the support of the Minister of Tourism on this.

Mr. Speaker, for example, when the Football Association brings a football team with 30 people to Barbados, they stay at a hotel for three nights, with spending money, and if teams could be brought here consistently at enhanced sporting facilities, could you understand the benefits to those hotel plants and the economy of Barbados as a whole. The same could be said of hockey, netball, cricket, volleyball, basketball and netball teams and all of the other sporting associations who many times cry in the wilderness and only hear silence. Sir, persons must rely on their own initiatives and mental prowess without resources to assist them.

Therefore, outside of the solidarity spending with the airlines that the Minister of Tourism spoke about, one hopes that he would carefully look at his tourism budget and see that sporting organisations can benefit substantially from the efforts of the Barbados Tourism Authority.

Mr. Speaker, I want to commend and congratulate Honourable Members on this side for their focused and deliberate presentations on this Resolution and the kind of guidance provided to the Honourable Minister and hope that he would take these things on board rather than getting up to make cheap political points in his conclusion.

I thank you, Sir.

Hon. N A. LYNCH: Mr. Speaker, I want to thank all Honourable Members on both sides of the House who spoke on this Resolution. We consider the Opposition(s contribution to these debates in high order except when some members seek to speak and first state they would not beat up their chest but then shout to top of their voices and create excessive banter.

It reminds me of when I was at school and Macbeth was quoted to me, on the death of Lady Macbeth

(She should have died hereafter;

There would have been a time for such a word,

Tomorrow, and to-morrow, and to-morrow,

Creeps in this petty pace from day to day,

To the last syllable of recorded time;

And all our yesterdays have lighted fools

The way to dusty death. Out, out, brief candle!

Life(s but a walking shadow, a poor player,

That struts and frets his hour upon the stage,

And then is heard no more; it is a tale

Told by an idiot, full of sound and fury

signifying nothing.)

I am reminded when I hear the Honourable Member for Christ Church East Central speak that is exactly where we are heading. Sir, the majority of people in Barbados do not have the same fatalist view of tourism as the Honourable Member for Christ Church East Central and by any means he is not representing the ordinary man in the street. There are some members on the other side of the House who champion the cause of the small man but it is ironic that the small man in Barbados was never dealt with so badly and was never so decimated as when the Democratic Labour Party was in office in this country. Sir, Barbados went through its worst times under the Democratic Labour Party but they come here every time and speak about the

small man.

I said at the beginning of this debate that our performance in the tourism industry has been good. Sir, I did not say it was brilliant, I said it was good because there are severe challenges that we still face in the tourism sector and we are not yet out of the woods. I also said there was an explanation for the performance and the period we are going through and I gave the reasons we are performing this way.

Sir, I said that this tourism economy has performed well and better than any other mature tourism destination in this region and I stick to that point. I also said that tourist arrivals is not the only way to measure tourism performance but it is the traditional measure used in this sector across the region, therefore, statistics are based on this. There is no mature tourism destination in this region that has outperformed Barbados in arrival figures for the year. Sir, this statistic comes from the Caribbean Tourism Organisation, it did not come from the Minister of Tourism.

Sir, I also said that there are also other creditable measures of tourism performance like average occupancy. I explained that with regard to average occupancy that the Central Bank of Barbados quotes hotel occupancies and that the stated figure is 6 500 rooms while Barbados is trading on about 8 500 rooms. A major component, the villa market, where people stay, is not reflected in the Central Bank of Barbados(statistics. I also said that the apartment category is another area that should be considered as accommodation.

I went on to say that people have been building apartments on to their houses on the west coast and south coast which are not registered in these statistics. I said that most of the hotels in Barbados in the middle to upper bands have occupancies of over 70 and 80 per cent during the year and it is that smaller band

at the bottom that pulls down the national average but, Sir, these things were lost on the would-be statisticians on the other side of the House.

Sir, revenue per available room was stated and the Honourable Member for St. Michael North West substantiated that Barbados had the highest in the region.

I want to say the foreign reserves net borrowings have continued to climb in the last eight years.

H12/17:30 p.m.

Sequence 39

Tuesday, November 18, 2003

Continuation of: Hon. N.A. LYNCH The bulk of our foreign exchange, 75 per cent of our foreign exchange earnings come from tourism. Even in the years when occupancy levels fell, the contribution of the tourism to the GDP rose. For example, in 1999 we had \$457 million with an occupancy level higher than 2001. However, in 2001, the contribution in GDP was \$471 million. This shows that even in years where there is a decline in average occupancy, we are seeing increases in the GDP from tourism.

Sir, no one is saying that everything in Barbados is perfect as far as tourism is concerned but the doom and gloom which Honourable Members on the other side of the aisle like to talk about is not happening within the sector.

Mr. Speaker, this is the most challenging period that we have ever experienced in the tourism sector in the region. The performance of the tourism sector in the Caribbean represents a continuous process of recovery after the global falloff in travel due to

September 11th, 2001, the wars in Afghanistan and Iraq and the SARS scare. Sir, this is the type of environment in which we are seeking to peddle tourism across the globe.

There is no destination in this region that has not felt the effect of this volatile and hostile global climate. However, you will hear Honourable Members from the other side say that our strategies are not good and we are not doing anything. The crux of the matter, is that the industry, globally, is facing serious challenges and we have been resilient and we continue to perform better than any of the other jurisdictions in the region.

Secondly, there is concern about profitability in the industry and this had concerned us for a long time. When the Honourable Member for St. Michael North West quoted from the Barbados Tourism Authority study, which is a study that is almost ten years old, and said that Barbados is the most unprofitable destination in the region, ten years ago that might have been the case but that was not the case now.

A year ago the New Tourism Development Act was passed. This Act was meant to give a wide range of concessions and benefits to all of the players of the tourism sector outside of just accommodation which the old Hotels Aids Act gave. The original Hotels Aids Act was passed in 1955, before I was born, and the Barbados Labour Party has now amended it with the New Tourism Development Act which offers a wide range of benefits to both accommodation and ancillary players. It not only gives a benefit at the initial stage of your investment, but through the entire life of your business, every five years you get additional concessions benefits for refurbishment. Mr. Speaker, the profitability of this sector will increase.

Sir, the input costs of this sector has always been the major concern of the tourism players. However, the legislation must be given time to

work. Sir, since the proclamation of this Act, we have received over half a billion dollars worth of new investment in Barbados either planned or established already. If this industry were as unprofitable as the Honourable Members on the other side claimed and the people of Barbados had no confidence in the sector, do you think that there would be that level of investment?

Mr. Speaker, there are concerns about issues relating to brand name hotels and what brand name hotels can bring to the industry in terms of marketing. However, at the same time the doom and gloom scenario which is painted by Honourable Members on the other side is not realistic to what is happening in Barbados(tourism. Barbados(tourism is being challenged but it is recovering. We have been able to weather the storm with innovative and creative strategies, strategic interventions in the face of crisis and strategic budgetary increases, that is what will count in the future.

Mr. Speaker, the Honourable Member for St. Philip West said that Barbados(market share has fallen. That is because new destinations have come online in recent times in this region. A lot of the Spanish-speaking destinations in which the input costs to the industry are much lower than ours. The most important input cost in this sector is salaries and wages cost because that is the highest input cost. In many of these jurisdictions the labour cost is very low and cannot be compared to Barbados(. In Barbados our wage bill is high and the highest component of our cost is salaries and wages.

Barbados has los market share like some of the other English-speaking Caribbean nations but the reason for this is that we are competing against a sector which is totally different from ours, the plants are newer, input costs are less and we have to seek to adjust our costs to bring us to those levels.

Sir, I take the point made by the Honourable Member for St. Michael North West, the Leader of the Opposition, regarding the loss of market share and how we should address that problem and that we need to take a holistic view of the industry not only dealing with arrivals and other measures but dealing with the profitability of the sector in a major way.

Sir, we talk a lot about helping the small man. This administration has done more to help the small man since 1994 than any Democratic Labour Party administration ever did from 1986-1994.

Asides

Hon. N.A. LYNCH: If you look at the contribution to GDP from 1994 to present as compared with prior to 1994, you would find that the GDP has improved over that eight-year period. Therefore, the (lot of long talk(by the Democratic Labour Party means nothing.

Sir, I concur with the Honourable Member for St. Michael North West, that the future of tourism in Barbados is being able to deal with profitability, as well as a holistic approach to how the industry is being managed and marketed.

In the future Barbados will trade on its uniqueness. We have to make our tourism industry more indigenous than in the past because global trading arrangements in relation to services under the General Agreement on Trade and Services (GATS) are going to require us to dismantle a number of things. We need to protect a number of areas of indigenous activity within tourism and the other service sectors because that is where we are going to be able to sell our uniqueness in the future to the rest of the world.

Sir, with the removal of many of the import duties, the industry stands to benefit but that

cannot be done to the detriment of the s,a;; providers within the tourism or any of the other service sectors, who would continue to give us our uniqueness. This is important because tourism is going to become, I believe, more important than it has been in our economic and socioeconomic paths.

Sir, niche marketing is important. However, nothing can happen in tourism, no matter to whom you appeal, or how many footballers come to Barbados or how many conferences are held here, unless you have adequate airlift coming into the country.

17.40 p.m.

H 12/40

Tuesday, November 18, 2003

5:40 p.m.

Continuation of Hon. N.A. LYNCH:

Barbados is a country that does not have a national airline, and this money is being spent on airlift coming into the country. Sir, the issue of demand fuelling airlift is one component but in this issue it is a push and pull strategy. It is not a one way street. If you have an airline flying from a particular destination into Barbados, you will see what will happen because, as I said, it is a push and pull strategy. People will buy it and it adds to our marketing muscle and that is why we are spending the money.

Sir, none of the diversification that we talked about can be done unless we speak of the issue of airlift and we have come here today to speak about airlift. The Barbados Tourism Authority over the years has spent a lot of money. Sir, the tourism industry is a \$1.4 billion industry and we are spending on average \$50 million at the Barbados Tourism Authority, but almost half of that money is going towards administrative costs.

Sir, I hear the Democratic Labour Party members speak in this Chamber about Barbados Tourism Authority and its restructuring. Part of that problem with the BTA and the reason we cannot get people who want to work at the Barbados Tourism Authority is that the Democratic Labour Party decimated the industry during the early 1990s. Therefore, nobody wanted to go there to work.

Sir, we continue to have the issue of that organisation being tainted. The organisation was dragged through the mud.

Asides.

Hon. N.A. LYNCH: Sir, the Democratic Labour Party does things, which stay forever in your mind, that is why it is still in the psyche of Barbadians. Some of the people that we would like to attract, we cannot attract because of the stigma attached to the Barbados Tourism Authority. This was done under a Democratic Labour Party Government and that is why we are where we are today. We have tried our best to deal with the restructuring, but the employees still feel the pain and they know who brought the pain, the Democratic Labour Party.

Sir, when you hear much talk about the small man, but the proof of the pudding is in the eating, not in the talking. Can you imagine a representative not giving a man a licence to

operate a taxi, thereby stopping him from getting an opportunity to work in the tourism sector? They put a cap on this and a ceiling on that, knowing that homeporting is growing and the industry is going to rebound. This is depriving a man from making a living.

Mr. Speaker, this is what the Honourable Member for St. Michael North West would like us to do. When our constituents come and ask for a licence to operate a taxi, to tell them, no, because we have a cap at 1 000 and they cannot get a licence, when there are opportunities out there.

Sir, this is the way that the Democratic Labour Party approaches the small man. They talk a lot in here but where the matters actually count, they do not come up to the plate.

Sir, in this industry, Barbados needs to do a lot but we have done a lot already. I heard a lot of talk about having four ministers in four years. I have been the Minister of Tourism for three years, let me say that when I first got to the Ministry of Tourism I spoke to a lady in the typing pool and she kept on referring to me as, Sir. I told her that she did not have to call me, Sir, my name is Lynch. She said that they did not get attached to names because the ministers did not stick around for very long. This is the legacy that the Democratic Labour Party left us with, in the Ministry of Tourism.

Sir, I say that I do not have to be the Minister of Tourism. There are more than enough competent people on This Side to be the Minister of Tourism. If I were in the Ministry of Agriculture or any other ministry, I would perform just as well as I am performing now.

Asides.

Hon. N.A. LYNCH: Sir, you do not have to be knowledgeable or an expert on a matter to be a good minister in that particular discipline.

I say that we are grooming the next Minister of Tourism on This Side and I am assured that the next Minister of Tourism will come from Christ Church East Central and he will not be the Honourable Member on That Side. I hope that the Prime Minister concurs.

With those words, Sir, I beg that this Resolution do now pass.

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

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

On the motion of Hon. R.C. EASTMOND, seconded by Hon. R.R. FARLEY, the House resolved itself into Committee of Supply, Mr. R.D. MARSHALL in the Chair.

COMMITTEE OF SUPPLY

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

ORDER NO. 9 - RESOLUTION TO GRANT THE SUM OF \$983 852 FROM THE CONSOLIDATED FUND AND TO PLACE IT AT THE DISPOSAL OF THE GOVERNMENT TO SUPPLEMENT THE ESTIMATES 2003-2004 AS SHOWN IN THE SUPPLEMENTARY ESTIMATES NO. 4 2003-2004 WHICH FORM THE SCHEDULE TO THE RESOLUTION AND THAT THE EXPLANATORY NOTES TO HEAD 15 BE AMENDED AS SET OUT IN SCHEDULE II TO THIS RESOLUTION.

HEAD 15 - CABINET OFFICE - \$140 000

Hon. R.C. EASTMOND: Mr. Chairman, I am going to ask you to allow me to start with something that is important. Honourable Members have been circulated and know what this is about. Part of the Resolution is that the

explanatory note to Head 15 be amended as set out in the Schedule to the Resolution.

It had so transpired, Mr. Chairman, that the word, computer, had been inadvertently omitted from the explanatory note, so I am humbly asking that the explanatory note be amended to read:

(...Includes provision for the purchase of a computer, a computer desk, an air-conditioned unit, a fax machine, a VCR, a shredder.)

Mr. Chairman, that is the amendment.

In terms of Head 15, Programme 020: Judiciary, Object No. 1EX02, Other Personal Emoluments, supplementary provision of \$85 000 is being requested under this Object Number to pay acting allowances for judges for the period ending March 31, 2004.

In consequence of that \$85 000, it will be necessary, Mr. Speaker, to pay National Insurance in the amount of \$3 000 and I am, therefore, asking that the provision of \$3 000 be also approved.

In relation to Head 15, Programme 020, 2EX06 - Travel, we are seeking supplemental provision of \$30 846 for the payment of traveling allowances, again for judges for the period ending March 31, 2004.

House 12, sequence 41, 17:5014

Tuesday, November 18, 2003

Continuation of Hon. R. C. EASTMOND:

Pertinent to Head 15 under Object Number 2EX111 - Maintenance of Property, the sum of \$21 154 is being requested to supplement the vote that is relevant to the insurance for judges vehicles.

Mr. Chairman, I beg to move that the Head 15 in the amounts requested stand part.

The question that Head 15 stand part was put and resolved in the affirmative without division.

Hon. R. C. EASTMOND: Mr. Chairman, I also beg that the Explanatory Notes, I discussed earlier be amended and stand part.

The question that the Explanatory Notes as amended stand part was put and resolved in the affirmative without division.

HEAD 22 - MINISTRY OF ECONOMIC DEVELOPMENT

\$18 422

Mr. Chairman, under Head 22 program 040 subprogram 490 Object Numbers 1EX02, Other Personal Emoluments and and 1EX03 National Insurance Contributions, the amount just mentioned of \$18 422 is required to meet the cost of salaries and national insurance contributions under this Head up to the period 31st March 2003.

Mr. Chairman, I beg that Head 22 stand part.

The question that Head 22 stand part was put and resolved in the affirmative without division.

HEAD 38 - MINISTRY OF HOUSING AND LANDS

\$825 430

Hon. Miss H. E. THOMPSON: Mr. Chairman, the Ministry of Housing and Lands seeks this supplementary in the sum of \$825 430 to supplement an earlier provision under

subprogram 536 relating to the Land Registry Department, the specific head is Professional Services.

As you are aware, Mr. Chairman, the Land Registry Department is performing an extremely important service for Barbados. This sum of money that is required arose as a result of a back-filing conversion project which I will speak to later, which the Ministry is engaged in and which is scheduled to be completed sometime around the middle of next year.

The project for the conversion of the Ministry's paper files to an appropriate database was awarded by competitive process by way of tender to IBM in the sum of \$5 million. In the 2002-2003 financial year, \$2 225 000 was voted, but only \$1 401 817.36 was spent because the project did not start at the time anticipated and as a result the expenditure which they thought they would have had in that financial year was not met, so part of the total vote lapsed. By some oversight, the balance of the monies for work done in the last financial year which should have been voted again in this financial year, 2003-2004, was not voted. As a result, we are now coming to the Parliament and asking that this sum be given to us to pay IBM for works already executed.

Sir, the Land Registry Department is one of the departments that during the course of speeches in this House, you do not get a hear a lot about, therefore, I just want to take this opportunity, though I know the House has been sitting for a long time today and have had much vigorous debate, to make the Chamber aware of some of things that are going on in respect of this project. I see Honourable Members looking at the clock but it is good to tarry and reason a while on some occasions and I have determined that this is one of those occasions.

Mr. CHAIRMAN: It is a three hour debate, so you can go on, please.

Hon. Miss H. E. THOMPSON: Sir, I do not know if anybody is going to be in the mood for a three hour debate particularly as I understand they might have to go hungry.

Mr. CHAIRMAN: At least they would have to be in here to have a quorum.

Hon. Miss H. E. THOMPSON: I thank you for the latitude being allowed, Sir. One of the initiatives on which the Ministry is embarked in conjunction with the Lands and Survey Department and the Land Adjudication Unit is to move to a different form of conveyancing in the land registration process. So far under the registration process, some 10 000 parcels of land has been registered at the Wanstead\Husbands area; Prior Park; Cave Hill; White Hall; Green Hill; Eden Lodge; Warrens; Welches; Kingsland; Gemswick; Regency Park; Sheraton Park; Elizabeth Park; Adams Castle and South Ridge. This Project would help to make the conveyancing process and the process of certainty of ownership of land more clearer particularly to those persons who are either vendors or purchasers but more so for those persons who are practitioners of the art of conveyancing.

The Land Registry Department has a staff of 35 full-time members, one part-time person and a Registrar of Titles. It is also one of the departments which generates substantial revenue for Government. Mr. Chairman, when people think of revenue creation for Government they usually think in terms of tourism and Customs. The Land Registry Department in the financial year 2001-2002 was able to put the sum of \$39 628 475 in the Government coffers, which is not a sum to be scoffed at, coming primarily through various forms of property transfer tax and other monies which have to be paid via this department.

The back-filing project, as I indicated, is a

project by which we are attempting in the Land Registry Department to transfer all of the paper documentation in the Land Registry(s) database to a digital format going back to the year 1970. I would wish to pause to say that this department has now become almost completely computerised and I am going to speak to that later. This work is being undertaken by the staff of the department along with the help of the person who came in to assist with the project in an attempt to bring it up to date.

It was anticipated that we would have been able to do some 1 200 documents per night. We are not yet up to that schedule, so we are now targeting 700 per night but we are still trying to get up to the full target. To date 73 689 documents referring to ownership and titles of lands in Barbados have been transferred from paper to digital format with the appropriate back-up systems in place so that in the event of fire or in a break down or damage to the equipment that the information is stored elsewhere, so clearly some paper continues to be stored.

I should make the point that some 55 persons have been employed and engaged in this process with the Registry being open from 5:00 p.m. straight through to 7:00 a.m. in the morning every day except Sunday.

House 12 Sequence 42

6:00 p.m.

Tuesday, November 18, 2003

Continuation of Hon. Miss H. E. THOMPSON:

Sir, that speaks to the kind of efforts that the staff has been making to treat to their clients in a different way.

Sir, too many institutions in Government are

functioning 8:00 a.m. to 4:00 p.m. only, when they need to be service providers like the Queen Elizabeth Hospital and Public Health Inspectors, who need to be in communities when persons are at home. This transition of moving Government from an 8:00 a.m. to 4:00 p.m. process, to make it more relevant to the times at which people work and live in these communities, is something which we have to do, to meet the new thrust of globalisation and trade liberalisation. Mr. Chairman, it is important in this regard.

Mr. Chairman, I am happy to say that the Land Registry has taken a very important step in moving to a digital format. As a result of this project, persons can now apply for codes that allow them to access information, where they could come online and could transact any business with that entity.

Sir, I want to make the point that the Land Registry was operating, like many Government office before we came to Government, in horrendous conditions but Government has systematically tried to improve the conditions under which civil servants work, whether it is in schools, police stations, the Registration Department, the Town and Country Planning Department and a myriad of departments, the physical working conditions have been greatly improved.

When the Land Registry was at Block (B) the Garrison, it was in extremely uncomfortable accommodation. They are now in much more comfortable accommodation at Chelsea House, Chelsea Road, St. Michael. We are glad that the staff are giving much effort to redesign and reengineer the department and to give it a new focus and thrust. We are glad that we were able to move them to more appropriate surroundings.

Sir, the benefits of this particular project are to ensure that there would be shorter search

periods when looking for title deeds, et cetera. Sir, as you know, the law requires that to be able to get a good title, one must research almost 20 years back, and to do any research was often done in the most difficult and horrendous circumstances while searching for paper documents. There were also issues relating to the lost of documents and problems related to storage of information, et cetera. With the computer technology now at the Land Registry, it makes it all the more easy to access information.

Sir, there are occasions where persons have been sold the wrong parcels of lands; land has been misdescribed; people were sold land in Zone One area and were unable to build; problems in relation to boundaries; lands where an old mortgage was never paid off and, therefore, a financial institution has a superior charge on the lien which they are holding, et cetera. Some of these problems directly related to the difficulty in accessing information for the customer. Sir, we anticipate that this digital format as well as the registration process at the Land Registry would bring substantial progress to the sale of land and change of ownership of property in Barbados.

Sir, greater accuracy is another anticipated outcome and, in that regard, I know that views have been expressed that the legal charges on these transactions relative to the sale and purchase of properties, are too high.

Sir, I would just wish to comment on that and to make the point that Government has not enunciated a policy on this and though, as Honourable Minister, it is my opinion that the fees are not too high, I think that something could be done in respect of holding the fees for chattel houses within a particular range. Sir, the fees generally are based on a scale which reflects the value of the property and which tend to go up as the property value rises.

Therefore, while people comment on the level of legal fees, the reality is that the attorney-at-law who is handling the conveyance, is the only persons who stands between that person receiving proper or improper ownership of title deeds.

If, for many of us, it is true that our principal investment in life would be the house in which we live, then the person who seeks to protect that property by ensuring that the person receives good title, and has to do the work to give that assurance and to produce the deed on which ownership is placed, is entitled to a proper fee. A real estate agent gets a higher fee on a sale of land than the lawyer who has to protect your interest for good. People do not seem to realise that the reality is that there are other people in the system relative to transactions of lands. I am not telling real estate agents that they work for too much money, I am simply saying that, in my view, legal fees are not too high when one considers the role that the lawyer has to play in protecting the ownership of that person(s) property.

Sir, in this age of Fair Trading Commission, Public Counsel, et cetera, lawyers are even more exposed to litigations by clients in a society that is becoming more litigious than ever before. Therefore, a client would be quick to complain to the Barbados Bar Association if they thought that the lawyer were delaying with their transaction.

Sir, it is perhaps true, I think, of the practice of medicine where persons would give all kinds of advise that are not medical advise. Therefore, the reality is that the practice and market of all our professions are changing. The attitudes of our clients are changing and one of the added pressure in addition to the number of persons coming into these various professions, with persons now being more aware of these things. These are the challenges with which we all face.

Mr. Speaker, I am not suggesting that the complaints to the Barbados Bar Association are not legitimate. As in most profession, the vast majority of lawyers are good hard-working people and those persons who have been conveyancers traditionally have an amazing knowledge of land ownership and of parcels of lands.

H:No.12(43)610 p.m.

Tuesday, November 18, 2003

Continuation of Hon. H.E. THOMPSON:

Sir, they go back historically in relation to how the land changes hand. When we speak about whether lawyers' fees are fair in respect of conveyancing, we can only do so in the context of the work done by the lawyers to protect the interest of the property owners whether a person is buying or selling because, once the buyer pays 10 per cent deposit is paid, it is non-refundable.

Very often an attorney will speak with a person about the covenant in his conveyance because, at a later date, a person might say that he did not appreciate that the restricted covenant stopped him from building a second storey, or from keeping chickens and other animals, or from conducting business on the premises. Sir, people sometimes buy properties without appreciating what they are committing themselves to and years later when they seek to expand the property or seek to do something that the restricted covenant expressly prohibits, they will tell you they did not know or appreciate. This is why we need good conveyancers because all lawyers do not do conveyancing matters.

Sir, a conveyance is a technical legal document with expressions that are terms of art, with specific meaning and a lay person may

interpret it in one way but the meaning given in that particular document is not what is understood by the common man on the street.

Therefore, a good conveyancer will sit his or her clients down and go through with them all the implications of the restricted covenants in their properties. The lawyer is not only protecting the ownership but the client against possible future suit when he breaches the restricted covenant and becomes foul of his neighbours who might be inclined to bring an injunction against that person.

Sir, I have practised conveyancing and when I hear that lawyers make too much money on conveyancing matters, I have to say from my own experience that is not the case. The Bar Association, in my view, should look at this matter and make a decision in respect of properties below a certain value, like chattel houses and the terrace units which are going to be sold for \$50 000 and under. Sir, where some people will get their terrace units for as little \$2 500, they will pay more legal fees on the property than the value of it, therefore, a minimum fee should be set. Sir, I am speaking without the benefit of a scale of fees so I am simply saying that it is possible that the person might pay more than the cost of the property.

Sir, in view of the foregoing, there should be some consideration in having a minimum set on conveyances for properties below a certain amount or of a particular type where low income persons are being served and where the conveyance is not difficult. I say that because a conveyance from National Housing Corporation is *prima facie*, a good title in law. The law says that as long as you buy land from National Housing Corporation then the title is a good one, full stop. The nature of the searches which would have to be done to guarantee the safety and security of a property not owned by the Government is a far more difficult process.

This is why, in my view, part of the fees on a property like that can be reduced because the volume and complexity of the work is not the same as for other properties.

Sir, if you are an attorney and ten persons came to you in one month from terrace units, assuming that the fee is \$1 000 a unit, you are immediately making \$10 000 for work that is not complex because National Housing Corporation is giving automatically a good title.

Asides.

Hon. H.E. THOMPSON: Yes, you still have to search because National Housing Corporation, from time to time, does make error. In my most recent return to law practice I was doing a conveyance for an individual who was purchasing from National Housing Corporation and I discovered, among the title deeds, a mortgage for which they had never been a release from an owner prior to National Housing Corporation. In other words, National Housing Corporation bought some property from an individual, that property had a mortgage that was not released. They were then conveying to someone else so you would want to get that matter resolved even though the title is supposed to be prima facie.

H12/18:20

Sequence 44

Tuesday, November 18, 2003

Continuation of: Hon. Miss H. E. THOMPSON Sir, you would still do your check. However, that depends on the degree of care that the individual practitioner exercises. There may be some practitioners who because it is National Housing Corporation, would not do a check, but in all instances I still did my

checks, so I picked that up.

Hence, because of the volume of work that could be put into the market at this time, I would say that there is a need for the Barbados Bar Association to consider because there is a non-contentious fee structure which the Barbados Bar Association uses for its members and they have to look at the matter. I can only use this forum to appeal to them to address this particular issue as I have raised it. Sir, that is my view relative to the fee structure and to what is involved in a conveyance.

We also indicated that our Land Registry services are now available on the internet. You can look at your title deeds on the computer, any form that is available at the Land Registry can now be obtained via the internet. In addition, information of registered parcels of land can also be obtained online. I wish to emphasise that this assist lawyers in the practice of conveyancing but clients are protected because you must register in order to be able to access specific information.

Mr. Chairman, we have built protective mechanisms into the system. Sir, the website and all of these links of which I am speaking were designed by the staff members led by their Information Technology Director, David McCollin.

Sir, we talk about civil servants and we criticise them, therefore, when they do excellent work we need to commend them and in this case the Land Registry developed its own website and structure and I want to commend them for this work.

Sir, I want to share some information with this Honourable Members. The Land Registry which used to be severely criticised is now in a highly progressive mode and is trying to redefine itself and offer services in a modern economy and a modern Barbados.

With these few words I beg that Head 38 stand part.

H 12/45

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

The question that Head 38 do now stand part was put and resolved in the affirmative without division.

On the motion of Hon. R.C. EASTMOND, seconded by Hon. R.R. FARLEY, Mr. CHAIRMAN reported the passing of one money Resolution in Committee of Supply and Mr. SPEAKER resumed the Chair and reported accordingly.

On separate motions of Hon. R.C. EASTMOND, seconded by Hon. R.R. FARLEY, the Resolution was read a first and second time, and agreed to.

ADJOURNMENT

Hon. R.C. EASTMOND: Mr. Speaker, this brings us to the end of Government Business for the day. I want to thank all Honourable Members who took part in the proceedings.

I beg to move that his House do now adjourn until, Tuesday, November 25, 2003 at 4.00 p.m on which occasion the Honourable Member for St. Peter will present before this Honourable House the Financial and Economic Statement.

Hon. R.R. FARLEY: I beg to second that, Sir.

The question was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the House accordingly.

18.26 p.m