

THE House of Assembly Debates

(OFFICIAL REPORT)

SECOND SESSION 1999 - 2004

Friday, March 19, 2004

RESUMPTION

Mr.. SPEAKER:

This Honourable House is resumed. When the resumption was taken the House was in Committee of Supply and to that, it will now revert.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN:

This Honourable House is in Committee of Supply.

HEAD 27 - MINISTRY OF TOURISM AND INTERNATIONAL TRANSPORT

- \$102 211 763.00.

Hon. N A. LYNCH:

Mr. Chairman, this morning and for as long as Head 27 is being debated, I will speak about an industry that has performed better than any other economic industry in our country and which is probably the best performing tourism sector in this entire Caribbean region.

Mr. Chairman, I speak today against a backdrop of a Ministry and sector which, under the most adverse conditions both regionally and globally, has performed better than we had projected at the beginning of the fiscal year 2004. I also speak to you against a backdrop of an industry which has been faced with an adverse global climate that would have rendered any unprepared, unready sector helpless if the leaders of this sector had not prepared themselves in a proactive way for anything that came our way.

This morning I will take you through the performance of the Barbados tourism sector in both aspects of its composition, tourism and international transport. I will also take you through every initiative that has been put in place and tell you how those initiatives performed in the light of what was a very difficult global environment. I will speak about the state of the industry as it now is and all about the plans and initiatives of the Ministry.

H25/Sequence 201

10:10 a.m.

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

Sir, more importantly, I will speak on some areas relating to the development of tourism that people do not usually speak about.

Mr. Chairman, there is a serious link relating to tourism and international trade in the four theatres in which we are involved and the five ongoing negotiations. I will also speak to issues relating to tourism and health, particularly not as it relates to the physical environment but how HIV/AIDS can have an adverse effect on the tourism sector or on a country that is dependent on tourism for its existence. Sir, I will also speak about tourism and technology and what we are doing to create a better technological platform for the development and performance of our tourism sector. In addition, I will speak on areas relating to research in tourism and product development.

Mr. Chairman, in Barbados we are faced with a mature industry, maybe, one of the more mature industries in the region and what we would need to compete effectively and efficiently in tourism will be the merging of destinations. Some other marketplaces that were formerly our suppliers of tourists have now become our competitors. For example, the United States of America is encouraging its people to stay at home. Sir, what we need to do to be able to forge an effective tourism sector and one that is sustainable for another generation must be the concept of product development and product renewal.

Mr. Chairman, when I speak of product development I am not only speaking about tangible product development but what we refer to as the soft elements of product development, human development, service and the concept of service excellence.

I will also speak about the areas of marketing and promotion for the tourism industry, not only advertisements and tactics but the overall bigger picture and strategy of where we hope to position the Barbados tourism sector in the context of a global tourism product. Sir, in the past five years this sector has been on the rebound.

Mr. Chairman, I will speak about investment in the tourism and the importance of seeking new investment, local, regional and international.

Sir, when it comes to international transport, I will speak about a tourism sector in the areas of civil aviation, which has been able to attract airlift to Barbados. A very tactical point within the development of international transport has been the ability to attract more airlift to our country than any other country in the region and, may be, globally, after September 11th.

I am also going to speak about the cruise tourism sector and what it has done and, perhaps, the more important development within the cruise sector in recent times, that of home porting and the spin-offs. I will then look at the overall programmes and policies of the tourism sector for the period 2004/2005.

Sir, under this Head in the amount of \$102,211,763.00, I start by looking at how the tourism sector has performed in the financial year 2003/2004.

In 2003/2004 Barbados witnessed a significant rebound in the local tourism industry. In spite of all of the challenges that we faced internationally, the September 11th attack, other attacks in tourism destinations and the United States of America-led invasion of Iraq. Sir, when we add the incidence of the outbreak of SARS, we are talking about an industry that was under severe pressure globally to perform.

Sir, data for the period January to December 2003 showed that the total visitor arrivals to Barbados increased by 7.5 per cent with 1,157,159 arrivals being recorded, the highest figure ever recorded for visitor arrivals to this country, exceeding the previous high of 1,077,974 recorded in the year 2002.

Mr. Chairman, long-stay arrivals increased by 6.7 per cent over the period 2002 reaching a figure of 531,230, the second highest figure ever recorded of long stay arrivals to Barbados. The only other year exceeding the year 2003 was 2000.

Sir, cruise arrivals totalled 625,946, an increase by 8.2 per cent over 2002 and representing the highest recorded cruise passenger arrival figure to the island. Mr. Chairman, expenditure for the year for the tourism industry totalled approximately \$1.5 billion, the highest recorded figure ever in the history of Barbados. Sir, when I spoke in the Second Reading, these figures were obtained from the Central Bank and the Statistical Department and have already been made a document of the Honourable House.

Sir, the Honourable Leader of the Opposition, the Honourable Member for St. Michael North West, pointed out, and I am in agreement on this, that arrival figures are not the only measure of tourism performance within a destination. The issue must be the prosperity of the industry and how the industry is performing, not only relative to arrivals but how it is performing relative to other performance indexes. For example, bed nights, bed occupancy rates and the money spent per passenger. Those things are vitally important as well to determine how you measure the performance of a tourism industry.

H25:

10.20 a.m.

Sequence 202

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

Mr. Chairman, I say without reservation that people utilise the arrival figures first as the basis for judging the performance of the tourism industry. The reason for this, obviously, is that these figures are

most easily available in any tourism destination and they are utilised globally to measure tourism performance. I also want to say that this is where the other statistics are taken from, or where people begin to look, when compiling other statistics.

Mr. Chairman, it is all right to talk about things like total expenditure, length of stay in nights, hotel bed occupancies, hotel room occupancies, et cetera, but I say without reservation, that usually in any destination, and we can use this as a benchmark, where the arrival figures are going up, in most cases, you also see the other areas that we have just spoke about, increasing as well.

Asides..

Mr. M. A. LASHLEY:

Mr. Chairman, I believe that we have a quorum problem.

Mr. CHAIRMAN:

Will the Clerk ring the bell, please?

[The bell was rung].

Mr. CHAIRMAN:

Honourable Member, please continue.

Hon. N. A. LYNCH:

Mr. Chairman, I will repeat my last statement. The issue of tourist arrivals, absolute visitor arrivals, is a benchmark for judging the performance of the tourism industry.

As I stated, Mr. Chairman, it is not the only measure and, maybe, it is not the best measure of tourism performance. The jury is still out on this because many people believe that there are numbers of other areas, and when combined, obviously, the total picture of a tourism industry must be painted to give you a relative view of how well you are performing.

I said, Sir, that the arrival figures are the ones that are most easily available to tourism planners and to those measuring the performance of the tourism industry. In addition, I believe that when you see the absolute arrival figures going North, you also then see an increase in some of the other areas of statistical development or statistical ratings and indices that we have spoken about previously which are also measures of tourism performance.

Therefore, Mr. Chairman, I want to quote again from the document which has already been made a document of the House, the selected indicators in the tourism industry which comes from the Central Bank.

Mr. Chairman, at the end of 2003, we were able to move the hotel bed occupancy rate to 50 per cent. In addition, we were able to move the hotel occupancy rate from 42.5 per cent to 50 per cent. Sir, when you think about an 8 per cent increase in hotel room occupancy rates from one year to another, it again paints a picture of a tourism industry on the rebound and performing relatively well.

Mr. Chairman, I know that some people would query the issue of a 50 per cent hotel room occupancy rate. They would speak about it in relative terms and ask how does that compare to the rest of the region, and to the global picture of hotel occupancy rates? I say, Mr. Chairman, Barbados is on par with a number of other destinations in the region, like the Cayman Islands, Bermuda, Jamaica, St. Lucia, which are considered to show a similar development profile. All of them are found within the same bracket of the 50 per cent room occupancy figures.

Mr. Chairman, the phenomenon that is emerging in this region, and I believe it is even more prevalent in Barbados than in other destinations, is that there is a high percentage of unregistered accommodation within the tourism sector that is not captured normally in the ambit of what the statistical departments, central banks and other agencies in the region, collect. In Barbados' case, I put this assertion boldly. There is a portion of the sector, the villa market that accounts for a high percentage of occupancies, and over a sustained period, which is not collated and collected within these hotel room occupancy figures.

Mr. Chairman, I also speak boldly about the non registered accommodation in terms of people building on apartments and rooms at the back of their houses and playing in a tourism industry in which they had never previously had the opportunity. For example, in Paynes Bay, the St. Lawrence area, the Maxwell area, the Oistins area, and the Enterprise area.

The Honourable Member for Christ Church East must know this, and I repeat, that there are people who have an opportunity to earn a dollar from the tourism sector, that never had an opportunity previously. A lot of these people, Mr. Chairman, are not captured in these statistics, when we speak about hotel room occupancies and hotel bed occupancies in Barbados.

Mr. Chairman, this has allowed the development, which the Honourable Member for St. Lucy always refers to as his community tourism thrust. Mr. Chairman, this has allowed a number of small players into the tourism industry. Do not think, Sir, that they are not sophisticated. They may be small players in small apartments, but I have actually seen one in the St. Lawrence area, where the gentleman boasted of his technological platform as it relates to the apartments that he built in the St. Lawrence area, his website in which he is able to put out his inventory to the rest of the world in the same way as would be done by any small hotel or big hotel. Sir, he also speaks about how he is now able to look at his inventory, and tell you if he is booked up throughout the Winter, and how he is doing in the upcoming months.

Mr. Chairman, we went through a very difficult period in the last two to three years, seeking to build the tourism industry, but when you move hotel bed occupancy figures from 44.1 to 50 per cent in one year, when you move hotel room occupancy figures from 42 per cent to 50 per cent in one year, I say that we are headed in the right direction.

Mr. Chairman, it is not perfect. Nothing is perfect but we say, Sir, that we are moving. The Central Bank's figures indicate, which was already made a document of the House, that the total expenditure is in the millions. In 2002, the tourism industry in Barbados recorded total expenditure of \$1.29 billion and in 2003, \$1.46 billion is the recorded figure.

Sir, I put the point, I am also going to make available another document as I continue, but I also say, Barbados earns more money from tourism per passenger, than any other destination in the Caribbean. I

want to make the point clear, when I hear this one note sounded as some people a doing. As I say, Sir, one note makes for a very boring tune.

When we talk about the performance of the tourism sector, I say that Barbados earns more money per passenger, than any other tourism destination in this region by far.

House 25, sequence 203,

10:30 a.m.

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

I am going to give the statistics - they are not mine - which came from knowledgeable, competent and expert observers who are measuring scientifically the performance of our tourism industry and who have put forward the case that Barbados is performing better for many reasons. Sir, if you measure the contribution of each individual visitor to Barbados and the amount of money that he or she spends relative to the rest of the region, you would see that Barbados outstrips the rest by far.

Mr. Chairman, the figures for January indicate that the activities which we started last year when we had the 7.5 per cent increase have continued. The figures show that tourist arrivals to Barbados in January 2004 increased by 17.3 per cent. There was an increase in long-stay arrivals by 9.8 per cent and an increase in cruise passengers by a whopping 21 per cent as compared to the corresponding period in 2003.

Mr. Chairman, in the month of January long-stay arrivals increased by 9.8 per cent and cruise by 21 per cent for an overall increase of 17.3 per cent in overall arrivals both for cruise and long-stay. In February of this year long-stay arrivals increased by 11.2 per cent. Mr. Chairman, this points to a tourism industry which since the middle of 2002 has had nothing but increases except for the months of October and November of 2002. Since June 2002 the tourism industry of Barbados has recorded upward figures going north. Mr. Chairman, the pundits can speak but the facts are there for everyone to judge. Even the most casual observer can see that tourism in Barbados is headed in the right direction.

Mr. Chairman, with the statistics I have quoted and with the assertions I have put on the Floor of this House, I make bold to say that everything is not as rosy and everything is not perfect. Mr. Chairman, we cannot continue to boast about our arrival figures and our occupancy figures. If we are to integrate every member of the community in the development of the tourist industry for it to become our number one industry, then there is a lot of work to be done to get more communities involved in the development of this industry if we intend to create a more indigenous tourism industry that will redound to the benefit of all Barbadians.

Mr. Chairman, if there is one thing that is going to set us apart from the rest of the competition and to give us an advantage over our competitors in the future of tourism development, given the opening up of

markets and the entire globalisation of this world, it is that we must show the absolute advantages and the comparative advantages that we have over other tropical destinations in the region. Mr. Chairman, we will continue to work to ensure that we create an industry in which all Barbadians have an opportunity to play effectively. We will continue to create a tourism industry that is more community-minded. We will continue to create a tourism industry in which there is a level of indigenous participation in the supply of products and services.

Asides.

Hon. N. A. LYNCH:

We need to create a society and a tourism sector in which we make the industry more indigenous than it has been in the past relative to its supply of goods and services if we are to survive the global onslaught and if we are to compete effectively with other emerging destinations which now have newer and fresher plants than Barbados and in which input cost to the industry is not anywhere near what they are in a Barbados of today.

Mr. Chairman, we are not worried about our development so far. However, we must seek to sustain the level of development that has begun in Barbados if we are to have for future generations a tourism industry that is prosperous. Mr. Chairman, there are some areas of tourism that are bothersome to tourism planners and tourism policymakers. One of them has to do with the level of profits that comes out of our tourism sector relative to the rest of the region. Mr. Chairman, it would be foolhardy to think that we have a perfect tourism destination in which there are not areas of concern. Another of the areas of concern which has been created for Barbados is that we operate in a Barbados in which our infrastructural development, our educational profile and development and all of the social services that we supply have created a destination in which the input cost to the industry are relatively higher than those of the other destinations around us. Sir, what has happened is that the level of profitability that you would gain in Barbados relative to if you were in St. Lucia, in the Dominican Republic or somewhere else is marginally small when compared to some of our competitors. What is happening is that we are not seeing the level of tourism investment that we should have in Barbados.

Mr. Chairman, this is why it is important that the Government continue to play an entrepreneurial role in the development of our sector where the private sector because of the margins of profit are not playing the role which they should play and that we continue to look for ways and means of being able to offer the best benefits to those who are potential investors in Barbados.

Mr. CHAIRMAN:

Honourable Member, as a result of injury time, you have two minutes more.

Hon. N. A. LYNCH:

Mr. Chairman, the important thing is that we have looked at and tabled in 2002 a Tourism Development Act. That Tourism Development Act needs now to be given time to create full implementation. I believe that Act has been the catalyst and the stimulus for potential investment in the industry. Over \$300 million in new investment has already been submitted to the Ministry of Tourism and International Transport and to the Town and Country Planning Department for interim projects which are already started.

The Honourable Member for St. Michael North-West said that what has been submitted to the Ministry of Tourism and International Transport and what has been submitted to the Town and Country Planning Department will not necessarily translate into tangible investment. Sir, when you submit for interim approval to the Ministry of Tourism and International Transport it is that the project has already started. I do take the point that not every project that is submitted to the Town and Country Planning Department will ultimately culminate in the development of a new enterprise.

House 25 Sequence 204

10:40 a.m.

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

Mr. Chairman, the year previous to the Tourism Development Act, we have had less than \$30 million in investment submitted to us. Now that is being moved from \$30 million to more than \$300 million, which means that we are heading in the right direction.

I thank you, Sir.

Mr. CHAIRMAN:

Before I take the Honourable Member for St. John, I just want to make this House aware of the fact the West Indies are batting. They are 27 without loss. Let us hope that they surpass 47.

Mr. D.J.H. THOMPSON:

Mr. Chairman, I think it regrettable that the Honourable Minister could not have gotten a quorum this morning to have delivered such a spirited presentation on the tourism sector since, as we all know, on his shoulders alone rests the saviour of the tourism industry in this country.

Sir, over the time that the Honourable Member for St. Michael South has been Minister of Tourism, he has been able to find himself all over the place in these debates and this is the first time...

Hon. N. A. LYNCH:

On a point of order. The Honourable Member for St. John first of all started off wrongly misleading the House. When I came here this morning and started to speak, there was a quorum. Sir, that is how you sat in that Chair. Therefore, I could not have started and to say that I could not have raised a quorum this morning is incorrect and should be withdrawn.

Mr. D.J.H. THOMPSON:

I withdraw it, Sir. The Honourable Member could not have sustained a quorum after starting. That is a more stunning indictment than not having one. Sir, I am sorry that I was late. I apologise to you but I was listening on the radio. But not to be able to sustain a quorum when he had such an important statement to make to a country is a bit worrying. Anyway, that is life.

Sir, I nevertheless want to make this point up front,

the Barbados economy depends almost exclusively on the success of the tourism industry. Therefore, on this side of the House we recognise that when there are positive developments in the tourism sector, we should applaud them. Sir, what one person might see as positive developments in the tourism sector might not be another's view of the same. The tourism sector is an almost all-encompassing activity and, therefore, the Honourable Member for St. Michael South must not get annoyed when people want to make a genuine contribution to a debate on the tourism sector. He must not assume that either he or the Ministry of Tourism and International Transport is all-seeing and all-knowing because after attacking the Honourable Member for St. Lucy for years on the issue of community tourism, he had to concede in this Estimates debate from the outset...

Hon. N. A. LYNCH:

On a point of order. Mr. Chairman, the Honourable Member for St. John is misleading the House. I have never attacked anyone on the concept of community tourism. It is untrue and should be withdrawn. That is the propaganda that the Democratic Labour Party likes to put out but I have never attacked anyone on the concept of community tourism.

Mr. Chairman, even before I was the principal public steward of this Ministry, community tourism has always been part of the development profile and has always been on the plans and policies of the Ministry of Tourism and International Transport.

Mr. D.J.H. THOMPSON:

Sir, even when the Opposition Benches in this House were depleted, I used to hear the Honourable Member, week after week, shouting foolishness from his seat when the Honourable Member for St. Lucy was making a national appeal in this country to assist citizens to develop their properties, to help them put in Internet and other recommendations, and the Honourable Member would shout, "Foolishness!" from his seat, "Sit down!"

Hon. N. A. LYNCH:

On a point of order. Mr. Chairman, you can rule yourself. Anytime one is talking about putting an airport in the middle of St. Lucy, how would you respond to that? Those are the things I am talking about and not about community tourism. The Honourable Member for St. John knows that this political mumbo- jumbo and the twaddle that he speaks in here, that this is one morning that he will not get away with it.

I have never attacked the Honourable Member for St. Lucy for any of the issues. He likes to talk about photocopying.

Mr. D.J.H. THOMPSON:

Sir, that was one of the things that the Democratic Labour Party had been recommending. In this particular debate the Honourable Member for St. Michael South makes big that he has \$300 million of proposed investment. Sir, as far back as 1994, one project alone was on the desk of the Minister of Tourism and International Transport worth nearly \$400 million, the Royal Westmoreland Project. If we were to add all of the other projects that came on stream, for example, the refurbishment of St. James Beach Hotels, now renamed Elegant or the Almond Beach Hotel, a new investment worth \$50 million.

All of those projects which you have seen come on stream were new investments.

Sir, that is what the Honourable Member needs to explain. Let us get some details of the kinds of investments that he is speaking about. If all that he has on his desk is that, it tells us that there was no need for the Tourism Development Act, and that persons would have still invested in the Barbados tourism sector without all of the mumbo-jumbo and theatrics which the Honourable Member for St. Michael South has been trying to impress upon this House in the past few years since he has been Minister of Tourism and International Transport.

Mr. Chairman, that is why I say it is important not just to listen to what the Minister says. One has to go down the West Coast, one has to speak to the young people who are working in the water sports sector, those who can find a place on the beach because despite the fact that the beaches are supposed to be free in this country, far too many water sports operators have to go to a few selected sites in Barbados to be able to access tourists. They certainly cannot go onto those properties which are all-inclusive but would have to find small pockets on the beaches of Barbados where they can effectively ply their trade.

Sir, they have to speak to those persons in the ground transportation sector about the Minister's policy in that regard. I remember some years ago when he was seeking to construct an entity to run the tourism sector in Barbados, the Honourable Minister tried to blow out of the water a recommendation by the Democratic Labour Party that the taxi drivers and others should be as much in there advising him as the owners of properties or as representatives of the Barbados Workers Union. When we recommended it at first glance, the Honourable Minister once again said it was foolishness and questioned the need for taxi drivers to be included.

Hon. N. A. LYNCH:

On a point of order. Again the Honourable Member for St. John is misleading the House. As a matter of fact, on the present Barbados Tourism Authority Board, there are two members, one a water sports operator and the other a taxi operator.

Mr. Chairman, I do not understand how the Honourable Member for St. John could continue misleading this House. It is untrue that we did not support putting a taxi driver or a water sports operator on the Board. The facts speak for themselves because these persons are both represented on the Board of the Barbados Tourism Authority.

H:No.25(205)

10:50 a.m.

Friday, March 19, 2004

Mr. D.J.H. THOMPSON:

As a result of the intervention of the Democratic Labour Party in a debate in this Chamber.

The Honourable Member dismissed them out of hand and said it was not for them. Sir, if you want to hear them, there is no point going into the councils or board-rooms to hear the challenges they face and those challenges feed into attitudes in the tourism sector in Barbados.

There are perspectives of exploitation and alienation and we are not hearing from the Government in any area of economic activity whether agriculture, industry, international business and financial services or telecommunications, and we can go down the list. This Government has never able to tell you what major breakthroughs have been made in terms of new kinds of ventures by Barbadians in those sectors. You may hear about people who get money from Urban Development Commission to buy hairdressing equipment, to set up a body work shop or traditional areas but what are the areas of new investment in Barbados that the Tourism Development Act has created particularly in the small business sector, creating entrepreneurs in this country who are actively involved in the tourism sector, who do not feel exploited, who have access to resources, who are not frightened and cowed into submission by a licensing regime in this country that alienates them from access to markets.

Meanwhile, we are tearing down all of the other licences that allow other people to operate in our country but imposing restrictions, licences and all kinds of conditions on our own citizens to be involved in the tourism sector in this country. The Minister should be talking about this because he is a representative of the people.

Sir, the problem with the Honourable Member for St. Michael South is that he has forgotten where his focus should be so he has already internalised the empty statistics which tell us nothing. He makes odious and nonsensical comparison to underdeveloped tourism destinations like St. Lucia which have been practising community tourism from the outset and all those small hotels where Barbadians go and spend substantial foreign exchange. Sir, you see it at cricket, Easter, Xmas and every long weekend, they are actively involved in promoting and developing their industry.

Sir, the Honourable Member for St. Michael South is not telling you because he does not want to talk about GEMS is that this Government is pursuing a policy in relation to the GEMS that is going to wipe out even the existing traditional small hotels in this country.

Hon. N A. LYNCH:

Mr. Chairman, on a point of order. The Honourable Member is misleading the House. He cannot say that the Government is pursuing any policy that will wipe out small people in Barbados. It is imputing the worst motives to the Government. Mr. Chairman, it should be withdrawn and struck from the record.

Mr. CHAIRMAN:

Honourable Member, you have to substantiate it or withdraw it.

Mr. D.J.H. THOMPSON:

I am going to substantiate it. Sir, taxpayers' money were sunk into the GEMS. There was major refurbishment costing substantial sums of money, they had resources and economies of scales unlike that other small hotels in this country. They had major advantages by way of concessions both in terms of financing and other tax concessions, government guarantees and bond issues. All of this was presented on a platter in terms of the initial investment..

Hon. N A. LYNCH:

Mr. Chairman, on a point of order. Again, the Honourable Member is misleading the House. Let me say that the Democratic Labour Party should be ashamed of seeking to come here to talk about small business development in the tourism sector. Every small business and hotel in the tourism sector had an option to be part of the GEMS project. Mr. Chairman, I was working in the private sector and I was part and parcel of the presentations that were made to the members of the Barbados Hotel Tourism Association and other small hotels in their participation in the GEMS.

Mr. D.J.H. THOMPSON:

Mr. Chairman, the more the Honourable Member for St. Michael South digs, the deeper the hole becomes that he puts himself. The Honourable Member was not advising the people in Barbados Hotel Tourism Association to get involved in the GEMS. In fact, the Honourable Member for St. Michael South was advising people not to get involved in the GEMS when he was in the Barbados Hotel Tourism Association.

Hon. N A. LYNCH:

Mr. Speaker, on a point of order. Mr. Chairman, that is untrue. I have said before that the option was put to each and every member. If members query their involvement, it is another story, but every member was given the option to be part and parcel of the project.

Mr. D.J.H. THOMPSON:

Mr. Chairman, I am not doubting that the option was put. I am agreeing with the Honourable Member for St. Michael South. In fact, I will go this far. There were members of the Cabinet of Barbados who were saying that something was wrong with the GEMS. They told people not to apply for jobs because whenever, whatever, hits the fan, that they did not want their family name to be called.

Sir, today, the GEMS project, despite all the backing and financial support from Government is wastage of money and corruption....

Hon. N A. LYNCH:

Mr. Chairman, on a point of order. The Honourable Member for St. John imputes false motives to the people involved in the GEMS when he speaks of corruption. Mr. Chairman, he said that the project was a bed of corruption and it should be withdrawn.

Mr. CHAIRMAN:

The Honourable Member for St. John, you have two more minutes.

Mr. D.J.H. THOMPSON:

Sir, as a result of all that has been given to the GEMS, they are able to discount their rates and come into direct clash with the owners of small hotels in Barbados driving some of them out of business and forcing them to discount to unsustainable level. Sir, the Honourable Member for St. Michael South knows nothing about that.

Hon. N A. LYNCH:

Mr. Chairman, on a point of order. The Honourable Member for St. John cannot make loose

statements like that. The Honourable Member cannot prove that the GEMS of Barbados is driving down rates to make people discount and drive them out of business.

Mr. CHAIRMAN:

Honourable Member for St. John can you substantiate those remarks?

Mr. D.J.H. THOMPSON:

Mr. Chairman, only this week the owner of a small hotel in Barbados pointed out that his hotel and the hotels of other partners in the industry were under threat because of the ability of GEMS to discount the economies of scales and because of the advantages that Government gave it. Sir, it is nothing new.

Mr. CHAIRMAN:

Are you reporting a statement made by someone?

Mr. D.J.H. THOMPSON:

Sir, I agree with him. It is my opinion and I do not have to substantiate any opinion that I give in here. The Honourable Member for St. Michael South cannot write my speech. He had a speech, nobody wanted to hear it and it is not my fault. I am speaking and the Honourable Member for St. Michael South wants to tell me what I should say in this debate.

H25/Sequence 206

11:00 a.m.

Friday, March 19, 2004

Continuation of Mr. D.J.H. THOMPSON:

The Honourable Member needs to address a number of issues such as the Hilton Hotel, GEMS, the property upgrade that he is talking about, the East Coast Development, attitudes in the tourism sector, the perception of exploitation, why Barbadians are not involved in the top levels of tourism in our country, why there is not more entrepreneurship, not by Government but by Barbadians, because Government is only filling a hole that exists because Barbadians are not inspired to invest and to exercise their entrepreneurial skills in the tourism as a result of the misguided policies of the Honourable Member for St. Michael South.

Mr. D. St.E. KELLMAN:

I rise to enter this debate. The charge has been made by the Other Side that the Democratic Labour Party did nothing for the upliftment of the small man in tourism.

Sir, it is clear to me that the Honourable Member who made the comment does not understand the concept of the Heywood Development that was left by the Democratic Labour Party. Neither does the Honourable Member understand that at the time that project was planned and constructed, it was supposed to have been a project for small hoteliers and not large hoteliers. Sir, when one wants to blame the Democratic Labour Party for not progressing community tourism, then one must understand that

they are ignorant of the history as it relates to the Democratic Labour Party and tourism.

Sir, what is even worse, it was the Democratic Labour Party which caused Sunset Crest to be developed into villas so that the people who were living in the villas were able to source services from within the area and empower persons like us who provided the services to the tourists in the Sunset Crest area. In addition, it was the Democratic Labour Party which built Westmoreland villas, and the owners of the villas were encouraged to engage the services and goods from the small man in the area.

I have been complaining about community tourism and all-inclusive tourism. Every time that I criticise the way in which all-inclusive tourism was being practised, the Honourable Member for St. Michael South attacked me and asked me what ignorance was I talking about community tourism and why I am bad-talking the players in all-inclusive tourism. Sir, when all that I was asking, was for the players in the all-inclusive tourism to understand that they were benefiting off the backs of the masses of Barbados and that the masses should be given an opportunity to benefit from the industry that the Honourable Member claimed is the number one industry in this country.

Asides.

Mr. D. St.E. KELLMAN:

Sir, the Honourable Member claims that it is the number one industry in Barbados but yet the Honourable Member does not want the masses of people of Barbados to get a share of this industry.

It is regrettable that you can blame the slave master for what went on in the sugar industry but at least they allowed the small holders to be able to plant cane and supply the factory in order to make money to send us to school.

Sir, in the year 2004, could you have a Government Minister who cannot understand the importance of allowing the masses to be part of the tourism industry that is the main industry?

Asides.

Mr. D. St.E. KELLMAN:

I am suggesting that the Honourable Members on that side should dissociate themselves from this Honourable Member because when the Honourable Member can be heard talking at the Barbados Hotel and Tourism Association (BHTA) about putting conditions on the people who are now involved in community tourism, when they have not asked Government for a cent in concessions but have done it out of their savings, yet, they must be subjected to the standards of Government even though the Government did not help them to improve their product.

I am saying that the masters and policy makers cannot be the ones to come to this Honourable House and be heard in Barbados setting conditions for the masses of people here when they have been able to develop the product themselves.

Mr. Chairman, what is better, a column - I cannot quote - in the Advocate, will make good reading for the Honourable Member for St. Michael South.

Asides.

Mr. D. St.E. KELLMAN:

The Honourable Member would understand why it is important for community development to flourish in Barbados. The Honourable Member only has to read that column. I am sure when he reads it, next week he will come to this Honourable House and speak to it as if it is the policy of the Ministry of Tourism, given by him. The Honourable Member can photocopy very well.

Asides.

Mr. D. St.E. KELLMAN:

it is my column and it is recommended reading for people like yourself, Sir.

I have no reason, neither will I join with anyone to pull down the tourism industry. Neither would I allow the Minister of Tourism to use arrival of visitors as the only measurement approach to determine the performance of the tourism industry. If we are seeing tourists arriving by ships and they are just walking through...

Hon. N. A. LYNCH:

On a point of order. Mr. Chairman, I have already said in this debate that tourism arrivals are not the only measure of tourism performance and that is on the record. If the Honourable Member is saying that it is the only measure that I am using, he is misleading the Honourable House. I am already on record this morning in this debate, as stating that is not the only measure of tourism performance.

Mr. D. St.E. KELLMAN:

Mr. Chairman, I must warn the Minister of Tourism that he cannot continue to take the statistics from the Ministry of Tourism to project revenue for this country.

Asides.

Hon. N. A. LYNCH:

On a point of order, Mr. Chairman. Again, the Honourable Member in his ignorance is devoid of knowledge. No statistics for tourism come out of the Ministry of Tourism. They come from the Statistical Department and the Central Bank. The Ministry of Tourism does not provide statistics on tourism. They are collected and collated at the point of entry.

Asides.

Hon. N. A. LYNCH:

Mr. Chairman, the statistics are provided by the Statistical Department, through the Immigration Department at the airport and seaport. They are not collected by the Ministry of Tourism.

Asides.

Mr. CHAIRMAN:

Please, could I hear the Honourable Member? Honourable Members for St. Philip West and St.

Michael South let me hear the Honourable Member for St. Lucy, please. You will have a chance to come back later.

Asides.

Mr. CHAIRMAN:

The Honourable Member for St. Philip West, please let us hear your colleague.

Mr. D. St.E. KELLMAN:

Mr. Chairman, I want to accept every word that was said by the Minister of Tourism as it relates to statistics. The Minister of Tourism has been heard on this Floor saying that the statistics used for tourism come from the Immigration Department.

Asides.

Mr. D. St.E. KELLMAN:

Sir, this means that every person coming to this country as a tourist will have to be recorded by the Immigration Department. The Minister of Tourism cannot be heard any longer in this Honourable House disputing the figures and saying that you have to have allowances for community tourism. When you complete an immigration form, you are asked the purpose of your visit to Barbados.

H25:

Sequence 207

11.10 a.m.

Friday, March 19, 2004

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

I am saying, Sir, that the Minister of Tourism has used statistics in this House which he has inflated. He knows full well that he should not have inflated those figures, because the Immigration Department would have already accounted for those tourism arrivals. Therefore, he cannot be heard in this House as saying that you have to add on the statistics for community tourism to the statistics used in these documents. Again, they are already in the figures because Immigration would have picked them up, so I am warning the Minister of Tourism that when he comes to this Parliament and he wants to use statistics to remember that I am in this House.

Asides..

Mr. D. St.E. KELLMAN:

Sir, I even want to go further. Community tourism is nothing new. Community tourism has been practised in the constituency of St. Lucy for many years when the Naval Base was there. It is because of community tourism that many persons were able to construct stone structures in St. Lucy. When the Naval Base was kicked out of Barbados, we suddenly realised the damaging effect that occurred in St.

Lucy, because persons who were being empowered through community tourism, by having the Naval Base there, lost income and they could not continue to develop themselves.

Sir, there was a time when the people of St. Lucy were the most advanced persons when it came to community tourism, and nobody could dispute that fact. We even had our own ambulance service and fire station. Since the Naval Base has been kicked out, we now have to beg the Government to have a little compassion on us and even though we were leaders, we are now in the background.

I am also saying that the Minister of Tourism has not played a vital role regarding 2007. The Minister of Tourism has allowed the BCA, along with the Government, instead of increasing capacity in Barbados, to take the \$60 million, cut it in half and use \$30 million to build a complex somewhere outside of Bridgetown. They have allowed BCA to agree to a policy to build a \$30 million complex in Bridgetown that is already cramped for parking and all other things.

Hon. N. A. LYNCH:

Mr. Chairman, on a point of order. The Honourable Member is misleading the House. What has the Minister of Tourism or the Ministry of Tourism to do with the BCA building a complex at Kensington or anywhere else outside of Bridgetown?

Mr. Chairman, he is imputing false and improper motives to the Minister. This has nothing to do with the Minister of Tourism or the Ministry of Tourism. This should be withdrawn.

Mr. D. St.E. KELLMAN:

Mr. Chairman, if you are the Minister of Tourism and you recognise that you are going to have an influx of tourist in the country, you think you are going to advertise that people should stay on ships. You should be advocating that Barbadians are adding on additional rooms to accommodate the additional tourists coming into the country.

Sir, the Minister of Tourism was the one who said that he would have cruise liners in here for people to stay on them.

Hon. N. A. LYNCH:

Mr. Chairman, on a point of order. Again, the Honourable Member is misleading the House. I was the one in the Ministry of Tourism who advocated that the last option available to us for anything, should be the issue of people on cruise ships.

As a matter of fact, I was criticised by going on a public programme, the Best and Mason Programme to say that we should not have cruise ships and that should be the last option available to us.

Mr. D. St.E. KELLMAN:

The records of this Parliament will show, Sir, that the Honourable Member for St. Michael South.

Mr. CHAIRMAN:

Honourable Member, until you can produce the evidence, I am going to ask you to withdraw.

Mr. D. St.E. KELLMAN:

I am doing it now, Sir. It is not an aside.

I am saying, Sir, that in a discussion in here on tourism, the Honourable Member said that we will be having home porting and that Bridgetown Harbour, as it stands right now, does not have the capacity to hold the ships and that we will have them anchored outside of the Bridgetown Port for people to stay on. He said those things in here.

Hon. N. A. LYNCH:

Mr. Chairman, on a point of order. The Honourable Member is misleading the House. I have never said any such thing. The Honourable Member is confused with his own nonsense that he is talking.

Mr. D. St.E. KELLMAN:

Mr. Chairman, I will not even ask you to withdraw that, because the reason why the Honourable Member knows that I am confused is that he has always copied me and he will have to be confused also.

Mr. CHAIRMAN:

You cannot say that, please. You have to withdraw that also.

Mr. D. St.E. KELLMAN:

I would like him to put back in his statement. I want no mercy in here, Sir.

Mr. CHAIRMAN:

The Honourable Member for St. Lucy, please withdraw that statement.

Mr. D. St.E. KELLMAN:

I withdraw, Sir.

Mr. CHAIRMAN:

Thank you very much. Please continue. You have one minute more.

Mr. D. St.E. KELLMAN:

Mr. Chairman, I am saying that if he wants to close the Head now, tell him to close it. I do not know who put him in this hot water, but we were supposed to debate Education, and I understand that somebody realised that he was walking around talking about statistics and they could not find the matching revenue to suit it and they were aware that the Opposition would rinse them out today, and they created the opportunity for him to be rinsed out on the Floor.

I thank you, Sir.

Mr. C. A. MASCOLL:

Mr. Chairman, it is quite evident that the Minister has indeed put himself in a lot of hot water, having become Minister of Tourism. When he was the Vice President of the BHTA he made a lot of comments in defence of the hoteliers and has now lived to become Minister of Tourism to reverse almost each and everyone.

Sir, I sat this morning and heard him say that Barbados has the highest revenue per passenger by far,

of any Caribbean destination...

Hon. N. A. LYNCH:

Mr. Chairman, on a point of order. The Honourable Member is misleading the House. I said that Barbados records the most revenue per landed passenger than any other country in this region.

Asides..

Mr. C. A. MASCOLL:

Mr. Chairman, the Minister is quite confused. I said per passenger.

Mr. Chairman, the Minister said and I repeat what I just said, "Barbados has the highest revenue per passenger by far within the region." I would really like to know where does the Minister get his information, not that I am doubting what he is saying.

I well know that the Caribbean Tourism Organisation (CTO) would use US dollars to report, because they need a common currency. In that regard, Barbados therefore with its exchange rate, when compared to Jamaica or some other destination, may appear to be very high. I just want the Minister to tell us how is it that Barbados can boast of having the highest revenue per passenger of landed tourists in the Caribbean and the level of profitability, which he said in the same breath, is the lowest within the Caribbean.

Sir, I repeat, in the same breath that the Minister of Tourism said that Barbados has the lowest level of profitability of any country in the region, he said that the margin of profitability is the lowest in any Caribbean country in the area of tourism. I would therefore like the Minister, Mr. Chairman, to explain to the people of Barbados how on the one hand he is saying that we get the highest revenue per landed passenger and then he is saying that we have the smallest margin of profitability of any destination within the region. This opens up a major debate on the question of cost, I suppose, in Barbados.

Asides..

Mr. C. A. MASCOLL:

I do not know. I would like the Minister, Mr. Chairman, to tell us exactly what is happening. I am saying that the Minister is prone to exaggeration, as we all know. He now has a history of saying that he is a Minister in a hurry and he took the pain out of tourism. He has a predisposition to exaggeration.

House 25, sequence 208,

11:20 a.m.

Friday, March 19, 2004

Asides..

Mr. C. A. MASCOLL:

I am going to go to some of the issues to this Minister of Tourism because I have no doubt that he is

not going to get much support today. I hope he notices what has happened so far under this particular Head because the other Heads that we have debated the Other Side have been very willing to rise and defend. He would notice that since he spoke that I am now the third Honourable Member on the Opposition to speak and therefore I do not expect that over the course of this Head that he would be getting any major kind of support from the Other Side. I could well understand why he would not get any support, because he walks the length and breadth of this Chamber saying how important tourism is and how he has the best performing ministry of any ministers in Barbados. He also beats his chest every session of Parliament and says out loud that he needs no help; that he knows that he is the underrated man in the Cabinet; that his ministry has to carry the Government; that he earns all of the foreign exchange for Government; that he employs all the people in Barbados; that he is the person who is paying the bills for Barbados; that he is the person who when you look to the future is going to manage a ministry that is untouched and in charge and that he has to be regarded as Barbados' most decorated Minister of Tourism ever in the history of Barbados. That is the nature of the individual so when you hear him speaking on issues you have to resort to facts. Let us deal with facts because I have in my possession...

Asides..

Mr. C. A. MASCOLL:

I heard him this morning in this Chamber adding cruise ship passenger arrivals to long-stay arrivals but this is really an inappropriate statistic to use. You cannot compare cruise ship passenger arrivals with long-stay arrivals. You should never be heard to be quoting a figure in excess of any million tourist arrivals in Barbados because you cannot add apples and oranges together and therefore you cannot add cruise ship arrivals to long stay arrivals to justify the performance of the industry, he knows that.

Hon. N. A. LYNCH:

On a point of order. Every major tourism destination that deals with tourism arrivals adds cruise and long-stay arrival figures when they are talking about the overall tourism figure. For him to say that is not so is to mislead the people.

Mr. C. A. MASCOLL:

It is highly inappropriate to do that because cruise ship arrivals...

Hon. N. A. LYNCH:

On a point of order. That is misleading the House. It is not inappropriate to do that, Mr. Chairman. As a matter of fact, when the Caribbean Tourism Organisation puts out its statistics every year it quotes for every destination in the region total arrival figures and cruise and long-stay arrivals are added together, and then there are other indices that speak to cruise and long-stay separately, so it is not inconceivable and it is not incorrect to do it.

Asides.

Mr. C. A. MASCOLL:

I will now have to give a tutorial on this matter because I know that the Minister of Tourism and International Transport does not really understand how value-added and Gross Domestic Product is calculated.

Asides.

Mr. CHAIRMAN:

Honourable Member for St. Michael South, please let the Honourable Member continue please. Although as I said I do not preside over a morgue, I still expect a little decorum at times. Let the Honourable Member continue please!

Mr. C. A. MASCOLL:

Mr. Chairman, it is known that the way in which tourist arrivals contribute to the GDP of Barbados or the value-added that the Minister likes to quote is by way of what we call in the industry bed nights. Length of stay which embraces the concept of bed nights is extremely critical in determining the contribution of tourism to the Gross Domestic Product of Barbados. A cruise ship passenger does not sleep in Barbados, he does not stay long enough. He comes in at 600 a.m in the morning and leaves by 600 p.m. in the evening, so a cruise ship passenger does not make any real contribution to the value-added or the Gross Domestic Product of tourism in Barbados. They make a little contribution by way of our revenue and that is how it is. Mr. Chairman, in that regard to add cruise ship arrivals to long-stay arrivals is not really the way to do it. Mr. Chairman, unlike St. Maarten and other destinations higher up the chain, it is known that a lot of cruise ship passengers do not get off the ship in Barbados. That again is a given, because the very deduction that can be made from the Minister's information is that Barbados is a high-cost destination. I think we all know that because of his conclusion that we have the highest revenue per passenger by far of any destination in the region and yet in the same breath that we have the lowest margin of profitability, which leads to one conclusion...

Hon. N. A. LYNCH:

On a point of order. Mr. Chairman, I never said that we had the lowest margin of profit, I never said that. I said one of the lowest.

Mr. C. A. MASCOLL:

I feel it is the lowest. Therefore it leads to the conclusion that Barbados is a high-cost destination. That perception or reality is really believed because if you ever go to St. Martens you would see that almost every passenger gets off the cruise ship and shops either in Back Street or Front Street duty free. When you come to Barbados you do not get that kind of benefit from cruise ship arrivals.

Hon. N. A. LYNCH:

On a point of order. Again the Honourable Member is misleading the House. Mr. Chairman, we have proven statistics in Barbados that 90 per cent of the cruise passengers that come into Barbados get off the cruise ships, they come through the port. It is measured by the number of people that pass through the cruise terminals. It is measured when they both leave and when they come back. So it is untrue for him to say that.

Mr. C. A. MASCOLL:

Mr. Chairman, in a recent debate in this House the Minister actually put a value on the contribution of cruise ship passengers to the economy and quoted a meagre figure of \$45 million when in actual fact according to the information provided by the authentic source in his opinion, the Central Bank, we earned in excess of \$1.4 billion from tourism. If the Minister does not understand that a mere \$45

million in relation to \$1.4 billion is minor in the context of tourism in Barbados then I have grave difficulty with the Minister.

Hon. N. A. LYNCH:

On a point of order. The Honourable Member is misleading the House again. The figure is a small figure when compared to long-stay arrivals, but it is untrue to say that it is \$45 million. As a matter of fact, the estimated value of the cruise passengers was \$103 million when compared to the total figure of \$1.4 billion. We accept that, but it is not \$45 million. Mr. C. A. MASCOLL Mr. Chairman, you therefore need to understand why it is nonsense to add long-stay arrivals to cruise ship arrivals. In fact the data suggest that there are more cruise ship passengers coming to Barbados than they are long-stay. Am I correct, Mr. Minister?

Asides..

Mr. C. A. MASCOLL:

If that is so, and there are more cruise ship passengers than long-stay, how then could you feel proud about adding \$103 million or \$45 million to well over \$1.4 billion for long-stay arrivals? That is the sense in which I am saying that to add these two together is in fact an error, but let me go on.

Asides..

Mr. C. A. MASCOLL:

There is no doubt about the Minister's attire. He is ideally suited to be a Minister of Tourism and International Transport.

Asides..

House 25 Sequence 209

11:30 a.m.

Friday, March 19, 2004

Mr. C. A. MASCOLL:

No, I cannot be. I know my limitations but he is ideally suited to be a Minister of Tourism. He has the attire and everything with it.

MR. CHAIRMAN:

Honourable Member, please continue to address the Chair. You have two minutes more.

Mr. C. A. MASCOLL:

Sir, he can rest assured that this would be an onslaught of the kind delivered yesterday because we do not expect any major contributions from the Other Side. We intend to demonstrate, notwithstanding all that he has said in recent times about how well tourism is performing, that there are considerable loopholes in the overall performance of the industry. The Honourable Member knows it too well because an industry that is doing so well cannot attract private sector investments for the building of the

Barbados Hilton; after 12 years cannot convince Sandals Limited, a major chain to come and invest in a property that is the most beautiful property in Barbados; cannot see any benefits to the workers of the type experienced 10 or 12 years ago. When workers came out of the hotel industry, they got substantial tips and were earning much more. They are now being put on a three-day work week. They cannot say that they have benefited to the extent that the industry is supposed to be progressing because there is clear evidence that while the industry appears to be growing, it is not growing to the benefit of the small player such as taxi men, vendors, arts and craft persons or small restaurateurs. These persons cannot boast of seeing any benefit from the industry and, therefore, one has to be concerned if in planning for tourism, this planning is not consistent with the overall objectives of bringing more people on board and, therefore, deriving greater benefit from the industry.

Mr. Chairman, we will be back. That is only the beginning.

Mr. CHAIRMAN:

Before I hear the Minister, I want to say to this Chamber that we all love our game of cricket and the score is now 80 without loss. Chris Gale is now 50 and Dwayne Smith is 29. They have passed the 47 runs.

Hon. N. A. LYNCH:

Mr. Chairman, I recognise now why we could not have kept the quorum. It was because of cricket.

Sir, let me first speak to issues that were raised and to offer an explanation for a number of things that were raised erroneously by the Honourable Members of the Opposition.

Sir, I wish to speak to the issue of the highest revenue-earning countries in the region and particularly so for those countries which show similar development profiles like Barbados, those in the region that are our major competitors.

Mr. Chairman, this is from successful tourism destinations. It is a paper called Lessons from the Leaders that was written and developed by a leading tourism expert in Europe, Rosalene Poor. Barbados' tourism expenditure per arrivals, Barbados received most expenditure per visitor arrivals in the Caribbean. Barbados leads with US\$1 354 spent per tourist arrival, followed by St. Maarten, US\$1 045.40; Aruba, US\$1 165.74; Bahamas, approximately US\$1 050; Cuba, approximately US\$975; Jamaica, approximately US\$975; Martinique, approximately US\$550; Puerto Rico, approximately US\$780; Dominican Republic, approximately US\$950. All of these countries record revenue per visitor lower than Barbados. As a matter of fact, the only countries that are over \$1000 per passenger are Barbados, St. Maarten, Aruba and the Bahamas.

Mr. Chairman, if the Honourable Member for St. Michael North West wants an explanation why we have received the highest revenues per passenger, indeed when one compares that we have the smallest margins of profit, I think he has asked and has answered the question.

Mr. Chairman, I have already been on record as stating that the high input cost for Barbados as a tourist destination has created a basis for a smaller margin of profit when compared to some of the other countries in the region. Sir, the issue of being a high-cost destination is something of which Barbados does not have to be ashamed or afraid. Our infrastructural development, our educational systems or the

supply of our services are costly, which has contributed to the smaller margin of profit that we have had. Sir, when comparing our Wages Bill to the rest of the region, Barbados pays maybe the highest level of wages, except maybe for the Bahamas.

Sir, I do not understand how, on the one hand, we could raise the issue of development for Barbados and talk about how proficient is our education system that we can boast about it globally and then we expect that when people make demands, particularly in an environment with a strong union culture, where it is expected that people then get paid higher wages, that one would not expect margins.

Mr. Chairman, one of the reasons that we have been successful at tourism, is that even though our input costs are high, we have been able to give high quality goods and services and have been able to attract high quality visitors to our country.

Sir, with regard to the issue of the Honourable Member for St. Michael North West carrying on about Barbados not being able to attract investments and chains, et cetera, when compared to the rest of the region, our tourism industry was not built upon chain development.

Mr. C. A. MASCOLL:

On a point of order. The Minister of Tourism is on record in his speech delivered at the Hilton Hotel in 1999 as criticising Barbados for not being able to attract major hotel chains. He is the person who first raised the matter in the public domain and, therefore, I do not know how the Honourable Member could be accusing the Opposition of raising the issue.

Hon. N. A. LYNCH:

Mr. Chairman, I was not the first person to have raised anything in the public domain. The fact of the matter is that to run a successful tourism destination in the vein in which Barbados has been going, there is the need for a mix, both at providing accommodation at the chain level and at the indigenous level, which has been done by other countries.

Mr. Chairman, the bulk of the luxury industry in Barbados was not built on chain hotel development. Sir, if you look at the West Coast, including Sandy Lane, Sandpipers, Cobblers Cove, Royal Pavilion, Glitter Bay and Treasure Beach, these are not international chains. What they have been able to do was to have contributed substantially to the development of our tourism industry, with some of the most luxurious of products to be found anywhere in the region and possibly the world.

Therefore, in a country that between 1998 and 2003, has been able to attract investment of hotel properties such as the Barbados Hilton; GEMS of Barbados; Villa Nova; Port St. Charles; the Escape Hotels; the expansion of Almond Beach; Tropical Escape; developments at Coral Reef; Sandy Lane Hotel being built; the Crane property that has built almost half of the 471 proposed units; Royal Westmoreland; Divi Heritage; Amaryllis Hotel; Royal Pavilion expansion and Sugar Hill Hotel and Restaurant.

Mr. Chairman, when the Leader of the Opposition speaks to issues of investments, he always runs back to the issue of chains. He does not speak to the numerous indigenous developments or to some external capital inflows that have nothing to do with chain hotel development.

Mr. Chairman, it is misleading to try to make Barbadians believe that no investments have been happening in the industry. Sir, when I quote the figure of \$336 million, I am speaking about investment that, in one year, has been spurred by the development of a Tourism Development Act. Sir, I believe that is a substantial investment when compared to what was before the Tourism Development Act was tabled.

H:No.25(210)

11:40 a.m.

Friday, March 19, 2004

Continuation of Hon. N A. LYNCH:

Mr. Chairman, we could quarrel the entire day about the issue of statistics and the best measures of performance for the tourism sector. Sir, even if a statistical digest was produced in the Ministry of Tourism, the statistics are taken from the arrival figures that come from the Immigration Department, the Central Bank of Barbados and the Statistical Department. We compile the figures into one digest at the Ministry of Tourism but they do not originate with the Ministry.

Mr. Chairman, I want to speak to the issue of small hotel development and small enterprises within the tourism sector which other members spoke about and to compare it with standards of those who are practising community tourism in the industry. It is a fact that this Administration in the history of Barbados, more so than any Administration, has sought to look after smaller peers in business both in and outside the tourism sector. Sir, monies have been provided for the Small Hotel Investment Fund and also through the Barbados Tourism Authority that goes to the small business sector.

Mr. Chairman, we have been able to create a tour to the United States of America for small hotels to deal exclusively with operators of small properties. We have also given a loan of \$1 million to the Intimate Hotels of Barbados for marketing and being able to provide.

Mr. C. A. MASCOLL:

Mr. Speaker, on a point of order. The Honourable Member for St. Michael South is misleading the House. The development of the small hotel sector occurred when the BDB made substantial loans to the small people of Barbados and created a property when the Canadian market was one of our major markets. The Honourable Member is only adding an increment compared to that outstanding development that occurred back in the 1970s and 1980s. If you want to believe that the tourism sector just started and that an initiative to put \$1 million in that sector for small hoteliers is a major thrust in terms of development, you are incorrect because it happened even under the Barbados Labour Party before when the Barbados Development Bank made outstanding to small hotel development in Barbados and it was then continued by the Democratic Labour Party.

Hon. N A. LYNCH:

The Honourable Member does not understand what he is saying when he makes these assertions.

The members of the Democratic Labour Party needs to make up their minds whether they are the champions of the small man or the champions of big business.

Sir, the Barbados Labour Party saved all those small hoteliers when it created the GEMS. There are examples of people who borrowed money from the BDB at concessionary rates at the time but, over the period of life of the enterprise, the BDB changed the rates. Sir, the rates were increased and because the industry was seasonal, these players would pay money when the season was going but outside of the season they did not have any money to pay. Also, because of the change in interest rates, when people paid in money they were only paying the interest. Sir, during that entire period of time, the Democratic Labour Party which is the champion of poor people wanted to foreclose on their property. Mr. Chairman, they never lent those properties technical assistance. They never wanted to restructure their loans. Sir, they were only interested in foreclosure.

When the Barbados Labour Party came into office, we determined that we would put the GEMS project on the table to save some of those people indebted to the BDB but we were severely criticised by the same Administration who claimed to be looking after poor people.

Mr. Chairman, the Democratic Labour Party needs to make up its mind of whom they are the champions.

Mr. Chairman, the Barbados Development Bank gave loans to people and then changed the interest rate but what we have done for the small hoteliers of Barbados is to look after their administrative needs by giving them technical assistance to look after their marketing needs and after their technological needs. Sir, we have also given them training to look after their human resource needs.

Mr. Chairman, if you speak to any small hotel player in Barbados, he would tell you than under the old BDB regime, they constantly spoke about foreclosure because of the seasonality of the industry at that time. They also lent money that was not sufficient so that most of the locally-owned small hotels were under-capitalised from the beginning. Sir, they were badly located, under-capitalised and in many instances, they were badly managed. When it came to lending technical assistance necessary for these enterprises to thrive and flourish, the BDB was not there to support them.

Mr. Chairman, this administration is seeking to put things in place to speak to issues beyond the first capital injection into the hotel. This administration has been able to create a platform outside of the first capital injection and look at being able to lend to their marketing, administrative, human resources and technological needs. Sir, that is what building a small hotel sector is about. Sir, Honourable Members on that side are all silent and no one is heckling me now.

Mr. Chairman, to say that this Administration is joining with the Barbados Hotel Tourism Association to try to impose standards on community players is mumbo-jumbo. Mr. Chairman, I have gone on record as saying that we have been able to create a basis for small community players because that has always been the objective of the Ministry of Tourism.

Mr. Chairman, the Green Paper on Sustainable Tourism was laid in this House in 2001. It speaks very clearly to community development and to encouraging and facilitating the involvement of communities in all stages of the community developmental process. It also speaks to strategy, action, guidelines and

to developing an action plan for deepening the involvement of communities in tourism and, Sir, it goes on.

Mr. Chairman, this is an issue where we are trying to lend technical support to our community tourism enterprises. It is okay for the Honourable Member for St. Lucy to defend community tourism but a small enterprise cannot be built by hoping and wishing. The small enterprises of Barbados must also ascribe to a standard at which they can carry on their business. It is our responsibility as a Government and as policymakers that small enterprises reach a standard that they can be sustainable.

Sir, if someone came to Barbados and was staying in a small enterprise which did not meet many of the security and safety requirements, then the Honourable Member for St. Lucy would be the first to jump on the Government and say we allow those things to happen in Barbados.

Mr. Chairman, as a matter of fact, the last man that was shot in this island was shot at a property not registered with the Barbados Tourism Authority which did not have adequate security. The man himself said that it was a crime of opportunity because he left a window open.

H25/Sequence 211

11:50 a.m.

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

Sir, I am saying that under this Administration, we sought to create a standard under which small properties can operate.

Dr. D. C. ESTWICK:

Mr. Chairman, I want to make a short submission on this Head because I listened attentively over the past several months and heard statements from a Minister that were full of superlatives. A Minister that likes to posture and the Minister cannot, when one analyses the tourism industry, based on its contribution to the Gross Domestic Product of Barbados and because of that, I will make my argument based on the statistic that the same Honourable Member for St. Michael South is indicating he knows nothing about and that his department does not produce. Therefore, I am going to make my contribution without any interruptions from him.

Sir, I am making the point that I heard the Minister say that the input cost in Barbados is higher than any other regional destination and that is why the revenue retained is less than any other territory in the region.

Sir, I want to ask the Honourable Minister this question. Who is responsible for the increase in the input cost to the tourism sector in Barbados? I want the Honourable Member to say if it was the Democratic Labour Party that increased the taxation on a room in a hotel from 5 per cent to 7.5 per cent. I also want to ask the Honourable Member whether he does not understand that the input was not only in respect of room revenue but it was in respect of all the costs input, input with respect to transport, electricity, water, telephone and services. The Minister does not understand what he is talking about.

Sir, the Democratic Labour Party cannot be blamed for this. It is the Barbados Labour Party that has to be blamed and the lack of understanding on the impact of Value Added Tax on cost inputs on the tourism sector. I will now bring the evidence with respect to the statistics that the Honourable Member does not like.

Mr. Chairman, I reviewed the Ministry of Tourism Annual Statistical Digest for 2002. I just reviewed the Annual Statistical Digest of the Central Bank for 2003 and these are documents of this Honourable House and I, therefore, refer to those documents.

Sir, I will start with the fact that the tourism sector is the major contributor to the Gross Domestic Product in this country. Therefore, its performance is important, if it is not, it is close. The point is, anytime the tourism sector is not functioning effectively, it undermines the capacity of this country to earn the level of foreign exchange that is necessary for it to service its debts and also to cover imports in Barbados.

I am, therefore, concerned when I see a reduction in the contribution to the GDP by the tourism sector. When I review the contribution being made from 1994, there has been no significant change. In fact, in 1994 the contribution was \$410 million. Do you know what it is today based on the report? It is \$444 million, no statistical difference. All the lamenting and superlatives, there is no difference.

I will refer specifically now for the Honourable Member to take notes. In 2002 the contribution to the GDP was \$487.9 million. In 2001 it dropped to \$471 million and in 2002 it dropped further than \$444 million and the Honourable Member is telling me foolishness in this Honourable House and misleading the public. The Honourable Member is jumping up and talking all sorts of foolishness about airlift and all kinds of fancy terms. Sir, these are the hard facts.

Sir, I will go further. Let the Honourable Member refute that hotel bed occupancy rates have declined steadily since 1994. The data is available. In 1994 it was 56.4 per cent and it now stands at below 53 per cent. Let him refute that. Let him also refute that there has been no significant change in the so-called employment under the tourism sector. In 1994, 11 000 people were employed in the tourism sector. In 2002, 14, 200 people were employed, an average of 2 900 jobs.

I want the Honourable Minister to stop posturing and advance the industry in a way that all Honourable Members of this country would feel the impact that he is always telling us about, when I know that on the West Coast and South Coast hotels are closing down, people are working a week on and a week off and restaurants in Barbados are closing down; but the Honourable Member is telling us about airlift and arrivals. They are all saying that it is not true but I want them to get up and refute it.

Mr. Chairman, I will also attempt to indicate to the Honourable Member the importance of statistics. I will refer him to Table 12 of the Annual Statistical Digest of 2003, which was laid in this Honourable House.

Hon. N. A. LYNCH:

On a point of order. I hate to interrupt the Honourable Member. The Honourable Member is quoting that employment statistics are going up and that the country is in a bad state and I must stop posturing.

Who is posturing now? Mr. Chairman, the Honourable Member is misleading the Honourable House if you say that we are on the wrong foot and going backwards, when he has just quoted employment statistics in the industry that have proven they have increased.

Asides.

Dr. D. C. ESTWICK:

Mr. Chairman, the Honourable Member must understand the point that was being made. The point was that when one looks at the data, we are at 1996 levels in terms of the revenue collection. That is the point. We have not surpassed the 1996 levels but if you want me to give you the data I can give it to you.

Sir, let me give you the information. Expenditure by tourists in Barbados: in 1996 - \$1,289,000,000.00; in 2002 - \$1,296,000,000.00, a fundamental difference of \$7 million. Let the Honourable Member get up and refute that, Sir! Sir, that is the critical point, that we are at the 1996 levels with respect to the revenue, the expenditure by tourists.

Mr. Chairman, I want to make two other interventions based on the statistics. I want to look at hotel beds available in Barbados. All the information that I am quoting from comes from these reports of the Central Bank and the Annual Statistical Digest of the same Ministry of Tourism. If these are casting aspersions on the officials of the Central Bank, then let them get up and say so.

Asides.

Dr. D. C. ESTWICK:

If they are casting aspersions negatively on the technicians within the Ministry of Tourism, let them get up and say so.

H25:

Sequence 212

12.00 noon

Friday, March 19, 2004

12:00 Noon

Continuation of Dr. D. C. ESTWICK:

I am utilising statistics from those two documents. If the Honourable Member does not like the information that is being put out, that is his business. It has nothing to do with me.

Sir, the number of tourists visiting Barbados, in 1997 were 472 290, and in 2002, 497 899. There is no statistical difference, and if the Honourable Member would sit down and find a means, and calculate a standard deviation or variance, he would understand what I am talking about.

Hotel beds available, Sir, again the information is there: 1998 - 11 661, 2001 - 13 1776. Again, no significant difference. The point is, Sir, I do not have time to waste. I am a scientist. The important point is that when I start to speak about random error and confidence limits, he would get lost. I would carry him down a road that he does not understand, so he is messing with the wrong man in this House of Assembly.

Mr. Chairman, I am even more concerned about this performance of the tourism sector when I also analyse the performance of the other aspects of the export service sector in Barbados, these being areas of manufacturing and agriculture. When we have witnessed the sort of decline within the informatics sector, when we have witnessed the sort of decline that has argued for the Prime Minister, in the Budget, to recognise that he had to put measures in place to enhance further development of the captive insurance sector in Barbados, by giving them tax exemptions, Sir, and increasing their deposits, or what they could claim on their income tax returns, it tells me that we are tottering on one leg that is very shaky.

Sir, all of the other export services sector elements, the foreign exchange sector of this country are under pressure. What is of importance to me, Sir, is that when we enter a CSME, where there is open competition and even more definitive competition that will affect our productive capacity, within an FTAA and WTO rules and so on, then it says to me that I am concerned about competitive advantage.

I do not mind all the talk and I would also say that one of the areas that concerned me most of all, was the use of a quasi macro economic strategy of an Incomes and Prices Protocol without the appropriate prices and other elements involved. This had a significant impact in Barbados, because anytime Sir, that a Government sought to introduce a Prices and Incomes Protocol, as the Honourable Member speaks about, a social partnership agreement, the one that we implemented in Barbados, was designed to provide a breathing space for the private sector. It was designed to restrain the rate of growth of wages in Barbados, and link it to productivity. When that happens, Sir, it means that the business would have a reduction in the rate of growth of one of the major cost inputs, or the total overall cost inputs.

Therefore, by extension, they should either be able to gross more profit, and net more profit as a result, and they should necessarily be able to invest more heavily within their own business expansion. By extension, Sir, it would necessarily mean, and I believe this is why it was done, that they should be able to produce a higher quality product, one that is by extension also cheaper and more competitive, the net result of that being to be able to compete within a CSME, FTAA and so on. What has happened in Barbados is that we have had this Protocol retained for so long, that it is undermining the total economic growth of this country. I would want the Minister of Finance to recognise that without an increase in aggregate demand, pushed from the bottom of the economy, Sir, where the people have liquidity and spending power, we are going to have some difficulties in this country.

I thank you, Sir.

Hon. R. R. FARLEY:

Mr. Chairman, I rise to make a contribution in this debate. I have listened with great interest to the Opposition trying to deny the facts as they are. They are trying to tell us, Sir, that we are not to believe what we are seeing with our own eyes.

Asides..

Hon. R. R. FARLEY:

Clearly, he does not traverse the length and breadth of this country. He obviously does not go to Moon Town. If the Honourable Member were to travel around this country, he would have noticed since December last year, the spread on the ground of the tourists in Barbados.

In fact, Sir, this tourist season is the first time in many a year that I have actually been able to feel the difference between the high season and the low season. Over time, our sound growth in tourism has been as a result of an active Summer programme. Hotels in Barbados typically do not close in the Summer as they do in Bequia and other places, because we have been able, through Crop Over, through sporting activities, through the business of Barbadian nationals and their friends from overseas, to have a strong programme in the Summer. The spectacular growth this Winter, is reflected in the numbers, Sir, as well as what is happening out there on the street.

Go to St. Lawrence Gap, Sir, any night, Thursday, Friday, Saturday, Sunday and you will see them walking in groups. Go, Sir, into Silver Sands and Inch Marlow and see them walking from hotels to shop to ZR, et cetera. Go to Moon Town and you will see them on the landside by the shop or you will see them by the seaside by what used to be a canopy for selling fish and the like, which is now used by a lady for barbecuing food and things of that sort. Go, Sir, to Round House at Bathsheba for lunch, today, if you have the time, and you would see that it is full.

Sir, the fact that we have been able to show for last year, January to December a 7.5 per cent increase in total visitor arrivals, is not only in the statistics, it is out there on the ground.

House 25, sequence 213,

12:10 p.m.

Friday, March 19, 2004

Continuation of Hon. R. R. FARLEY:

If you call any of the major restaurants to get a booking for dinner tonight you either would not get one at all or you would get one for 9:00 p.m. or 930 p.m., those are the indicators.

Sir, having 1.15 million visitors, the highest ever on record, is something for which we can be proud. Sir, what is heartening is that the figures for January shows a 7.3 percent increase in total visitor arrival. Sir, with one day to go before Spring and with snow still falling on the East Coast of the United States of America, I am optimistic that we will have a longer stretch of the winter season. Thank God for bad weather! One man's poison is another man's meat.

Sir, this Government has not depended on acts of nature to boost our tourism. This Government even in tight economic circumstances like in the post September 11th period put more money into tourism

marketing and promotion. We made a conscious decision to cut back on expenditure in other areas of Government administration in order to put more money into tourism marketing in support of airline activities.

Sir, there has been a coordinated marketing approach built around marketing out of the various airport hubs from which our direct flights come, whether they be London, Miami or wherever. Therefore, the increased airlift to Barbados is also not an accident. In fact, you would know that in any peak-driven activity, be it electricity generation, tourism, business or travel, you are limited by your capacity.

Sir, you know and I know having had to accommodate friends and business associates trying to get to Barbados in the Winter that there have been times in the past when people wanted to get here but could not get here. Therefore, the increase in airlift, when airlift was being cut to other destinations, has been an important affirmation of the success of the strategy of this Administration.

Asides..

Hon. R. R. FARLEY:

Mr. Chairman, the Honourable Member for St. John is trying to distract me.

Sir, what I am particularly proud of is that contrary to what the Democratic Labour Party has been trying to say this morning... Perhaps the only one who has not done it is the Honourable Member for St. Lucy because like myself he has a vested interest in community tourism and we are seeing it play out day by day. Sir, the benefits of tourism have not been only at the macro level but at the level of the man in the street like the people in Silver Sands and Inch Marlow. Ask the average homeowner with a two-bedroom or three-bedroom wooden house who rents it out to tourists if this is not the best season they have had for while, and I am confident that they will say yes. If you ask the shopkeepers in the area who are required to cook fish lunches and fish dinners and who sell their beer and soft drinks to these people if their business has improved this season, they will say yes. If you ask the operator of the windsurfing and the kite surfing operation there on Silver Sands Beach how things are he would tell you how busy it is. Sir, let us adjourn the House and go up there now and you will be able to see a most magnificent view.

Asides..

Hon. R. R. FARLEY:

Mr. Chairman, if you go up there now you will be able to see the spectacular colour of all the kites flying over the water and many a visitor enjoying the amenity that is offered up there. If you ask the people who have licences from the National Conservation Commission to vend on that beach, they will tell you that this is the best season they have had for a while. So this nonsense I am hearing that we do not have these people, that the benefits are only in a few hands and that the small man is not getting anything is not true certainly of the small men that I know.

Mr. Chairman, the problem we have is that some of the Honourable Members on that side do not get around the island so they are out of touch with what happens with the ordinary man in his day by day life. That is the reality. So because they have not experienced it, they find it hard to understand.

Sir, there are one or two things that we need to do however. While we note and we congratulate the police for the major reduction in crime which we have had, we still need to ensure that we do not slacken up on our efforts because the community tourism thrust is one that presents policing challenges which are different from that of the traditional tourism product with a large hotel, with a well-defined border and with its own security. Community tourism is all about people who live in regular small houses. There may be one or two apartments but those houses are all there exposed because very often there are no fences and there is no special security. It is the neighbours that act as part of the security arrangement, but in the same way those neighbours are susceptible to the occasional acts of crime so too are the visitors in the community context. Therefore, I would want to thank the officers of the Oistins Police Station for being responsive to the calls that were made particularly around the Christmas holiday when there was a slight upsurge in crime in the Inch Marlow and Silver Sands areas. Despite the fact that we have had a reduction in crime, I want to urge that we keep our patrols because it is a major challenge and at the end of the day bad news spread faster than good news and given the dependence of the community tourism operator and word-of-mouth advertising and advertising on the Internet on special features we need to ensure that we preserve their ability to participate.

Sir, I heard talk about Barbados reaching its capacity and there being a limitation of areas in which one could invest and I perhaps am making a cry for it...

Asides.

Hon. R. R. FARLEY:

There are people out there who are not aware that there are parts of Barbados which still remain available for development which can be added to the attractiveness of our tourism product, for example, Long Beach in Christ Church. The only stretch of beach that is longer than Long Beach in Christ Church is the stretch from the Hilton Hotel down to the Careenage. If you were to go - people like to say behind the airport - but I like to say on the ridge overlooking the South East Coast of Barbados because to say behind makes it seem as though it is somewhere in the back, and to look from Fairy Valley or from Paragon, it would boggle your mind that such a spectacular piece of our beach coastline has not yet fallen into the process and the prospect of development for the benefit of the people of Barbados.

House 25 Sequence 214

12:20 p.m.

Friday, March 19, 2004

Continuation of Hon. R. R. FARLEY:

I, therefore, take note of the thrust which both the Ministry of Tourism and International Transport and the Ministry of Finance have made in terms of its commitment to facilitate private sector investment in developing this tourism product.

Sir, I want to draw to their attention that the people of Christ Church East would be most pleased to

welcome the development of that area because this is where the small man benefits, not only in the initial phase of construction but there is approximately 100 acres along the Long Beach area that are available for development.

Asides.

Hon. R. R. FARLEY:

Mr. Chairman, it has been a long time since the Honourable Member for Christ Church East Central went up there. I must remind him that it is not all wetlands. There is a small wetland area and the majority of that 100 acres on the cliff overlooking the sea where the 30-room Long Beach Hotel is located or down the hill from Fairy Valley, or whether he is down the hill at the other end from Inch Marlow, but at the end of Seaview Road, there is a lot of land for development.

Sir, I am making this point to establish the fact that through our developments in tourism, which would either be great or small, there is an immediate and impactful benefit to the ordinary man and woman. Therefore, the Opposition would tend to knock the development of the Barbados Hilton or some other large projects mainly because they are large, but they would not admit that whether it is in the direct injection of investment capital; in the hundreds of persons who would gain employment in the construction activity; whether it is those small independent contractors and employers who would provide employment, the bottom line is that the tremendous growth which we have experienced in tourism during the last year has not been some macro statistic in the journals of the Central Bank but has been a force for positive good in this country.

Sir, I strongly support the community tourism thrust of the Government and look forward to the full impact of their investment facilitation units, along with the Ministry of Finance, because we have urgent business to do. Sir, whether it is the State as entrepreneur or facilitating private investment, we as a country need to agree that now is the time to build.

I thank you, Mr. Chairman.

On the motion of Hon. R. C. EASTMOND, seconded by Hon. R. R. FARLEY, Mr. CHAIRMAN reported progress to His Honour the SPEAKER and asked for leave to sit again and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. R. C. EASTMOND:

Mr. Speaker, I beg to move

that this House be suspended until 1:30 p.m.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

the House accordingly.

H:No.25(215)

12:25 p.m.

Friday, March 19, 2004

RESUMPTION

MR. SPEAKER:

This Honourable House is resumed. When the resumption was taken this Honourable House was in Committee of Supply and to that, it will now revert.

COMMITTEE OF SUPPLY

MR. CHAIRMAN:

This Honourable House is in Committee of Supply.

Mr. D. St.E. KELLMAN:

Mr. Speaker, one of the things we must understand about tourism is that we have been fortunate to have a history of sugar and we must be able to learn from the mistakes made previously within the sugar industry.

H25/Sequence 216

1:30 p.m.

Friday, March 19, 2004

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

Sir, we must understand that the contribution of the small holders to the sugar industry was very significant.

Our tourism industry can only be seen as a mature industry when we can accept community tourism as part of our industry. Until we accept this, then it means that we would have been able to develop a total tourism product. We must also understand that community tourism is that part of tourism that allows us to share the cake so that everyone would benefit. It must also allow the masses of this country to take part in the tourism industry the same way that the small holders were able to take part in the sugar industry. Mr. Chairman, by doing that, we would be able to have a continuous economic activity within the communities which would be sustainable and allow the masses to be independent.

It is clear to me that those who previously criticised the idea of community tourism, somebody has

been able to preach to them. I must congratulate the Honourable Member for Christ Church East for lecturing to the Minister of Tourism, the good virtues of tourism. I am convinced that after that speech by the Honourable Member for Christ Church East I will not hear the Honourable Minister of Tourism “bad-talking” community tourism. Sir, it could not have done a better job to convince the Minister of Tourism about the importance of community tourism. The Honourable Member for Christ Church East was able to speak with command and show how the small man has been able to benefit from community tourism, and I am proud of that.

It is interesting that the Honourable Member for St. Michael South has criticised me severely in this Honourable House when we spoke about the expansion of the Port. I said that we should not only look at the expansion of the Port at its current location, but what we need to do is to expand the Port outside of Bridgetown and go into rural Barbados. Sir, in the next few weeks I am expecting to hear the Honourable Member for St. Michael South say to this Honourable House that he has a tourism plan in place and he has accepted the findings of the Board and others to move cruise tourism to the North of Barbados. The Honourable Member knows what he said when I made the comment about putting all our eggs in one basket, when I spoke about that, rather than allowing a clash between cruise tourism and the handling of cargo. The Honourable Member was very critical of me.

I am aware that the Honourable Member has been able to be convinced, not by the masses of people of Barbados but by his dictates, and he is now advocating what he criticised me for to be one of the best policies to be implemented within the Port. He is now saying that it is the best thing that could ever happen. Sir, I need not take credit but I would say that when I see expansion at the Port and I can see into the future, I do not see why anybody would want to curse me for it.

It is regrettable that I love the present Minister of Tourism. He is the only man that I know that can criticise someone one week and praise him the next week. He is very clever so you cannot tie him down to any position and I am going to prove it to you.

Sir, if we were to go back to the Hansard of this Parliament we would find that this Minister of Tourism was always famous for criticising the lack of international brands in Barbados. Sir, you will also find in the same Hansard that I have always said to this same Minister that when you look at our tourism mix, there is no need to have international brands in Barbados because what we have is in the interest of Barbadians.

Mr. Chairman, when we see Almond Beach being promoted, we know that it is Barbados. When we see Sandy Lane Hotel being promoted we know that it is Barbados but whenever we go for international brands there is no guarantee, after we have put money into the advertisement, that we will benefit from it because it is seen as anywhere in the world, for example Marriott. I have always argued that point, Sir. I do not buy into the idea that we need international brands. What we need to do is to develop and expand on what we have. I have always said that and I have been consistent about that.

Sir, there is a difference between the Minister of Tourism and myself. I have always been consistent in what I speak.

Asides.

Mr. D. St.E. KELLMAN:

We have to understand that what we need to do is create an economic climate when we use some of the cash that is within the banking system to allow those brand names in Barbados, because we have brand names that are working well for us and have worked over the years, to be able to expand them so that people can buy into those brand names and promote our local product internationally.

Mr. Chairman, with the technological changes, marketing our tourism product is easier than before. That is why I do not support the foolishness from Cable & Wireless when they interfere with the local telephone rates. If we understand the importance of tourism and the importance of marketing, using modern technology, nobody is going to support an increase of telephone rates at this time because of the impact that it will have on the tourism industry. We have to understand that.

Asides.

Mr. D. St.E. KELLMAN:

We have to understand that delivering this product should be such that makes it competitive on the world market. That is why I cannot support the changes in telephone rates as advocated by the Government and Cable & Wireless.

The amazing thing about this is the Government and Cable & Wireless wanting an increase in telephone rates and at the same time they want to increase the rate on the land-based line, they are reducing the cost of the cellular lines. The rates of the unprotected lines are being reduced and they want to increase the rates of the protected lines.

Sir, this would destroy our tourism product because there is something called community tourism and it is known that the players in community tourism have to depend on the land-based lines, along with the group that is anti-community tourism, to use the telephone rates as a weapon to destroy the community tourism players. We have to make sure that those persons within community tourism are able to use the telephone lines to promote community tourism all across the world at the lowest cost.

Mr. Chairman, if we continue to develop the tourism industry in urban Barbados, we are not going to get maximum capacity if we do not expand the industry to rural Barbados where the opportunity cost is greater for the country. That is why I cannot support the idea of having Kensington Oval bulldozed or rebuilt for \$60 million when \$30 million can provide the same kind of facility within rural Barbados and where more investors would be attracted because we would now have new territory to develop.

H25:

Sequence 217

1:40 p.m.

Friday, March 19, 2004

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

Instead of that, Sir, you have a Government bent on bulldozing Kensington, rebuilding Kensington and still at the end of the day, you cannot see the capacity to be gained from doing something like that.

I am a supporter, Sir, of Kensington Oval being for test cricket. We must understand that we must have a modern complex, not only for cricket but it must have the capacity to do many things. I am now hearing from the BCA that they are prepared to rebuild the whole of Kensington to do these things. It is a waste of resources.

We have to understand if we are going to have cruise tourism in the North of Barbados, and many other projects that would be coming for the North, that it would make sense for investors have that multipurpose complex in the North of Barbados and to keep Kensington Oval for test cricket, as it is known. I can only show my side of it, Sir, but if the Government feels that they have a right to limit the development of the country, it is up to the Government.

I am saying that the investors in St. Peter, St. Lucy and St. James must take this question to Government to find out what crime they have committed that the development which should be coming to the North of Barbados, must now be stalled, and must be protected for a particular grouping who cannot get the maximum benefit from the project because of the capacity that it cannot create in that particular area, and limit the capacity that can be created in a rural Barbados.

We have to understand that the Prime Minister said at the opening of these discussions on the Appropriation Bill that the important thing is its increasing capacity, and you cannot increase capacity by remaining in the same nucleus. You must be able to take your expansion in the areas that would give you the greatest opportunity cost for your investment.

Sir, somebody must tell the BCA and the players in the BCA that what they are about to do is not in the best interest of Barbados. We must be able to understand that there is greater development to be gotten by taking the project away from Bridgetown, than by allowing it to remain in Bridgetown, causing no expansion.

Asides..

Mr. D. St.E. KELLMAN:

A cost of \$60 million, at the end of the day, you must be able to see something for it and you cannot see the same thing you had previously. What we want to see, Sir, is capital expenditure creating new avenues and new opportunities for the people of Barbados.

This Government, as I said today, Sir, has been able to get a lot of revenue. At the end of the day, they will be judged by the new projects they have been able to create out of those revenues. Sir, the expansion and the possibility of being able to host the World Cup and so on, is a good idea, but we must maximise the benefit from it, that is why I am saying that the tourism industry, rather, the Minister of Tourism must understand that he has a right to get involved in the discussion, and he cannot be heard on the Floor of this Parliament as saying that it is none of his business.

Sir, the Honourable Member must understand that he also has a role to play and, if his Ministry is the most important Ministry, and is the Ministry that is delivering the goods to the country of Barbados, and

it is the only Ministry that is performing, then, the Minister must show his importance and strength within the Cabinet, and make sure that the project is located in the right direction.

If your Ministry is the one that is feeding everybody, then you must understand that and then you must be able to make sure that whenever you market your tourism project, the other players understand what you are doing and they line up behind you. You said you are the best Minister and that you are providing opportunities for all. I have no quarrel with that but, if you are the best Minister and you are providing opportunities for all, then you must have some clout. If you do not have any clout and you are the best Minister, it just means that you are wasting my time and also, your time.

Mr. CHAIRMAN:

Honourable Member, please wind up.

Mr. D. St.E. KELLMAN:

What I am saying, Sir, there cannot be a clash, that is, a development in Bridgetown over a development in rural Barbados. Massive developments cannot be only for Bridgetown. Massive developments must also be for rural Barbados. I support the Minister on that idea, because I know even though he is not seeing now that he would see it two weeks from now. I am going to support him from two weeks ahead.

Hon. N. A. LYNCH:

Mr. Chairman, I would try to bring the debate back to the level where it started. There are some inaccuracies that must be cleared up, and some assertions made by the Members of the Opposition relative to tourism development over the years, that I think I must clear the air on, before we even delve into some of the more important works of the Ministry and its programmes.

I will first deal with the issue of community tourism and our support for community tourism. I think the Honourable Member for Christ Church East spoke very well, when he talked about the gains that have been made in recent times, through the Community Development Programme. This has always been an objective, programme and a policy of the Ministry of Tourism, even before I became the Minister. Sir, to say that we are in some way averse or against the development of community tourism is erroneous.

I believe that we need to understand, very clearly, where the Opposition is coming from, relative to whom they are supporting. The Honourable Member for St. Lucy is on record as saying that cruise tourists do not spend any money and do not contribute to the development of the tourism industry.

Then, today, the Leader of the Opposition, the Honourable Member for St. Michael North West stated, again, that we cannot add the figures together because most of the people do not get off the ships. Mr. Chairman, the cruise tourism sector has its rightful place within the development of our industry.

Mr. D. St.E. KELLMAN:

Mr. Chairman, on a point of order. The Honourable Member is misleading the House. There is nowhere in the records of this Parliament or anywhere, Sir, that he can produce any evidence to say that I made that statement.

Sir, what I know I have said about cruise tourism, is that we have a golden opportunity to convert them, and that the Ministry of Tourism must put a plan in place to convert those cruise tourism passengers. The simple reason is that we do not pay any money to get them here, but the main fact that they come to our shores means that they have some sort of liking for this country and we must find a way for them to be able to travel through Barbados.

I remember, Sir, I said to him, even if you took them on a tour, it would be good enough for me, for the simple reason, that we had a situation where they were just driving from port to port and the Honourable Member admitted in this House that he has agreed with the idea coming from me, and he would take that back as policy and implement it.

Hon. N. A. LYNCH:

Mr. Chairman, cruise tourism passengers have their rightful place within the make-up of tourism development in Barbados. There are only day trippers, yes, but they contribute significantly to a band of investors and business people who are also plying their trade within the industry. I speak specifically, Sir, of people like taxi operators and vendors and the like who do gain substantially from the cruise sector operating in Barbados. I think it is erroneous to say that cruise tourism does not contribute significantly to the development.

House 25, sequence 218,

1:50 p.m.

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

The per capita income as generated by a cruise ship passenger is approximately BDS\$184.93 or US\$92.46 as compared to a long-stay visitor whose daily spend is BDS\$376 or US\$188. A long-stay visitor spends an average of seven days in Barbados while a cruise passenger only comes spends one day.

Sir, the important issue here is that they do contribute significantly to the development of the industry and to all of the people that the Honourable Member for St. Lucy is seeking to champion. That is why I do not understand this issue of cruise passengers not spending enough money and the like.

Sir, in his own confused and convoluted way the Honourable Member for St. Lucy tries to bring in the issue of people who come here home-porting. He talked about people who come as day trippers on cruise ships and spend money. We are not talking about the cruise passenger who comes here straight from the airport, goes down to the port, gets on a ship and sails for seven days or whatever it may be and then comes back into Barbados and goes directly to the airport. Mr. Chairman, those passengers are not counted in cruise arrivals in Barbados. I have been trying to explain that to the Honourable Member for the longest time. The people who come here to take ships to go away are not counted among our statistics because there is no way to capture them. They do not fill out ED cards and they do not hand in immigration cards when they are leaving so you do not count them at the airport. The only way that a

cruise passenger from home-porting is counted in Barbados is if he or she forms part of the cruise-and-stay programme which has become an important part of that home-porting programme.

Mr. Chairman, when I last made an intervention, I spoke on the concept of standards for small accommodation operators who we know are fundamental to the development of our industry. Sir, to say that there should be no standards and that the Barbados Hotel and Tourism Authority or whoever is trying to corral these people into creating some level of standards.... Sir, there must be a health standard, a safety standard and other relative standards to which these people must operate in order for them to have the ability to create optimum benefit from their enterprise for themselves and for the society as a whole. Sir, when you try to get them into a standard it is not to take advantage of them or to disadvantage them, it is to give them the best opportunity available in order that their enterprises can thrive.

Sir, the Honourable Member constantly beats and bashes the all-inclusive tourism industry of Barbados, and I want to enlighten him.

Mr. D. St.E. KELLMAN:

On a point of order. The Honourable Member is misleading the House. I do not beat and bash all-inclusive tourism as he is saying. It is known in this House that I have always said that the way all-inclusive tourism is practised in Barbados is wrong and that instead of the hoteliers trying to keep the people on their premises that it was in their interest to get them off their premises so that they could save money. Looking at the profitability of the people involved in all-inclusive tourism is not to beat and bash them.

Mr. CHAIRMAN:

You have made your point. Continue Honourable Member for St. Michael South.

Hon. N. A. LYNCH:

Mr. Chairman, let me clear the air relative to the issue of all-inclusive hotels and how they complement the development of the industry. One does not want to see in any destination a proliferation of all-inclusive hotels that goes beyond the normal European Plan (EP) hotel that we have in Barbados. Mr. Chairman, the facts are clear that the fastest growing segment of tourism is package business whether that package business is on the sea or on land. All-inclusive tourism is a concept that came out of Jamaica out of their biggest concern for issues in relation to safety and security. Mr. Chairman, in that particular destination and in other destinations in the region the issues of safety and security have always been relative to whether or not a tourist could actually leave the hotel. Barbados has never from its inception practised all-inclusive tourism in the same way in which it was practised in Jamaica or in the Dominican Republic.

Mr. D. St.E. KELLMAN:

On a point of order. The Honourable Member is misleading the House. When all-inclusive tourism was first introduced in Barbados the impression was given that they could come here, remain within the hotel plant and that they did not even need to bring a wallet because they were told to come without their wallets so that they remain within the properties and they had no opportunity to see outside of the properties. All I was saying is that Barbados is too beautiful a country and the people are too good to practise that type of system without encouraging the all-inclusive players to come and see the real

Barbados.

Hon. N. A. LYNCH:

Mr. Chairman, from its inception, all-inclusive tourists were encouraged to leave the properties. One of the things that is important in this particular move is that if a man or a woman has already paid for a particular service, for example, a dinner in an all-inclusive setting, and he or she then leaves the hotel and goes outside and has dinner somewhere else that is a meal that the hotel has saved on. All-inclusive tourism in Barbados has shopping programmes where people are encouraged people to leave their properties. They had dining room programmes where they encouraged people to leave their properties. This has always existed in Barbados. To try to make it out, Mr. Chairman, that people were not encouraged to leave the properties is a false assertion.

Mr. D. St.E. KELLMAN:

On a point of order. The Honourable Member is misleading the House again. If you have a package that is marketed by telling you to leave your wallet at home, how can you come and spend money somewhere else?

Asides..

Hon. N. A. LYNCH:

The other issue that is important in the whole all-inclusive debate has to do with financial safety and security, not only physical safety and security. One of the reasons package business has grown to the level it has grown, has a lot to do with people coming to destinations and sometimes spending as much as 20 to 30 per cent more than they had originally anticipated. Therefore, the all-inclusive concept was created in that same context to be able to create a product in which the man or woman is more or less assured of the amount that he or she would spend. Mr. Chairman, people want to know that when they come to an island that they are safe and secure physically and that they are also protected in their wallets in terms of what they spend on the ground in the destination. Sir, when you take the situation of Almond Beach Hotel and Heywoods Hotel, I do not know of anyone in Barbados, even the most casual observer of the industry, who could tell me that what is happening at Almond Beach now and what replaced what was happening at Heywoods Hotel is not a step up from what happened at Heywoods Hotel in the past.

Mr. Chairman, all-inclusive tourism because of its cost structure of being able to put together a package has also got to have things like year-round employment and year-round suppliers. It has been able to guarantee people, taxi men, hair-braiders and watersports people work on a long-term basis because of the nature of the all-inclusive product. In other words, Mr. Chairman, whether or not there is one person or ten persons at the hotel they have to provide the services that are necessary. That is why the difference in terms of employment and the supply of services to the all-inclusive concept have lifted... There is no way you can tell me that Almond Beach Hotel running on an average occupancy of 80 per cent and guaranteeing work and services is not much more productive than the Heywoods Hotel that we had which was barely struggling to make 40 per cent occupancy.

Sir, what we do not want to see is the destination overrun with all-inclusive properties. What we want to see is that these all-inclusive properties that are doing well are encouraged because they are guaranteeing work for people.

House 25 Sequence 219

2:00 p.m.

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

Mr. Chairman, in relation to the input cost and the movement from 5 per cent to 8 per cent in the hotel sales tax, the real input cost that is considered to be a burden in many instances by tourism enterprises and hotel operators is the issue of salaries and related costs. It is not the issue of the 5 per cent hotel sales tax. Sir, the 5 per cent is the hotel sales tax but many of the components that were input costs to the industry were costed not at 7.5 or 15 per cent but were import duties, consumption taxes, and a number of other taxes.

Sir, under the Value Added Tax, we reduced those things down to a flat base of 7.5 per cent but what continues to be the burden for most of the operators are issues such as salaries and wages, which are the highest components of the cost within hotel enterprises in Barbados. Sir, there are a number of other issues such as energy cost, although we had done a study and had analysed the energy cost structures.

Sir, the only place in the region that utility costs are lower than Barbados is in Trinidad and Tobago, Aruba or Curacao. These countries either refine oil or have deposits of petroleum or oil.

Sir, we have been able to produce a Tourism Development Act that seeks to chip away at these input cost structures, to bring them down to manageable proportions. The Act also seeks to lower the inputs costs to our sector so that we can see the margins of profit that will fuel that level of increased capital investment coming to Barbados.

Sir, what is clear is that the Tourism Development Act needs time to work. We have also expanded the list of items that can now be sourced duty-free by an enterprise operating in Barbados. Sir, these things must be given time to work themselves into the fabric of the tourism industry to the optimum benefit of all of the players in the sector. It is not that Barbados is in some way so much outstripped, it is agreed there is that margin of difficulty but it is beginning to show.

Sir, if a generation of Barbadians are supposed to benefit and are going to benefit from this industry, we must see these capital inflows to Barbados. Therefore, places such as the Paradise Hotel and others must be operational to ensure that we continue to fuel developments for another generation.

I thank you, Sir.

Hon. K. D. SYMMONDS:

Mr. Chairman, perhaps I should begin by saying that as I listened to this debate there were times when I thought that we are speaking at each other and not to each other.

Mr. Chairman, for argument's sake, the Honourable Member for St. Lucy has made a good point on the question of what he calls brand name hotels, with which I do not think that anybody would substantially disagree. Perhaps, he goes on to say that there is a questionable degree of necessity for us to rely on them.

Sir, we have to remember that as our tourism product evolved, we had a history of international players, the so-called brand name hotels, which have served Barbados well. I do not think anyone would dispute that. They were the Barbados Hilton, the Holiday Inn and Marriott Sam Lords, that were all here and were all important players. At present, there is a property with Fairmonte interest.

Sir, that having been said, I do not and cannot agree with the view that it does not stand to reason that because it is an international brand, it will not advocate Barbados' interest well. The reality is that there are now packages practised by so-called brand name hotels, which are based on a marketing strategy of getting the investment that they have made in the other countries of the world. These hotels have made the investment and have set about getting those investments advertised.

Mr. Chairman, I know that you are a lover of Sheraton Hotels, and I am sure that you would have heard of the Sherwood Preferred Guest Scheme. Sir, the reality is that anytime one goes to such a property, the first thing one does is to turn on the television and see a range of hotels across the world in which that property has invested. That kind of advertising carries a heavier budget than what the Barbados Tourism Authority would ever be blessed with from this Honourable Chamber. What takes place is that an individual can sit in a hotel room in Ontario and can see the benefits of a vacation in St. Lucia being advertised.

Mr. Chairman, in addition, there are company chains like Hyatt which now link with airlines and car rental companies. Part of their marketing strategies is that in exchange for travelled miles, one would be given a vacation package to Barbados because there would be a property here, for example. Sir, we should not lightly dismiss the utility which could be derived from constructing such chains.

Sir, I want to make the point and I concede that unlike the Honourable Member for St. Lucy, I have not had the experience of building from the shoestrings my own tourism plant as he has done in St. Lucy. Therefore, I think this Chamber should recognise the value of that and recognise the importance of having an Honourable Member who has had that kind of experience.

Mr. Chairman, on this side we have had a former Minister of Tourism and we have a current Minister of Tourism. There are persons in this Honourable Chamber who have tremendous experience in these matters.

Sir, I want to bring a certain amount of basic commonsense. In my constituency adjoining that of the Honourable Member for St. James South, there is an area called Holders Foundation, which was recently formed at Holders Hill, St. James. If one looks at the Holders Foundation, one is going to see an area where tremendous emphasis is placed on sports such as golf, cricket, tennis, polo, hockey, football, et cetera. It constitution has been finalised but what is happening and what I am not hearing is how we can improve on the developments that are already in place.

Mr. Chairman, one such development is that the Ministry of Education, Youth Affairs and Sports has

come down there and has helped to establish clinics. The purpose of these clinics is to get the young people in the area to become more active in the different sporting disciplines. Therefore, when a festival of sports takes place, we would have a range of persons at all ages in the community, from the junior to the masters level, who would be involved in cricket competition; who would be playing against teams visiting from England; who would be playing polo against teams visiting from Canada; who would be playing football against teams coming from the United States of America, et cetera.

Sir, I did not build my tourism product, so I cannot thump my chest about it but I can speak to what I see happening on the ground and what I realise makes us have to think in terms of recognising and embracing valid efforts, not particularly led by any politicians but efforts coming out of the communities in Barbados. Sir, our task, I believe, must be to try to embellish those community-oriented efforts.

Mr. Chairman, this weekend if one goes into Fitts Village, one would see there would be young boys at cricket coaching clinics, the purpose being that by summer they would be expected to be engaged in competition with visitors to this island. That is a community thrust in the context of sports.

Sir, in my constituency there is a hotel called Sandy Lane, which has taken a lot of lashes from persons in this country. What one does not hear is that Sandy Lane provides a venue for persons from the immediate vicinity to come and dance, do dramatic performances, et cetera.

H:No.25(220)

2:20 p.m.

Friday, March 19, 2004

Continuation of Hon. K. D. SYMMONDS:

We have to speak to these issues because I am hearing that community tourism is not being accepted by the Barbados Labour Party and that it began in the mind of the Honourable Member for St. Lucy but I am not interested in that. I am more interested in seeking to identify how it exists, how it is moving on and how we can help it to be all that it should be.

Sir, I genuinely feel that we have to stop talking at each other on this critical issue. No one would doubt that manufacturing and agriculture are no longer what they were and that this country relies heavily on its tourism product. If we accept that, we also have to accept that five years ago we had a tale of two cities as far as tourism was concerned.

It is shameful that we as Barbadians could be contented to watch the "Gold Coast" of Barbados mushroomed to the point where there are billions of dollars in investment and a South Coast plant that was collapsing and badly eroded. The Honourable Member for Christ Church West knows this well because he represents a significant part of that constituency. The reality is that this is not a partisan, political issue because both parties have held Government through the years. We have to see how we can get past this because that development of the South Coast plant, which took place largely out of the

work of the much-abused GEMS of Barbados exercise, has for the first time placed a four-star hotel on the South Coast of Barbados in the form of the Savannah Hotel.

I challenge any member of this House to say that upon visiting the Savannah Hotel that they do not feel a sense of pride and that in a part of the sector that was overlooked, that Barbados has been able to produce a hotel of that standard. Sir, when you look at the mushrooming of activity that has taken place at QuaySide Centre, St. Lawrence Gap and all the nearby restaurants on the South Coast you have to recognise that it is inextricably connected to the effort that took place when GEMS of Barbados was coming to fruition.

I have had the opportunity to do work for some of the investors and I understand the nature of the investment that has taken place. For example, the Asta Beach Hotel was amalgamated with Woodville Hotel yet I hear the Honourable Member for St. John say that people are not investing when less than one year ago a \$20 million investment took place a few yards away from the Savannah Hotel and now we have the beautiful Amaryllis Beach Resort, another spanking new four-star property where nothing comparable existed before. Sir, I am also hearing that people are not getting into the market but before me I have a list of the applications for concessions from hotels under the Tourism Development Act.

Asides..

Hon. K. D. SYMMONDS:

I do not think it is appropriate to list in here the type of investment that small players are making but, Sir, there are millions of dollars in terms of apartment investment. It did not only speak to accommodation but to places of recreation so there are restaurants ranging from the upper level like Cliff coming all the way down to Café Jungle crowding the department of Government in an effort to get applications through so that they can improve and expand their product.

Sir, we should not be ashamed to accept and recognise that what took place in the year 2000 was a fundamental improvement of a colonial Act and we must not turn a blind eye to the impact of the liberating Act, the Tourism Development Act, 2000.

Sir, I also want to speak to the Best of Barbados.

Mr. CHAIRMAN:

Honourable Member, your time is up.

Hon. K. D. SYMMONDS:

I am obliged to you, Sir.

Mr. C. A. MASCOLL:

Mr. Chairman, as I listened to the Honourable Member for St. James Central, I wondered whether he lives in Barbados because we have lost all the rooms at Paradise Beach Hotel, Rockley Resort Limited, Sam Lords Castle, the Regent Hotel, Inn on the Beach and the Hilton Hotel within the last five years in Barbados and this is why there is a need for a proper debate.

Hon. N A. LYNCH:

On a point of order. Mr. Chairman, the Honourable Member seeks to mislead the House. If a hotel closes for refurbishment and upgrading, as has been done with Inn on the Beach, it cannot be opened. So, the Honourable Member should not mislead the people of Barbados by saying that the rooms have been lost.

Mr. C. A. MASCOLL:

Mr. Chairman, I mentioned Paradise Beach Hotel, Rockley Resort Hotel, the Regent Hotel, Inn on the Beach and the Hilton Hotel. We have lost rooms and contrary to what the Minister said in here two days ago, I am going to take the politics out of the debate and demonstrate exactly what I mean. Since 1980, the average growth of hotel rooms in the countries around the region has been 145 per cent and for a similar period Barbados' growth in room was 0.9 per cent.

I quote from the foremost hotelier in Barbados, Mr. Ralph Taylor, former Deputy Chairman of the Barbados Tourism Authority.

H25/Sequence 221

2:20 p.m.

Friday, March 19, 2004

Continuation of Mr. C. A. MASCOLL:

Sir, you have to respect that this man in very dire circumstances in a major conglomeration in Barbados turned around a property and demonstrated what average Barbadians - by average I speak of his origins and colour, in an environment in which he was not being encouraged at that property.

Sir, in 1980 Jamaica had 10,092 rooms, now 24, 239 rooms, Cuba had 7,526 rooms, now 41,323 rooms, Puerto Rico had 9,224 rooms, it now has 12,768 rooms, Aruba had 2 035 rooms, it now has 7 500 rooms. St. Lucia had 1,245, it now has 3,711 rooms. In Cancun in 1995 there were 19,411 and it now has 25,829 rooms. In 1980 Barbados had 6 680 rooms. It now has 6,742 rooms.

Asides.

Mr. C. A. MASCOLL:

Barbados has a mere 62 rooms more, approximately 24 years later.

Asides.

Mr. C. A. MASCOLL:

I am saying that there is time to have a proper discussion on tourism in Barbados. In fact, the Minister needs to look at this. How come you are boasting of so much increase in tourist arrivals and the same information that you used this morning about room occupancy you would not even question? The Honourable Member needs to look at these kinds of issues because, in all fairness, I have grave concerns about the room occupancy, the length of stay and things that I hear about. I think that you need to start from that position in order to get a fair assessment as to where we are.

Sir, you cannot be boasting about how Barbados has advanced and yet when you look at the reality you are not convinced that the average Barbadian is any better off as a result of tourism, relatively so as he was, ten years ago. I am speaking of the workers and the small players in the sector.

Mr. Chairman, we have a situation in Barbados where ZM Vehicles and BT buses have now been able to infiltrate the seaport to the extent that small taxi players are suffering at the hands of these larger players.

Hon. N. A. LYNCH:

On a point of order. The Honourable Member is seeking to mislead the Honourable House. He has no concept of what goes on at the Barbados Port Authority. Mr. Chairman, there are more taxi operators in the Port than there are ZM vehicles and big bus operators. As a matter of fact, many of the taxi operators have also got into having their own ZM vehicles and BT buses as part and parcel of the industry.

Asides.

Mr. C. A. MASCOLL:

I am saying that approximately ten years ago that predominantly, if not exclusively, taxis were used to transport cruise ship passengers. That is what I am saying. I am now saying that if you look at the growth in that market of ZM vehicles and BT buses and the extent to which our major travel agents are now being able to go to Miami and organise before tourists get to Barbados the transportation element and, therefore, to some extent crowd out the taxi operators.

Sir, take a walk down Broad Street and find out whether or not there is substantial increase - that is another area that burns me. I remember a former Minister of the Democratic Labour Party increasing the taxi stock and being taken to court. Since that happened there has been a substantial increase in the amount of taxis in Barbados.

Asides.

Mr. C. A. MASCOLL:

Since Johnny Tudor was taken to court for expanding the amount of taxi licences, I am saying that there has been a substantial increase in the amount of taxis now plying their trade.

Asides.

Mr. C. A. MASCOLL:

I never called anybody's name. I am simply saying that at the time when he increased the amount of licences, there were some people ...

Asides.

Mr. C. A. MASCOLL:

Since then there has been a substantial increase in the taxi fleet in Barbados.

Hon. R. R. FARLEY:

On a point of order. I hate to interrupt the Honourable Member. I believe that the Honourable Member is inadvertently misleading the House. He is not in the mood to deliberately mislead the House but the gentleman whose name he called, in breach of Rules of the House, was not taken to court. There was a Commission of Inquiry and it was the gentleman who took the Commission to court on a procedural point.

He is not intending to be mischievous but for the accuracy of the record, we cannot have the record reflecting that someone was taken to court for issuing licences.

Asides.

Hon. R. R. FARLEY:

The Honourable Member would want to withdraw and move one.

Mr. C. A. MASCOLL:

Mr. Chairman, all I am saying ...

Asides.

Mr. C. A. MASCOLL:

All I am saying is that there was some degree of objection to the number of licences issued, apparently just before a general election, and, in fact, since then the man who replaced that gentleman substantially increased the amount of taxis on the road.

Asides.

Hon. K. D. SYMMONDS:

On a point of order. Mr. Chairman, the Leader of the Opposition must know better. The Leader of the Opposition is imputing improper motives to the successor to that Minister. That successor is a Member of this Honourable Chamber.

Mr. C. A. MASCOLL:

The involvement of small players in the tourism sector and I think that we are all concerned that many of the small players who used to ply trade on the beach front and the taxi business selling arts and craft are not now being paid the types of tips that there used to be in the days gone by. Sir, if you speak to people who were involved in the industry over an extended period time, they would let you know that they do not come away from the job with as many tips as in former years. That is a fact of life.

Sir, it brings me to another issue because sometimes...

Asides.

Mr. C. A. MASCOLL:

They used to be able to enjoy additional income as a consequence of the abundance of tourists. By the way, not the cheap tourists because you listen to the debate and deduce for yourself. The

Honourable Member for Christ Church East was able to say that there are several tourists now staying in chattel houses in Silver Sand.

Asides.

H25:

Sequence 222

2:30 p.m.

Friday, March 19, 2004

Continuation of Mr. C. A. MASCOLL:

This is why there is need for proper analysis, because the Honourable Member for St. Michael South tries to deny the discounting that has occurred over the last couple of years in the tourism industry.

Hon. N. A. LYNCH:

Mr. Chairman, on a point of order. The Honourable Member is misleading the House. I have never tried to deny any issue related to discounting in the industry. Mr. Chairman, everyone in the industry knows that since September 11th 2001 and the other global challenges that we have had, there has been serious discounting in the industry, not only in Barbados but all over the region, as a matter of fact, globally.

Mr. C. A. MASCOLL:

Mr. Chairman, that is really a change in position and it has come since the Prime Minister admitted to it in this debate on Monday. The Minister has now shifted his position but he was adamant that in fact Barbados was not only attracting more tourists but also getting a better yield which was the stated mission of the BTA, to increase the yield per person, over time. It has not happened.

Mr. CHAIRMAN:

Honourable Member, please wind up.

Mr. C. A. MASCOLL:

Mr. Chairman, we have to be concerned with a recent position expressed by a leading tourism sports person in Barbados, seeking to close down a karaoke bar on the West Coast. Sir, while we are speaking, the lady who is now in charge, the Vice President of the BHTA has actually recommended, as far as I can gather, that there should be some degree of closure of the karaoke bars on the West Coast because of the interference.

Sir, how on the one hand you are seeking to enhance the involvement of the average Barbadian in the tourism pie, you are talking about having tourists in chattel houses, you are talking about giving them an opportunity to go into local bars, but because of some music being played at venues that people enjoy, there is now this suggestion by a major player. This is why, again, there needs to be a stated policy with respect to where we are going in tourism, and I will speak to the question of the West Coast, versus the

South Coast in my next contribution.

Hon. R. R. FARLEY:

Mr. Chairman, I rise to look at another important aspect of this tourism debate. Indeed, Sir, much of what we need to do by way of continued improvements in tourism, relate not only to the improved infrastructure which is moving apace. We all agree on the need for more rooms, more investment, creative diversification, the Honourable Member for St. Michael North West, of course, in his presentation omitted to mention the villa sector, which is a major sector. In fact, Sir, it has been responsible for much of the spectacular growth. In that sector, here is greater spend per visitor in the villa sector than in any other sector in Barbados.

Mr. Chairman, I live in Lower Grays in Christ Church, the rural part of Christ Church, going on to St. George. I live along that inner stretch of beautiful sugar cane-lined road in Barbados which is used...

Asides..

Hon. R. R. FARLEY:

Mr. Chairman, notwithstanding the representation of my M.P. for that area, that road is used by the limousines, the BMWs, the Mercedes, the Bentleys, all of the big rides, going to the villas in the West Coast and in St. Peter and those areas.

I am not going to speak too much on the villa sector right now, Sir, but just to flag that the one missing component of the Honourable Member's presentation was that villa sector. What we need to do is to ensure that in our collection of statistics, we take greater count of those persons.

Those persons would typically come to the island, a minimum of a week, sometimes for two, three weeks, a month, three months, six months, they bring friends, and they bring staff, in addition, of course, Sir, to the fact that those villas are staffed year round with a butler, housekeeper, chauffeur, the property management people, maintenance, and it is an aspect of our tourism that we must not overlook.

Sir, while the statistics would show that there has been no spectacular growth in the number of hotel rooms as traditionally defined, there has been a spectacular growth in the number of villas in the pool. If you check the correlations, Sir, check the number of private jets which are now flying into Barbados, so much so, that as part of the expansion of the airport, a private jet centre is to be created, as is commonplace with airports around the world, where private planes, in terms of where they are parked on the tarmac and how their passengers and crew are facilitated, is separate from the main terminal.

The demand is so heavy, Sir, that we have had to move in that direction in the same way that at the new airport there will be a separate facility for cruise ship visitors so as to reduce the congestion in the main terminal.

Asides..

Hon. R. R. FARLEY:

Again, Sir, those private jets are coming here because their passengers are the ones who are staying in the villas. Therefore, let us not do a simple comparison of numbers looking at hotel rooms in

Barbados and hotel rooms elsewhere because then we omit the major earner and the major sector, which has resulted in Barbados being on top of the line, and a much sought after destination, in the United Kingdom and elsewhere.

When the Prime Minister of Great Britain came to Barbados, he was not in a hotel room, Sir, and we can go down the list of the rich and famous who come to Barbados. They are not in hotel rooms, as narrowly defined in the traditional sense, but they stay in their condominiums and in their villas, providing employment for Barbadians, and spending money which are all part of the tourism accommodation.

I want to speak though, Sir, not so much about the present, but about the future, what we are doing today by way of tourism education, to make sure that we lay the foundation for a serious, sustainable future in tourism. Sir, at the end of the day, tourism is a people's business, and what has attracted people to Barbados in the early days was its people, our friendliness, our levels of service and we, therefore, have to continue to make a conscious effort to ensure that all Barbadians, first of all appreciate the importance of tourism. Secondly, that they are able to find meaningful, well-paying jobs in tourism and, generally, that as a society, we are able to contribute to building an environment which will conduce towards the presence of tourists in our country.

Sir, curriculum reform in our schools recognises that tourism is a key part of our future.

House 25, sequence 223,

2:40 p.m.

Friday, March 19, 2004

Continuation of Hon. R. R. FARLEY:

As part of the EduTech Programme of which curriculum reform is a major part, we have looked at the relevance of our curriculum to national development thus striking the balance between the eternal higher level objectives of education for personal improvement, personal empowerment, cultural awareness for a better and spiritual disposition and with the more short-term future imperatives of developing skills and competencies which would allow our people to function in the new economy. Mr. Chairman, I am very pleased to report that there are two key components in terms of our contribution toward tourism education. First of all, in our general education system we have been working closely with the Caribbean Tourism Organisation in developing a serious curriculum for tourism in our schools. There is a series of six workbooks on tourism which are to be used in the primary schools for children from the age of six which is book one to children who are 11 years old which is the book 6.

Asides..

Hon. R. R. FARLEY:

Mr. Chairman, tourism education is going to start from age six. This literature which is developed by the Caribbean Tourism Organisation has been part of the training that is going on. Throughout this term

social studies teachers in the primary schools have been undergoing training and this will continue into next term. These materials will be available in our schools from September to make sure that at an early age we orient our youngsters to tourism. In the secondary school, as part of the social studies syllabus which is now part of the core syllabus, handbooks have already been distributed to the teachers of social studies to ensure that they have resource material in order to deal with the matter of tourism.

Of course, the Hospitality Institute created by this administration to take tourism to a new level has been a major success story. When we check we can see that in terms of creating tourism opportunities many more young Barbadians have been able to gain employment in the cruise industry not as navigators but as persons providing service in the food and beverage area and other aspects of the tourism product, not only on land but also at sea. I am pleased to note as well that the work of tourism training through the Hospitality Institute, where at the main campus some 750 persons are trained annually and where at the All Saints Campus in the north of the island over 400 are trained annually, has contributed to a general improvement in service quality.

Mr. Chairman, it is also interesting to note that several of those persons who have been trained and who have worked in the tourism industry have branched off into their own employment in catering, in operating shops, bars and restaurants. When you go around the island you would find that there are a number of persons who had training through the Hospitality Institute who have worked in the industry and who have gone on as entrepreneurs for example, Marshall's Restaurant in Holders Hill, St. James, and have raised the standard whether it be in shops, bars or restaurants.

Mr. Chairman, recognising that not everyone who wants to be trained wants to work in the hotel sector as narrowly defined, the Institute will be offering a one year course in general catering which is geared towards those persons who have an interest in running their own canteen, a small restaurant or doing some catering out of their homes. Therefore, the strategy of the Government as far as tourism is concerned is not only to build on increasing investment in the number of rooms and on attracting visitors to Barbados but to make sure that our human resource pool, those who work directly in the industry, is sufficiently trained and that there is a foundation of knowledge and acceptance of the industry in the broad population.

Mr. Chairman, all of us in our early days of study had to write essays on whether tourism was beneficial to Barbados, whether it would build the society or destroy it. There were also serious sociological questions to be answered but the bottom line is that we have to ensure that in building this industry of tourism in going forward, we are able to build it with people in mind.

You have signalled that my time is up, Mr. Chairman, and I will come back to speak on some international transport matters in relation to the Airport in my next intervention.

Thank you very much, Mr. Chairman,

Dr. D. C. ESTWICK:

Mr. Chairman, I just want to make a very short intervention by asking the Honourable Member for St. Michael South a few questions. If I am to accept that tourism development must be given priority and that it must be given the correct social and financial environment for development, then I want to draw attention to the Budget of September 29, 1997 where this Administration outlined a plan to privatise the

airport and the seaport.

Hon. N. A. LYNCH:

On a point of order. Mr. Chairman, this Administration has never outlined any plan to privatise the airport and the seaport. This Administration has always spoken in terms of corporatising. There is a difference between corporatisation and privatisation.

Dr. D. C. ESTWICK:

The Honourable Member is indeed a person who seems not to know what corporatisation and privatisation is. In the Economic and Fiscal Proposal of September 29, 1997 the Barbados Labour Party said that it will implement a privatisation programme, not a corporatisation programme. That was said in order to advance business on behalf of the Securities Exchange. The first two to be privatised are the airport and the seaport.

Asides..

Dr. D. C. ESTWICK:

I will not be sidetracked by that nonsense.

Mr. Chairman, I want the Honourable Member to tell the people of this country how privatising the airport and the seaport would enhance or retard the development of tourism in Barbados.

Hon. N. A. LYNCH:

On a point of order. Mr. Chairman, the facts of the matter are that the Barbados Labour Party Administration has already dealt with the corporatisation of both the airport and the seaport. The airport and the seaport in Barbados have not been privatised. The airport and the seaport in Barbados have been corporatised as opposed to privatised, that is the reality.

House 25 Sequence 224

2:50 p.m.

Friday, March 19, 2004

Dr. D. C. ESTWICK:

Mr. Chairman, the Honourable Member continues to believe that Barbadians are individuals with a literacy rate of probably one per cent because corporatisation is a forerunner to privatisation.

Hon. N. A. LYNCH:

On a point of order. Mr. Chairman, there is no way that corporatisation has to lead to privatisation. Both the airport and seaport have been corporatised and, therefore, the Honourable Member for St. Philip West cannot make any assertions that because they are corporatised, it would eventually lead to privatisation.

Dr. D. C. ESTWICK:

Mr. Chairman, I will read for the Honourable Member again. If the Honourable Member wants to

give him an aural toilet, I can perform one on him in five minutes.

Sir, Government will implement a privatisation programme including the airport and seaport. I want the Honourable Member or the Honourable Prime Minister to tell Barbadians how privatising the airport or the seaport, where we depend on them for the movement of tourists into Barbados, whether or not it would enhance the tourism product in Barbados? Sir, unless the Honourable Member has a method to beam people in Barbados that I do not know about. I want to know if it was wise to have even contemplated such a programme because the airport and seaport are fundamentally national security. All tourists are not nice or decent people, some of them are involved in illicit activities. That is the point that he needs to understand and any Government that could even contemplate privatising the airport and seaport must necessarily be not acting in the interest of Barbados. That is the point.

Mr. Chairman, I will make one last point because I have said what I wanted to say and the evidence is there to support that.

Asides.

Dr. D. C. ESTWICK:

Mr. Chairman, if the Minister wants to deny the evidence in the Ministry of Tourism Annual Tourism Statistical Digest, 2002, let him so do.

In Barbados there was always a trend where there was a clear separation on an annual basis between what is called a peak season and an off season. We have always heard about a low turnover which is called the slow period, the summer months, and the winter months. I heard an Honourable Minister saying that snow is still falling up North, and that it would bring more tourists to Barbados.

Mr. Chairman, I want this Honourable House and anybody who cares, to take the Annual Tourism Statistical Digest and look from the year 1994 to 2002, for January to December. Sir, between January and December, for every consecutive year, there has been no reduction in the total number of tourists that come to Barbados monthly.

Sir, let us look at 2000. What is wrong with that would be significant if it takes into consideration the summer months where the rates charged at the various hotels are significantly lower, where that is the period where revenue and the numbers of tourists have increased. If they are not concentrating on the high-end period, that is the winter months, there is more revenue per room which would therefore show that revenue would be affected. That is that reason why we have been having a reduction in tourism contribution to the Gross Domestic Product (GDP), which cannot be refuted.

Dr. W. F. DUGUID:

On a point of order. I am going to seek to explain it better for the Honourable Member for St. Philip West.

It is not the amount of revenue that one gains that would decrease, it is the fact that the discounts have had the effects. Discounts have been offered which would increase the number of tourist arrivals and, therefore, the Honourable Member is looking at it in the reverse. The Honourable Member needs to look at it from a direct position, that is, by giving discounts, it has had its effect and the number of tourist

arrivals are then increased. Therefore, I say bravo to those persons who have instituted the discounts.

Mr. Chairman, the Honourable Member should not see it in the reverse because to do so would be a matter of confusion, which is put out there as propaganda to mislead this Honourable House and the people of this country.

Dr. D. C. ESTWICK:

Mr. Chairman, that is so much rubbish that I would not know where to start. Sir, it reminds me of a cartoon I once watched, where I saw Speedy Gonzales running. He was going to the hacienda. He was moving so fast, that when he was 100 metres down the road, he realised that he had left his brain behind.

Mr. Chairman, if that were so and the winter months held their numbers, increasing the off winter months should have increased revenues. That is mathematics. If one discounts, one would necessarily worsen the condition. That is the reason why we have seen a steady reduction in the contributions to the Gross Domestic Product (GDP). If Government had understood what they were doing, they would not have gone along with that foolhardy policy. It does not make sense.

Mr. Chairman, I want the Honourable Member for St. Michael South, the Minister who said that he was in a hurry, and that he came to get rid of pains, to tell the people of this country whether privatisation of the airport and seaport, given the fact that they are fundamental to the national security of Barbados, was something that should have been contemplated by this Administration. In effect, I am saying that this Administration cannot be trusted.

Hon. R. R. FARLEY:

On a point of order. Mr. Chairman, I hate to interrupt the Honourable Member for St. Philip West. The Honourable Member, because of his lack of appreciation for figures, is misleading the House. Tourism earnings continue to increase. The Honourable Member should understand, and if he does not I will explain it to him. Sir, notwithstanding the continued increase in tourist expenditure, a decline in the percentage contribution to Gross Domestic Product (GDP) can be effected by increase in other areas.

Mr. Chairman, the Honourable Member for St. Michael North West should give him a lesson. The impression and conclusion the Honourable Member wants to draw are totally false and are against the figures that he wants to advance because the absolute levels of earning in tourism continues to increase in this country.

Mr. C. A. MASCOLL:

On a point of order. Mr. Chairman, I wish to make this point to give the Honourable Member for Christ Church East a lesson because we have not made it as yet. Sir, the whole question of revenue earned from tourism, has seen a dramatic decline in Barbados in real terms. We cannot continue looking at expenditure every year without taking into consideration the inflating prices. Therefore, when one looks at the reality of the earnings in Barbados from tourism, there has been a decline in real terms over the last six to seven years. That is a fact of life, so I wish that to be entered into the records.

Dr. D. C. ESTWICK:

Mr. Chairman, if the Honourable Member was listening very attentively, I have brought statistical data to demonstrate that the total revenue with respect to tourist expenditure in 1996, was

\$1.289 billion.

H:No.25(225)

3:00 p.m.

Friday, March 19, 2004

Continuation Dr. D. C. ESTWICK:

I further said that in 2002 the figure was \$1.296 billion, which is \$7 million difference so I do not know what increase the Honourable Member speaks about.

Hon. R. R. FARLEY:

Mr. Chairman, on a point of order. In 2003, the earnings were \$1 465 000 000, what an increase! I thank you, Sir.

Mr. C. A. MASCOLL:

Mr. Chairman, the figures as quoted by the Honourable Member for St. Philip West where it moved by a mere \$7 million, we would have to take into consideration that between 1996 and now, prices in Barbados would have risen in excess of 15 per cent and if you discount the actual revenue earned from tourism by local prices, there has been a decline in real terms in the revenue earned by tourism. This is the point that must be made in this debate.

Dr. D. C. ESTWICK:

Sir, I have to compose myself from these archaic interjections. The fact remains that after the huff and puff I want the Honourable Member to tell me whether privatisation of the airport and seaport would enhance or retard the tourism development product in Barbados because of the fact that all tourists are not decent people. I do not believe that the national security of this country should be in the hands of the private sector. I want the Honourable Member or the Prime Minister to tell the people of this country that it will never happen in Barbados. I have children and I never want to see the day when the private sector could determine who or what comes into Barbados. I also do not want to see the day when the private sector determines what comes through the seaport and airport because that is privatisation.

Hon. R. R. FARLEY:

Mr. Chairman, Mr. Speaker, on a point of order. I hate to shorten the days of the Honourable Member but he is misleading the House. Sir, the Constitution and statutes of this land makes provisions for who has statutory authority and responsibility over control of our borders. The Immigration Department and Customs must discharge their responsibility to control movement of people and goods in this country and the Honourable Member should not seek to give the impression that the laws of our country do not take care of this.

Mr. CHAIRMAN:

The Honourable Member for St. Philip West, you have two more minutes.

Dr. D. C. ESTWICK:

Sir, there is nothing sanctimonious about laws because they can be amended by Parliament. I will reiterate my position and then sit down. The Prime Minister of Barbados said it in public on September 29, 1997 and if Honourable Members on the Other Side do not want to hear it they do not have to listen because it was said by a Government that was misguided. Sir, the Prime Minister said that Government would implement a privatisation programme which would include the airport and seaport.

Sir, I will now sit.

Hon. Miss H. E. THOMPSON:

Sir, we spent a lot of time today quarrelling over who said what, why it was said, whether the statistics are accurate or not and if people are purporting to lie with them or not. I believe there are serious issues confronting tourism which we need to address.

Sir, one of the views put out today is that we have lost a lot of hotel rooms and it seems to be suggested that the tourism product is in crisis. I do not believe that the tourism product of Barbados is in crisis but that it is in transition. We are moving from a period where there was a particular type of tourism product, executed through international hotel brands with a certain type of structure and construct resulting in certain types of economic growth and change and now we are seeing the emergence of an indigenous product that is based outside of hotel plant. We are also seeing a change of branding within the sector and more than ever we are seeing the product itself change.

There has been improvement in the hotel plant, upgrading of the rooms and diversification in the product but I think there are a number of issues which we need to confront which face us in tourism at this time. It is unreasonable, unfair and very mistaken to compare hotel rooms and the tourism product in Barbados with that of Cuba because Barbados is a mature tourism destination while Cuba is an emerging market and has a larger land mass than Barbados which can hold more hotel rooms that we can.

This brings me to one of the challenges that confronts us in this transition period.

Mr. CHAIRMAN:

I hear a cell phone ringing and I want to remind Honourable Member and visitors that they should make sure that their cell phones are turned off. Honourable Member, you may continue.

Hon. Miss H. E. THOMPSON:

Thank you very much, Sir. On mentioning Cuba, it brings me to one of the points I want to make about the transition period and one of the challenges confronting us in this period. The numbers do not tell us how we propose in the development of our tourism product to address the fact that there are a number of new emerging tourism destinations which will have tremendous appeal particularly after the post-9/11 fear period is gone which will have extreme appeal to those moving around the world as tourists.

There are markets opening up in Europe that are appealing and attractive and have interesting architecture but most of all, Sir, for a certain type of tourist has tremendous appeal because the travel times to those destinations.

H25/Sequence 226

3:10 p.m.

Friday, March 19, 2004

Continuation of Hon. Miss H. E. THOMPSON:

For instance, if you are coming out of the United Kingdom, which is one of our largest source markets, the travel times are shorter, the pound in many instances would go further because the hotel rooms are cheaper. You can get a three star room, a five star room and a no-star room cheaper than you can similar rooms in Barbados. Sir, the same thing relates to Cuba which is a new and emerging market of which people are curious and therefore it has the potential of attracting numbers in the way that mature tourism products do not.

How do we propose to confront that sort of challenge? I believe that some of the burgeoning numbers that we are seeing now stem directly from the fact that there are certain fears and discomforts both in Europe and the United States of America which are pushing people in this direction because it still appears relatively safe. The time will come when the level of fear which now exists post September 11th will dissipate and we will have to confront the issue of how we address these new and emerging market and the level of competition which they are going to bring.

Complaints have been made about service delivery in the tourism sector about some of our hotels, shops in Bridgetown and restaurant. Staff members are not as courteous, warm and as welcoming as they should be. Newspaper articles have been written particularly about the World Cup 2007 about what we need to do to prepare our service industry, not to welcome increased numbers but really to provide a welcoming environment for the increased numbers. As a service economy, when you compare the quality service being offered in Barbados with other hotels in the Caribbean, there are many places where we are not necessarily comparing favourably.

If we are really serious of preparing Barbados to be a proper World Cup destination, we have to look at issues relating to service and service delivery in the hotel sector in particular and wider Barbados. Sir, people will not stay in the hotels alone. They are going to visit Bridgetown and they do not want people to be standing with their backs to them. People complain about the way they are being served. Sometimes you call business places and sometimes the phone rings twenty times before someone answers it, then you do not get proper direction to where you want to go.

Sir, even if we address these matters, I have another concern about which I do not hear us talking sufficiently about. It seems to me that both Administrations over time have sought to increase tourism revenues and foreign exchange earnings from tourism always by increasing the number of tourists who come to Barbados. For example, let us build more cruise ship passengers and let us build larger hotel plants for long-stay visitors whose numbers we must increase. Yet implicit in the increasing numbers, there is a limit to the number of people that we can have at any given time. There is a limit to the

number of people using the road work system at any given time. People are already complaining about the level of road rage and frustration in moving around Barbados, particularly at peak hours.

Sir, as soon as we are talking about increasing our tourism arrivals, all of the discomforts of having masses of people around will be exacerbated. I believe that the time has come when we need to do very serious assessments about the carrying capacity of Barbados as a tourism destination and decide what is the optimum number of tourists that Barbados can comfortably hold and that we have facilities to accommodate comfortably. Sir, when I talk about facilities I am using that word in the broadest possible context to include, not only hotel facilities but other facilities for recreation, amusement and entertainment, the reason being, that Barbados is a living eco system and the more numbers you place on it the more you increase the stress on that eco system. Therefore, the more we will have problems relating to garbage, waste management and pollution. These are issues which have to be managed if our tourism product is going to remain sustainable. We have to manage the environmental components of the tourism product if we are not going to jeopardise the earnings from tourism.

My view is, that we determine what our carrying capacity for tourists is and cut off at that point. Then we have a responsibility to develop our product in such a way that we take the maximum amount of money that we can from every individual who comes into Barbados. I am not hearing anybody talk about the spending of individual tourists and the extent to which that is either increasing or declining.

Are we doing analyses to determine whether there are services or products which tourists want that we are not now offering? Are there brands or products which tourists want to spend on that are scarce or not readily available? What are the things on which they want to spend which our product is not carrying at all?

Sir, I am now talking about community tourism and making sure that the earnings benefit every person and every sector of the tourism product. When you go to places like Rockley Beach everybody is selling the same thing. A lot of sarong wraps made of the same fabric and colours and a few souvenirs, that largely are very uninteresting. After a tourist walks to one or two shops, and there are ten, they are not walking any further. Even if they have money to spend, we do not have the product to offer them to get it.

My concern is the kind of analysis that we need to do to determine what it is that tourists want, how do we diversify the product, what it is that we seek to put in our stores to make it attractive to the high-end man, the man who would go into Cartier and drop \$10,000.00 on a ring.

Sir, I went into a jewelry shop in Miami, just to look because I could not afford to buy, and a man came in with his wife and spent US\$50,000.00 in jewelry. He bought her a pair of earrings and then she said, "Oh Darling, I like the bracelet," and he said, "Bring it here" and they brought it. He asked how much it was and I think that it was like US\$10,000.00 and he said, "Is that all?" and they laid down the credit card.

There is a brand of tourist who comes to Barbados and who goes into Sandy Lane and is willing to pay US\$3,000.00 a night for a room for his wife and himself, US\$3,000.00 for his nanny and another US\$3,000.00 for his children. They are the kind of people who would walk into a store and think nothing of spending a \$100,000.00 on a necklace but we do not have the necklace in town to offer him.

Sir, at the other end of the market, there is somebody who wants a little grass souvenir made indigenously for \$5 to carry back for a friend to say that they visited the West Indies.

Mr. Chairman, Bermuda made a decision a long time ago that they are not interested in the grass-souvenir posse. That class of tourist is not for them. They were catering exclusively to the higher end of the market.

Sir, Barbados has a tourism plant that caters to the lower, middle and the upper end of the market.

H25/Sequence 227

3:20 p.m.

Friday, March 19, 2004

3:20 p.m.

Continuation of Hon. Miss H. E. THOMPSON:

But I am not persuaded that the rest of the product is being developed commensurate with these ends to give people from each end of the market what they are really looking for as a tourist, and as somebody who comes to enjoy a holiday and wants to buy something of the quality and kind to which they are accustomed.

Sir, how do we get every last cent out of that tourist pocket before they step on to the plane on the Grantley Adams International Airport tarmac?

Mr. CHAIRMAN:

Honourable Member for St. James South, you have just one minute left.

Hon. Miss H. E. THOMPSON:

Yes, Sir. Those of us who like to go shopping, go to Puerto Rico, Trinidad and Miami to shop and know that sometimes we would spend every last cent in Miami or Puerto Rico. That is what we need to attempt to do with tourists who come through here, irrespective of what end of the market they are at. This brings me to the question as to how, Barbados, as a mature destination is seeking to diversify its product to make it attractive for repeat visitors and for people who are coming for the first time, vis-a-vis the new and emerging markets which, because they are new, hold a certain amount of excitement, because implicit in newness is excitement.

Asides..

Hon. Miss H. E. THOMPSON:

Very briefly, Sir, I would like to make the point of diversification. I was talking earlier about making the product sustainable, and making sure that the environment is not damaged, as a result of all

the numbers that we are seeking to put through it, and assessing what is our real carrying capacity.

The Ministry of the Environment has produced a document that speaks about sustainable development for the economy and the country as a whole, but at the level of the Ministry of Housing, Lands and Environment. Sir, through the Environment Division, we are executing a number of programmes that help to give diversification to the tourism product and support to the efforts of the Ministry of Tourism and the Honourable Member for St. Michael South.

First of all, we have developed a bed and breakfast product in St. Thomas for the, In the Heart of Barbados programme where average Barbadians are opening up their homes to tourists who are using it to have a genuine, local cultural experience, the kind of experience that you cannot have in a hotel where you will never see somebody push their head through the window and say, "Ma, send the breadfruits now." You cannot get that in a hotel. You do not know what it feels like to live in a village and enjoy the kind of rapport that village people have. And so, the development of a bread and breakfast product, in the heart of Barbados' rural district, is really a very important development, not only for the diversification of our offerings but, certainly, at the level to what the tourists are being exposed.

Equally, the expansion of the Harrison Cave, the Botanical Gardens, the Gullies Project, the work being done at Farley Hill, the Blue Flag Certification to give to the quality of beaches, the Green Globe Certification that we are encouraging for our hotels, the Marine Development and Sustainability that we are working with are all efforts that the Ministry of Housing, Lands and Environment is supporting to help with the diversification of our tourism product and to help, in fact, to ensure that more revenues come into Barbados and more money is spent by the tourists.

I believe that our tourism product is still very attractive and has a long way to go but we must be very careful that while increasing the numbers, we really do not harm the environment.

I am therefor very pleased to give support to this Head.

Thank you, Sir.

Mr. D. St.E. KELLMAN:

Mr. Chairman, we have heard a lot about discounting in tourism and there is no doubt, Sir, that there is nothing wrong with discounting in tourism, but one has to recognise that when we discount our tourism product, we must still do it in a way that we can maximise the tourism earnings of that particular product.

Mr. Chairman, when the Tourist Board discounted last year, I wrote an article showing that we could have had a discounting policy where the discounts could have been offered in Barbados, and not outside of Barbados. If that had occurred, we would have had the opportunity of raking in a larger sum of foreign exchange and the benefits would have been attributed to the local market and not to the international market.

I am saying, Sir, that any future discounting must be done within the country and not outside of the country where the benefits remain outside of the country. Those benefits should have been distributed through vouchers and so on, so that we could have created economic activity in our country and

expanded the gains from the tourism product.

Asides..

Mr. D. St.E. KELLMAN:

Sir, we are not quarrelling about discounting. What we are saying is that when you discount, you must discount in a way that you can maximise from the product that you are trying to discount. Sir, even the North Stars Sports and Cultural Club attracts many tourists to Barbados, outside of the English tour, and one would have thought that the Ministry of Tourism, would have impressed this on the Ministry of Sports.

The Ministry of Tourism should provide this detail to the Ministry of Sports and we would have used the opportunity to encourage many cricket clubs in England and other places to come here and play cricket, while the Test Cricket is going on, so that we could create more economic activity with the clubs within Barbados.

I am saying that the same way it might have been done at Holders Hill and at North Stars, this is something that we should have been promoted in a bigger way, using the English Tour to expand the community tourism product. This is all part of community tourism.

We are so caught up in the system of tourism where we see tourism only for a particular group of people, that we did not maximise the opportunity to expand the tourism product throughout Barbados. This is the same thing we got caught up in when we had the movement from port to port. We were more interested in seeing people move from the airport to the sea port, without recognising that we had a golden opportunity to shift the people throughout Barbados and maximise on the benefit from it.

I am also saying, Sir, that there is a group of people who believe that the tourism dollars must remain in their own pockets. They also believe that people in First Street and Second Street should not provide night entertainment for the tourist of Barbados, so that the locals could get money. They are putting pressure on the masses of people, especially in First Street and Second Street. They are even now trying to make sure that the economic activity which is similar to Oistins Town and Moon Town, cannot occur within the First Street and Second Street.

I am saying that as long as we try to move the tourist away from our people, we are destroying our tourism product and what we need, Sir, instead of a removal of this system, is to spread this type of activity wider in Barbados, so that people can get an appreciation of the benefit of tourism, and there can be a oneness between the tourist and people of Barbados.

I am saying, Sir, that we have to understand that even though the figures appear to be good, until the masses are getting their fair share of the tourism product, we are not going anywhere with the tourism product. This is all I will say at this time.

I thank you, Sir.

House 25, sequence 228,

3:30 p.m.

Friday, March 19, 2004

Hon. N. A. LYNCH:

Mr. Chairman, I rise to wrap up this Head for this year's Estimates. First of all, I want to thank all Honourable Members on both sides of the aisle who spoke on this Head. Secondly, I want to state up front that many of the considerations that were put on this Floor would be embraced by the Ministry of Tourism and International Transport with a view to continue to improve and develop the tourism sector of Barbados for the benefit of all Barbadians.

Mr. Chairman, we spent a long time dealing with statistics today. Whether all of us believe everything that was presented in those statistics, whether they are right or wrong and whether some of the indices are understated or not, what has come through in this debate is that there is alive and well in Barbados a new connect with tourism and the community. The Honourable Member for St. Lucy and the Honourable Member for Christ Church East best put that when they said that community tourism is a fundamental part of our sector.

People in communities who before this would not have easily gained from the development of the industry are now starting to be embraced by the industry and we are seeing tangible benefits and profits coming to them as a part of the industry. It also became quite clear to us that we must continue to earn well in the tourism sector for Barbados and fuel investment for the industry. Even in the face of adversity, whether it be wars, the health situation globally, the security situation, issues of civil aviation and the shortage of aeroplanes, this industry continues to earn well relative to other tourist destinations in the region.

Mr. Chairman, I believe that no one in Barbados wants to see a situation where the tourism industry that is not earning well. The issue of discounting was something that was well ventilated and discussed. Mr. Chairman, discounting in the era after September 11th was a global phenomenon that none of us could get away from. All of the countries in the region and globally had to discount as a catalyst to spur people to come to their countries and to continue to invest.

Mr. Chairman, Barbados did not discount because it wanted to discount. Barbados discounted because it had to discount in the face of what was going on globally. Mr. Chairman, I am well aware that our performance in Barbados has outstripped the rest of the region in the face of much adversity, that there is a restoration of confidence in the tourism sector, that there is indeed a great level of partnership now between the public and private sector in the tourism industry that has not existed for quite a long time; that the indices that many Honourable Members, particularly those on the Opposition, have quoted even though they are not the best indices at this time but bed nights, room occupancies and bed occupancies are moving in the right direction and there is a restoration of two productive levels in those indices.

Mr. Chairman, the prospect for the tourism industry seems good in the short to medium term. Apart from what has happened in January and February, the English Cricket tour to the region between March and April of this year and the projections coming from the operators in the industry suggest that we are going to have somewhere in the region of 10 000 to 12 000 visitors to our country for the cricket and after the cricket. Experiences of recent English tours certainly do prove that this is a very important part

of our tourism industry and one that needs to be pursued vigorously in the future.

I am saddened, Mr. Chairman, by the issue of the levy that has been charged at Kensington Oval but we will have other times to speak about that. According to research by the Barbados Tourism Authority, the sector is also expected to benefit significantly from the increase in airlift that we have gotten into Barbados. Apart from what has happened with US Air and Continental coming into Barbados, there is also the prospect of British Midlands flying non-stop from Manchester into Barbados beginning this Fall. In addition to that, for the first time ever in our history Air Luxor is going to fly non-stop from Portugal into Barbados as a new development for our tourism industry. From the United States of America we are pursuing the probability of US Air flying out of Charlotte for the first time; Delta Airlines will be flying non-stop from Atlanta; Continental Airlines is going to expand its service from Houston into Barbados and we are looking at the probability of introducing for the first time ever a flight from Johannesburg non-stop into Barbados by South Africa Airlines. Mr. Chairman, if we are successful in getting that South African flight it will open up numerous horizons for us relative to what can happen in the African continent and beyond the Pacific. Mr. Chairman, the Barbados Tourism Authority marketing strategies will continue to seek to create consumer demand and to take advantage of this additional airlift. However, the industry would face challenges in the future. With the dependence of our country on tourism for its economic success, it is imperative that we continue to put programmes and policies in place which should buttress any fall-out that might occur. The transition to new global and regional trading arrangements including the World Trade Organisation, the Free Trade Area of the Americas and the Caribbean Single Market and Economy even though offering us great opportunities will also offer us numerous challenges.

Mr. Chairman, in a small open economy where some of the other sectors that we depended on previously are now under pressure and will continue to be under pressure, it is incumbent upon all of us that we continue to look for avenues to develop the tourism sector and also to ensure that the capital inflows that we need to sustain this island for another generation continue to come to us.

Mr. Chairman, that is why we have to make the best of decisions when it comes to the use of our land relative to tourism development. Those of us who are representatives of the people must seek to do our best not to be divided on this issue. If you look at the global markets that we face and if you look at the competition, you will see that it should be clear to all of us that these capital inflows into Barbados and the development of new products for a mature tourism destination are really going to be the answer to many of our social and economic goals in the future.

Mr. Chairman, I want to take this opportunity to commend and thank all of the public officers and those working in the statutory corporations that fall under the Ministry of Tourism and International Transport. I also want to thank the private sector in tourism for the support they have given us in the past couple of years in seeking to create a new climate for tourism development in Barbados. I want particularly to thank the staff of the Ministry of Tourism and International Transport and the Barbados Tourism Authority who in the face of the great awesome challenges have done a fantastic job.

Mr. Chairman, there is a lot of work still to be done. However, I just want to highlight one area of operation of research under the Ministry of Tourism and International Transport. We have been asking for resources to continue to create a proper research division for the Ministry of Tourism and International Transport. It is important that we understand the carrying capacity of our country as a

tourism destination for the future. We are going to be engaged in a study, not a long-winded one, into the carrying capacity of Barbados.

Mr. Chairman, every year we put almost twice the population of Barbados on this island.

House 25 Sequence 229

3:40 p.m.

Friday, March 19, 2004

Continuation of Hon. N. A. LYNCH:

That has implications for all types of resources in Barbados; our disciplinary forces, disposal of solid waste; our water resources; our traffic or infrastructure; our telecommunication infrastructure. It challenges us as a destination, to ensure that we understand well what is the carrying capacity of our country. Mr. Chairman, we are engaged in a study that will, tell us what is that optimum carrying capacity level.

Mr. Chairman, I can think of nothing more important at this time than ensuring that we get the figure that is correct for Barbados' future. Sir, the Cricket World Cup 2007 offers us the greatest opportunity that we have ever had to market the Barbados product to the rest of the world. Sir, contrary to what you might have heard today, the Ministry of Tourism and International Transport is very much engaged in the process of creating the best face for Barbados during that World Cup 2007 and leading up to it. Mr. Chairman, it is going to be a challenge to all of us to include all Barbados, let us all be on board in an enterprise and activity that will showcase Barbados in a way in which it has never been showcased to the rest of the world for tourism development during and after that event.

Mr. Chairman, this Ministry will continue to work assiduously to ensure that Barbados derives the optimum benefit from the tourism sector for all of our citizens.

Mr. Chairman, the final thing I would like to wrap up on is the issue of the community programme as it relates to the 375th Anniversary of Bridgetown, which is a serious community event. I believe that people only look at community events mostly in ways of vendors and craft persons but there are numerous opportunities presented to us to engage in a community tourism programme.

Mr. Chairman, the Ministry of Tourism and International Transport has been invited to be a member of that 375th Anniversary Committee. In this capacity, we have assisted in the administration and part funded that project. We will continue to see it close out this year by continuing our funding to that project.

Mr. Chairman, I want to leave this Honourable House with the message that this Ministry is committed to ensuring that Barbados creates a tourism product that is more indigenous than a product that we have before had and that we will continue to ensure that all Barbadians get on board in the development of the tourism, industry, for the good of our people, their children and their children's

children.

Mr. Chairman, with those words, I ask that Head 27 as amended stand part.

Hon. Dame Billie MILLER:

I beg to second that, Sir.

I am obliged to you.

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

HEAD 21 - MINISTRY OF INDUSTRY AND INTERNATIONAL BUSINESS

- \$25 997 741

Hon. D. D. MARSHALL:

Mr. Chairman, and Honourable Members of this Honourable House I am filled with delight at being able to move Head 21 covering the portfolio of Ministry of Industry and International Business.

Mr. Chairman, this Ministry benefits from a figure in the region of about 1 per cent of our total Estimates but yet is still responsible for bringing in the second amount of foreign exchange after tourism. The manufacturing sector is responsible for contributing 8 per cent of Gross Domestic Product (GDP) and in my view, that comparison is one that should fill all Honourable Members of this Honourable House with some pride.

Mr. Chairman, normally one expects that the amount of money committed to a particular endeavour would be directly proportional to the potential rewards. This is a clear case where the provision that has been made for the Ministry of Industry and International Business shows that this particular Ministry and its very able officers are up to the task of assuring Barbados' position in the global economy and of ensuring that this country retools and is more relevant in the emerging liberalised economy.

Mr. Chairman, I would wish to address a number of areas of my particular portfolio and then deal with the specifics as time allows. First of all, I want to speak to the issue of the International Business Sector.

I believe that by now Barbados has come to recognise that the International Business Sector is a very vital part of this country's economy but its vitality is not measured only in terms of how much money it has been able to bring into the economy. It is measured also when we have to consider the role that it has played in Barbados over the past 30 years in helping to mould Barbados into the kind of modern-day economic environment that it is, which has spill off effects into every aspect of how we do business.

Mr. Chairman, I would want to remind Honourable Members of this Honourable House that perhaps 30 years or so ago, Barbados was a country where service providers were relatively few, and the particular methods of doing business were somewhat archaic. It was an entirely different landscape but when international businesses came on the scene as a major part of our economy, we found that there was a significant increase of people studying law so as to be able to provide legal services to the sector.

We found that there was a significant amount of people studying accounting and corporate secretarial management. A whole raft of skills were embraced by the Barbadian people so as to be relevant to the economy that was being created.

Mr. Chairman, I would venture that it would take very little explanation to recognise that particular development has had its influence in terms of every other sector in Barbados because the reality is that as our service providers became more efficient, as they became better trained, they were able to contribute to other parts of the economy. We had many more accountants to go around and so were able to serve the manufacturing, medical sectors and a whole raft of businesses.

Mr. Chairman, I want to assure Honourable Members that the sector continues to ensure that Barbados produce actuaries and other individuals so as to be able to keep ourselves positioned in the manner that is required for this 21st Century economy.

Mr. Chairman, the area of International Business is an area that has been dynamic globally but it has also been at the receiving end of several challenges. Therefore, I want to make it quite clear that the challenges are not challenges being faced by Barbados alone but have been challenges that were faced if not by all, by many of our competitors in the area of financial services and international business.

Mr. Chairman, certainly the shock wave that went through the world after September 11th, 2001, affected in great measure every service economy and more particularly every economy like ours which had used as one of its foundation stones, international business.

H:No.25(230)

3:50 p.m.

Friday, March 19, 2004

Continuation Hon. D. D. MARSHALL:

Notwithstanding that 9/11 was a terrorist issue, it affected this particular business sector because of the fact that some offshore domiciles was used for the purposes of being the conduit for money that eventually funded terrorism.

I am proud to say that Barbados responded with alacrity and established itself as a well-regulated sector which places tremendous emphasis on the highest quality business, good regulation, sound business practices and tremendous emphasis on what we call “know your own client” in an effort to ensure there was a filtration process and that we attracted only good business. All countries like ours also received the challenge of the OECD but that is now history and Honourable Members are aware of our response to this.

We now have an economic sector which has freed itself of the chains that were attached to us over the last two years and which has shown tremendous growth over the last two months as compared with the

first two months of last years which is a significant sign. Our performance in the international business sector last year was one of stability and because of our increased marketing, we are now poised to advance this sector in leaps and bounds.

I want to mention a few of the initiatives we have undertaken.

To this end this Government, through the Barbados Investment and Development Corporation, has retained the services of a specialist consultant who is based in Virginia, who has worked many years with the gatekeepers of the major financial institutions, who wants to set up captive insurance companies and is well known on that circuit.

Mr. Chairman, she has been in place for only five months and during this time she has been carrying the flag for Barbados at every single major captive insurance conference to all the major companies in the United States of America and we have already been seeing the results of this particular initiative of the Government. Sir, in the few months that she has been there, we have seen five new captives poised to set up in Barbados. This initiative has been so successful that we have determined that we would follow a similar model in the Canadian market and we expect to be able to reap the same kinds of rewards.

Mr. Chairman, a year ago we introduced legislation for segregated cell companies. This is a particular market model which is quite attractive to individuals putting together small groups of companies. This legislation is designed to allow several entities to pool together to form captive insurance companies for their purposes.

Mr. Chairman, we have an initiative not just in terms of a legislative framework but also in terms of increasing our marketing activities so as to bring new business to Barbados and, Sir, that business is already knocking on our doors.

Mr. Chairman, we have also been continuing to expand our double taxation network. Barbados now has Double Taxation Agreements with ten countries: the United States of America, Canada, Cuba, China, Venezuela, Norway, Finland, Sweden and Malta. We also have bilateral investment treaties with these countries. This 20 January 2005 Double Taxation Agreement (DTA) network has been pivotal in Barbados being able to attract new business opportunities and we recognise it is going to be important for us to expand the treaty network and, therefore, Mr. Chairman, we are going to be negotiating with Botswana, Mauritius, Italy, Ghana, Austria, Belgium and Panama. We intend to go much further afield than these and spend a significant amount of effort on the South American market.

I want to say to the Honourable Member of this House that we have just retained the services of an Attorney-at-Law from Argentina who has tremendous business contacts there and her role is to use those contacts to sensitise businesses about the opportunities and advantages of doing business in a country like Barbados. This represents an entirely new method of approaching DTA expansion because generally we have been looking to see if there is a strategic opportunity with a country such as China and pursuing a double-taxation agreement. The truth is that double-taxation agreements are used by businesses and our particular approach now is to try to increase knowledge in new marketplaces so that we would have the business sector in these markets lobbying their countries and ensuring that their nations are more receptive when we go knocking on their doors.

Mr. Chairman, I am confident that over the next ten years we will see Barbados relying increasingly on the area of international business and we are positioning ourselves for this by establishing a research and development unit which is the fulfilment of a well-conceived Manifesto promise. This unit will have the responsibility for ensuring that Barbados is on the crest of every single wave of international business as it arises. This is a sector which is very dynamic where people are making quick business decisions and it is important for us to seek out these market opportunities in a timely fashion.

This research and development unit will include individuals with specialist training in international trade law, accounting and economics.

H25/Sequence 231

4:00 p.m.

Friday, March 19, 2004

Continuation of HON. D. D. MARSHALL:

We hope that those who have specialist training in economics, accounting and so on, would have a team that will not only look at the side of a business opportunity but will be able to look at the opportunity in terms of its tax planning aspects, in terms of its treaty aspect and international trade aspects and be able to provide this Government with clear directions as where the next wave of market opportunity will be created.

Sir, the other way in which we are going to ensure that our country is able to rely solidly on international business is in the area of services. I want to say that our international business sector today is a sector that is based on selling services. Somehow we have an idea that the international business sector is an ephemeral thing and it does not have any embodiment. The truth is, when our accountants, lawyers, actuaries or investment managers engage in international business, it represents the clearest example of the people of Barbados selling their services abroad.

To demonstrate to my colleagues in this Honourable House the fact that our initiatives are not thought out the day before, I would want to remind Honourable Members that this Barbados Labour Party, several years ago, determined that the principal vehicle for carrying out international business could be owned by Barbadians. I believe about six years ago the legislation was amended from providing that International Business Companies could only be owned by non-residents to providing that International Business Companies could be owned by Barbadians. That sets the platform for the further development of international business in Barbados.

We are therefore at the point in time where we feel it important to redefine what we call international business. Every service provider, whether he or she is an engineer or an accountant, no matter what the nature of the service is, this international services business sector is a sector that is going to be looking to see that new services are going to be exported.

It is worth reiterating that already Barbadians do exceedingly well in this area and I believe that it would be a good thing to mention someone like the late Sir Harold St. John, who though he practised extensively in Barbados, had an equally extensive practice of law beyond the shores of Barbados representing litigants in other Caribbean countries and further afield on complex matters. For some reason we have not seen it fit to recognise that the sale of the services by a Barbadian in a foreign jurisdiction represents international business. Therefore, we have a whole generation of well-trained highly skilled attorneys-at-law who have been plying their trade in that way.

We have our architects who are designing properties outside of Barbados. I am sure that the Honourable Member for St. Michael South Central would readily recognise that there are members of his engineering profession who are selling their Barbadian created and nurtured services across the Caribbean and beyond. We have set a legislative and tax framework to facilitate this. Therefore, we are at the beginning of redefining international business and trying to get Barbadians to come to the understanding that it will no longer be seen as the sole purview of accountants and lawyers but it will run the entire gamut of services that are available to Barbados.

I believe in this context that it would be important for me to mention the provision made in the Estimates of \$500 000.00 for the collation of services.

This Ministry is a perfect example of how initiatives which are being taken in other line ministries all come together to ensure that we are able to deliver the goods for Barbadians.

The Ministry of Home Affairs is currently negotiating on behalf of the people of Barbados our obligations in the Free Trade Area of the Americas and the World Trade Organisation in relation to services. I would want to say to Honourable Members who may not be aware, that prior to 1974 services were not seen as a major item of global trade but today in Barbados we have moved to a situation, where in the region of 75 per cent of our GDP is generated by services and countries the world over have recognised that services is important to the global economy and an important aspect of the global export economy.

Sir, this Government has recognised the opportunity for exporting our services and I am happy to say that my Ministry has the responsibility for services, though the negotiations are done by the Ministry of Foreign Affairs. I think it is important to spend a little time on the question of the export of services.

Apart from the fact that we are already doing it, this Ministry, working together with the Ministry of Foreign Affairs, is now trying to help define a framework within which our services are going to be exported.

I want to say to all Honourable Members that it is quite a challenge and the collation of services, new though they may be, will play a pivotal role in how we address the negotiation of services commitment in multilateral fora.

In fact, in the early 1970s it was the work of two coalitions of services, in the United Kingdom it was a coalition of industries called The British Invisibles, and in the United States of America they called their coalition The Coalition of Services, that lobbied long and hard and ensured that services were part of the negotiating agenda in the Uruguay rounds of talks.

We see our coalition of services playing an equally important role. It is with much regret that I have to acknowledge that over the last ten years our service sectors have not really paid an awful lot of attention to the liberalisation of trade and services. The Government of Barbados is today committed to funding this coalition of services so as to allow its members - I think that it currently has a membership of approximately 3,000 service providers in Barbados - to focus on what the negotiating trade issues are. Also to focus on what opportunities of exporting their services exist and setting up mechanisms for disseminating that information among its membership.

In short, this coalition of services is a body that has been encouraged by the Government to ensure that the attention is paid to the continued growth and development of its members.

The negotiation of trade obligations is one that is fraught with difficulty because we are negotiating in some cases not just with Federal Governments but also with State governments. I believe that the Minister of Foreign Affairs and Foreign Trade might want to mention a little later our experience with the export of rum, where we negotiated as a Government favourable entry terms in the United States of America market for rum with the Federal Government, then we were told that it was really the States who made the final determination. So we negotiated at a Federal level but found that the States were able to impose domestic regulations in such a way as to keep our product out.

Sir, one can consider the legal profession. We may negotiate with the United States Government of America on a Federal basis for the export of our legal services but we would then find that States, through their State Bars control our admission and our ability to practise.

Asides.

H25:

Sequence 232

4:10 p.m.

Friday, March 19, 2004

Hon. D. D. MARSHALL:

The negotiation of services is an important part of what foreign trade is doing and that work is going to be bolstered by the efforts of the coalition of services because commitments are being demanded of Barbados across all sectors, and the private sector, the ones who are actually going to be doing the business, who are doing the trading are going to have to be in a position to comment, in one way or another, on the work of the Ministry of Foreign Trade.

Mr. Chairman, I believe that the International Business Sector is going to continue to grow as we redefine it, as we reshape it, and as we expand our treaty network. We are with confidence making changes where we need to make them. We are making legislative changes and I believe that this particular sector continues to hold great potential for Barbados. We work extensively with the Barbados

International Business Association.

Mr. Chairman, I believe that I will have an opportunity to come again and discuss that, and I look forward also to coming back to discuss the area of manufacturing.

I am obliged to you.

Mr. R. L. SEALY:

Mr. Chairman, it is with pleasure that I lead off the Opposition's perspective on this vital area of industry and international business. I however think that while a lot of what we just heard sounds very good, it is imperative that we consider a few basic facts. Both sectors, under the control of the Ministry of Industry and International Business are in a state of serious degradation. This is a statistical fact, according to the information now coming out of the Government.

Mr. Chairman, the Honourable Member for St. Joseph did not deal too much with manufacturing. He said he is coming back, and, perhaps I will come back to that also. Suffice it to say that the sector was promised to have life breathed into it in 1994, and the reality is that in 2004, 3 000 less people are employed in that sector. Manufacturing is in serious decline, and there are several reasons for that.

The Honourable Member for St. Joseph had said, when he was first given the portfolio, that he was going to study the portfolio first, before he made any significant decision. Yes, he studied the manufacturing sector and suffice it to say, three weeks ago, he met with a group of manufacturers and heard a lot of the reasons why there are so many problems in that sector. As I said, I am going to take my time from him, and I am going to move on to international business.

Sir, a lot of very wonderful things were said. We are hearing about specialist consultants who will be in train, but what is the reality? Now, let me say something else here, I understand the sensitivity of this sector and there is a need to be responsible as an Opposition politician, because persons who are moving these companies to Barbados, need to have a sense of confidence. It does not necessarily look good for Opposition politicians to try to score any cheap political points on this issue and, perhaps, that is one of the reason why, as the Shadow Minister of International Business, even though I have been bombarded with all sorts of information, I sought to be responsible and not necessarily try to score points.

However, the sector is critical. As the Honourable Member said, it is our second largest earner of foreign exchange and, perhaps, what is not widely recognised is that 40 per cent of corporative taxes taken, comes through international businesses, so it plays a tremendous role in our economy.

However, in spite of worldwide growth, in terms of the International Monetary Fund (IMF) 15 per cent a year, we are talking about a \$10 trillion to \$12 trillion industry worldwide. We have seen a precipitous decline in the numbers of active licensed international business companies in Barbados. There has been a decline in the numbers of active licenced international business companies in Barbados; and that is unfortunate.

As I said, the sector is growing worldwide. We were in the middle of an economic expansion. There was no shortage of tax monies on the part of the Government, and we could see competing jurisdictions get ahead at a tremendous rate and yet we are seeing declines. It is a fact that in 1996, there were 4 137

active licensed international business companies in Barbados. Today, in 2003, there are 2 123 active licences. That word “active” is very important because for some strange reason, we do not readily get that statistic. If you check the Barbados Economic Social Report, and the IDC Reports, they speak about new licences. My submission is that is a useless statistic.

Mr. Chairman, you were a life insurance underwriter, if you can look at your performance, you cannot look at the new policies you have sold. Policies lapse, not yours, I am saying if you are looking at overall performance, you cannot only look at your new licences, you have to look at the ones that have left you and you have to consider the factors why, the net position.

Sir, while I compliment the work that some of the officers are trying to do in this sector, let us understand that this Government has failed the sector in the years of 1996 to 2003, certainly in the years of 1996 to 1999, those are the golden years of this Administration, so to speak, when all was going well and there was no shortage of tax monies.

They enjoyed the very comfortable mandate of the people of Barbados in 1999, an unprecedented one, so how come we are seeing these declines? I am supposed to take comfort in the words of the Honourable Member for St. Joseph that he is finally going to give new foci. We are going to have a Virginian consultant and all of these things.

I am not sure if he is aware of the realities of this sector. Do we have a specific strategy on Canada? Barbados was being parodied recently in Canada over the Prime Minister there having international business companies based here. Do we have a strategy to deal with potential fall out from that? These are the things with which we need to concern ourselves.

I am saying that the work of the coalition of services that he spoke about, is very good. It is a good initiative and he is right, the Barbados Association of Professional Engineers (BAPE) of which I happen to be a member, is a part of the coalition of services. In fact, I think the former Chairman was a past Chairman of BAPE.

However, I want to suggest that this redefining of Barbadian entities that are engaging in work in the region and further afield, talking about redefining of international business, I want to look at that carefully. I heard about the fact that the State Funeral in Dominica was done by a local undertaker. Lyndhurst had an operation in Dominica for many years. I do not know what I am supposed to understand. What are you redefining? You want to redefine international business, so that a few positive things that are happening, you can now inveigle to suggest that there is industry at International Business, because the Ministry lacks industry, nothing is happening.

Mr. Chairman, the Honourable Member spoke about engineers and architects getting commission overseas, and it is true. I am not going to hide the fact.

House 25, sequence 233,

4:20 p.m.

Friday, March 19, 2004

Continuation of Mr. R. L. SEALY:

As a young Barbadian engineer, I have offered my services within the Caribbean Basin and I have enjoyed the benefits of doing that. I would sincerely hope that after the Honourable Member for St. Joseph redefines international business and takes responsibility for it that we do not see the sorts of declines we are seeing in the international business companies in the sectors. The few berries I get when I go down to the islands, usually you get paid in the green backs, come in useful and I do not want to see those things decline. I do not warm to the idea that a ministry that has presided over the declines can do anything. The reason for this is that we are not being imaginative enough in creating vehicles that attract persons from the source countries to come here, which is what they are saying.

There is an institution here called the Barbados International Business Association and they have submitted these concerns in writing to the Government. There are a number of recommendations which need to be taken on board.

Mr. Chairman, mutual fund legislation was passed in 2002 but it is still inoperable because the regulations have not yet been produced, so that is a shame. This is in an area that we are told has potential in terms of the international business sector, so how can you not have these kinds of declines and there is that sort of lethargy existing?

Mr. Chairman, we compete against places like the British Virgin Islands which started their sector after we did. Our first Act was passed in 1965 under the Democratic Labour Party but admittedly the Barbados Labour Party, and quite rightly so, takes some credit for modernising that legislation and hence the offshore sector as it was called then perhaps started to blossom a little bit. You have a jurisdiction like the British Virgin Islands that only passed their legislation in 1985 but which only got involved in earnest in 1990 and they are seeing 50 000 international business companies being registered a year and they have in excess of 300 000 of these companies registered. In fact, that sector has surpassed tourism and is now their number one sector.

The Honourable Member for St. Joseph should try and get some work done. The Cayman Island and the British Virgin Island have legislation coming through their legislative assemblies on a regular basis. The body of legislation that makes up your product is a work-in-progress. You do not just pass laws and put them there to hang up like ornaments, you have to be going back at them constantly. The same British Virgin Islands are creating indigenous products. They have something called A British Virgin Islands Special Trust Act and they are galloping ahead with real benefits to be had in this sector and we are seeing real declines and just hearing a lot of pretty talk from the policymakers.

Mr. Chairman, I have said that there is also a significant amount of red tape that the players have complained about. For example, in simple things like when people courier documents to you if they have a value attached to them, you have to do a custom entry. These are real things that the sector has complained about. There are complaints about the time it takes to incorporate a company in Barbados. Corporate Affairs, quite rightly so, is part of this Ministry but surely the time should come that we could incorporate an international company in a matter of hours or days and not weeks or months. The reality is that some of our competing jurisdictions not only incorporate in 24 hours but they can even start the

process on line as they are doing it electronically. But where are we? We are talking about the potential of this sector and about the focus that we can have, yet we are just continuing to see nothing other than declines.

Mr. Chairman, another concern that they have expressed is the telecommunications aspect not only the cost of it but the time it takes to get a telephone line. This is the reality. The liberalisation of the telecommunications sector as far as the cellular telephones are concerned is not necessarily going to have any immediate impact on this sector. They are anxious to see what is going to happen with the other aspect, the land lines.

Mr. Chairman, I see your signal but I want to speak to the way that we market this sector. I heard about this Virginian consultant but I would like to see Barbadians trained in this area. I cannot help repeating it but the little British Virgin Islands have about a dozen people in England learning about all aspects of this sector so that they can market it. The Minister needs to get some work done. He needs to start marketing the sector, training the people and bringing some legislation to this Parliament.

Mr. Chairman, I have been here since May 21, 2003 and I have not seen one single piece of legislation regarding the international business sector come here. Mr. Chairman, I humbly submit that if the Honourable Member for St. Joseph does not get busy he might find that the first piece of legislation he brings in here is a Motion of No Confidence in himself.

I am grateful to you.

On the motion of Hon. R. C. EASTMOND, seconded by Hon. R. R. FARLEY, Mr. CHAIRMAN reported progress to His Honour the SPEAKER and asked for leave to sit again and Mr. SPEAKER resumed the Chair and reported accordingly.

SUSPENSION OF SITTING

Hon. R. C. EASTMOND:

Mr. Speaker, I beg to move that this Sitting be suspended until 445 p.m. today.

Hon. R. R. FARLEY:

I beg to second that.

The question that the Sitting do now suspend until 4:45 p.m. today was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

House 25 Sequence 234

4:30 p.m.

Friday, March 19, 2004

RESUMPTION

MR. SPEAKER:

This Sitting is resumed. When the Suspension was taken the House was in Committee of Supply, to that it will now revert.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN:

This House is now in Committee of Supply.

Hon. D. D. MARSHALL:

Mr. Chairman, it is on occasions like these when individuals who speak on these matters should remember that one should compare like with like. The Honourable Member for St. Michael South Central has made, I think, a grave error in comparing Barbados with the British Virgin Islands.

Sir, the mere fact that the Honourable Member would make such a comparison is a clear indication to Honourable Members on this side of the House that he does not understand the sector he is shadowing. Our approach to International Business is predicated on perhaps one thing, that is, Barbados as a domicile wants quality business.

Mr. Chairman, there is a reason why the British Virgin Islands could have enacted International Business Companies (IBCs) legislation in the 1980s and have zoomed to thousands of companies. The fact is that the contributions those companies make to the Treasury of the British Virgin Islands, when one compares it to the contributions that one of our companies would make to our Treasury, it is like trying to compare caviar to chalk dust.

Mr. Chairman, our companies are operating in a tax regime and pay an annual corporation tax based on their profits. On the other hand, one of the same International Business Company (IBCs) operating in the British Virgin Islands environment pays absolutely no income tax whatsoever and pays only an annual Government licence fee of US\$750.

Mr. Chairman, how on earth is it possible to compare a company which might be doing millions of United States of America dollars globally but paying only US\$750 in licences per year, to an equivalent company in Barbados, doing an equivalent quality of trade, but paying either 1 per cent or 2 per cent of its profits in taxes? Sir, the two cannot be compared and, therefore, the British Virgin Islands has to go after volume while, from our standpoint, we insist on going after quality.

The British Virgin Islands are, in large measure, companies that do no active business, they are generally name plates. In fact, if one looks at many of the companies, there would have been companies that came to the British Virgin Islands from Panama. They generally hold properties and investments, et cetera, instead of actually doing business, while our International Business Companies (IBCs) employ staff, train staff, have directors meetings in Barbados and make significant investment decisions.

Sir, under our Captive Insurance regime, there are large companies such as the Royal Bank of Canada

and the Canadian Imperial Bank of Commerce (CIBC) that have significant investments in Barbados in terms of captive insurance business that is worth billions of dollars.

It is a little known fact that the Canadian Imperial Bank of Commerce's (CIBC) largest global treasury operates in Barbados in our International Services Financial sector, and that the Canadian Imperial Bank of Commerce (CIBC) is a huge global financial institution. Therefore, the Honourable Member for St. Michael South Central would have to pardon the Honourable Members on this side and me if, from the perspective of a Government that is interested in attracting solid business, we err in not going after the kind of marketplace that our friends and brothers in the British Virgin Islands go after.

Sir, the two things are entirely incapable of comparison. They may be interested in numbers but I believe I drew the analogy sometime ago about comparing the number of persons who come to the fete, as opposed to seeing how much money they have spent.

The Honourable Member for St. Michael South Central, spoke to about 40 per cent of our corporation tax revenues coming from that sector. Those are not paper companies, they are companies that come to Barbados, operate in a regulatory framework, operate in a framework with an extensive system of double taxation agreements, and are doing active business.

The Honourable Member for St. Michael South Central

obviously also failed to understand the marketing dynamic. In our marketing efforts, Barbados has always paired the Barbados Industrial Development Corporation with private sector individuals, who are either operating in the accounting firms, law firms, or captive insurance management firms, et cetera, all to do our marketing for us.

The Barbados Industrial Development Corporation has officers stationed at its offices in New York, London, Miami and Toronto, who are actually in the marketplace promoting Barbados as an International Business Sector domicile.

H:No.25(235)

4:50 p.m.

Friday, March 19, 2004

Continuation of Hon. D. D. MARSHALL:

The Honourable Member must also understand that there is a point in time when you need to step up your marketing efforts and simply having large numbers of people in a place stepping on each other's toes is not going to deliver to us the targeted results that we want. We stand by our investment in this particular case and by the decision that we have hired a specialised individual to serve the people of Barbados who has worked for 30 years in the marketplace. It is a positive decision and one that is already reaping rewards for us.

Sir, notwithstanding that there has been a decline in the numbers of people employed, it shows that the Honourable Member clearly does not understand what is happening in the sector. There was a time in Barbados when the informatics sector was one of the cornerstones in our environment and they operated as special kinds of international business companies. The Honourable Member will remember that there was a time in Barbados when 30 000 women did smocking which was manufacturing and that it has also declined.

The informatics sector did not fail because of any inefficiency in our environment. Sir, companies like PRT that would have employed 1 000 people failed because the business model failed and it had nothing to do with Barbados. When Intel operated in Barbados, it employed over 1 000 in the manufacturing sector but the decision to move Intel from Barbados was a simply economic decision to get cheaper labour.

The Honourable Member should understand that an investor makes investment decision not simply based on what conditions prevail in the marketplace but on what is happening outside of Barbados and the Government of Barbados cannot be held accountable for the failure of these businesses nor the decline in the numbers of employed people.

It is important to say that we are responding to these particular declines in a way that will be pleasing to the people of this country. We have not stood back and allowed the informatics sector to decline but we are now actively going after call centre business.

I am amazed that the Honourable Member from St. Michael South Central would dare to speak about the cost of telecommunications as being a hindrance to the expansion of international business in Barbados when the Democratic Labour Party extended the monopoly of Cable & Wireless into an ungodly length of time thereby restricting our capacity to expand. Sir, I am amazed that he had the gumption to mention it as a hindrance in this Honourable House because if it was an albatross around the necks of the people of Barbados, we know who put it there. This Barbados Labour Party Administration has worked to remove the albatross from around our necks but the Honourable Member on the Other Side chose to disregard it.

For years, we knew that the particular position taken by the Democratic Labour Party would cause us difficulty and we have been successfully liberalising the telecommunications sector to the point where companies that are principally reliant on low communications cost are coming back to Barbados. At the present time, there are nine call centres in Barbados employing a total of 653 persons. Last week I was asked by the staff of the BIDC who work tirelessly in bringing new call centre activity to Barbados to meet with a potential investor who was on his third visit to this country. This investor proposes to start a call centre with 200 jobs and move to 500 jobs. I understand from the Chairman of the BIDC that another player is interested in coming here to set up a call centre that will eventually move to 1 000 jobs. Sir, these call centres are helping us to provide serious employment for our young people.

Mr. CHAIRMAN:

Honourable Member, you have one more minute.

Hon. D. D. MARSHALL:

Mr. Chairman, the time may well come when some of these new companies may move as well but for the time they are here they will contribute significantly to this economy.

Mr. Chairman, I am obliged to you.

Hon. K. D. SYMMONDS:

Mr. Chairman, I thank you for the opportunity to make this intervention under this important aspect of the economy of Barbados. I should begin by saying that I enjoyed and admired some aspects of the contribution made by the Honourable Member from St. Michael South Central. He knows well that I too have had the opportunity to work in the British Virgin Islands and I can say with a tremendous amount of conviction born out of personal experience that there is absolutely no measure of inaccuracy to the submission made to this Chamber by the Honourable Member for St. Joseph. In fact, the Barbados Tourism Investment Inc. set up in terms of international business companies is largely born out of the fact that in the British Virgin Islands there is no form of direct taxation. They facilitated the entry of all and sundry by way of a paper company and there is no scrutiny and limited regulations but this has caused a number of problems in that jurisdiction.

Sir, I understand where the Honourable Member from St. Michael South Central was attempting to go but he omitted that one of the fundamental considerations when we set up our regime was to ensure that there was a sufficient and adequate degree of transparency under our system because we wanted to avoid the kinds of questions that was being asked by the OECD and the long shadow of doubt being cast over the credibility of our regime in Barbados.

Mr. Chairman, a conscious and very clear decision was made at the very beginning that we would not go the route of some of the catchment areas that were also to be located within the Caribbean. If we are hearing that there should be a change of policy, the Democratic Labour Party should say so.

H25/Sequence 236

5:00 p.m.

Friday, March 19, 2004

Continuation of... Hon. K. D. SYMMONDS:

Sir, if we are hearing that there should be a change of policy, then I believe that the Democratic Labour Party should say so. In the context of what we went through with the OECD within the last four years, it is a very unnerving thing. Sir, I sit in the Cabinet of Barbados and I know there is a special sub-committee. Even as I speak, the Attorney General is part of a Caribbean Financial Task Force seeking to ensure that this country's regime is not going to be subjected to the kind of questions relative to the lack of credibility and the accusations of having a lack of transparency that others are being subjected to.

Therefore, it is unfair to say that the Government is not doing what it should do in order to promote Barbados in this regard in the best possible manner because a key part of the way in which this business is done is to ensure that there is transparency and the utmost propriety. This is a very important point and I believe that in his tremendous experience in some of these financial type matters that the Leader of

the Opposition would be bound to agree, and hopefully, lend guidance to his more junior colleague.

I also want to say that my friend, the Honourable Member for St. Joseph, made a very important point in his initial presentation about the nature of the close interaction between his Ministry and the Ministry of Foreign Affairs and Foreign Trade and he made that point on the issue of trade and services. There are two real critical concerns in this regard and, perhaps, I should begin by saying to this Chamber that trade in services is accepted as being a critical part, even though it was accepted as relevant before, of the export business of any country, especially a small country with a historical track record, such as Barbados has, as having invested heavily in the education of its population and the development of its human resource capacity.

Sir, we are proud of our social capital but that is not true of all of the developing countries of the world. This is why I take the Honourable Member for the City of Bridgetown's point that we must come to this Honourable House to engage in these debates, having done a lot of background reading.

Sir, the same boast that we make in this Honourable House is a boast made in Singapore and many of the countries that form the African, Caribbean and Pacific union, but more specifically in the Pacific Ocean, there are a number of countries that have a similar profile in terms of developing their social capital as we have in Barbados.

There is a Greek economist by the name of Bonaparte Ounguglo who has written extensively on the key role that services place in the context of sustainable development in the Pacific States. He also makes the point, and it is entirely applicable to us in the Caribbean, that it is not an issue that can be resolved only by single governments functioning independently within the Pacific Basin, or the Pacific Rim, as they call it, but rather it is a process that has to be resolved to work out how best you export your services, having invested so heavily in building the social capital, how do you ensure access to other markets so that the benefit of those service-related skills is realised and that process is best achieved by way of a collective endeavour within the countries of the Pacific Rim.

Sir, the same principles apply here and that is, perhaps, fallacy number two of my friend, the Honourable Member for St. Michael South Central's submission. The Honourable Member for South Central, in his anxiety to shower condemnation on the performance of the Honourable Member for St. Joseph in his capacity as Minister, has failed to recognise that there is very little in some regards that the individual minister could achieve outside of the dynamic of the trade relation negotiation that is taking place in the Caribbean today. That is a fact.

In every aspect of this financial and legal endeavour that we call international business, there is an inextricable link to the theatres of negotiation. I am not making an excuse for performance or non-performance. I am making a clear statement of fact and it is unavoidable.

Asides.

Hon. K. D. SYMMONDS:

What we have to do is assess Government's position as a whole within the exercises that we are engaging in the Free Trade Area of the Americas, the African, Caribbean and Pacific/European Union negotiation and then we understand better the extent to which we are making the effort. I am only

responding to the condemnatory charge that is all that I am doing and I feel that I have a duty to do so,

We are entering into an economic partnership agreement and one of the principles that we are asking for within the context of trade and services are, that there be asymmetrical access that guaranteed access in favour of skilled persons coming from the Caribbean. We would like to say skilled persons coming from Barbados but because we are entering into a regional partnership agreement, it has to be "from within the CARICOM area" if we are talking about the African, Caribbean and Pacific/European Union, and the same principle applies from within the Free Trade Areas of the Americas.

Sir, when we are talking about asymmetrical access, we are saying that we know that in Great Britain - let us talk about lawyers and doctors - there is no shortage of trained professionals and highly skilled Barbadians. That is true across the region. If we want them to achieve their optimum potential in terms of selling their skills abroad, then we have to be able to engage in a relationship such as that which we are going to on April 16, 2004, that ensures guaranteed access to the market. It has to be asymmetrical because they have more than we do and they also have greater access to capital to fund the kind of transition than we do.

Sir, we have to be mindful of the fact that many of our professionals have unfortunately and regrettably not formed themselves into large firms under an umbrella that allows them to specialise in some sectoral areas of interest under the discipline. Even in law, it is hard to find young lawyers coming together under one roof in Barbados.

Mr. CHAIRMAN:

Honourable Member, I must ask you to wind up, please.

Hon. K. D. SYMMONDS:

...Young lawyers coming under one roof with a special interest in different sub sectoral disciplines of the law, so that these kinds of dynamics are being negotiated, and we do so along with seeking finance capital to help assist in the transition. I will be happy to come back to assist the Honourable Member for St. Philip West regarding the question that he is asking.

I thank you.

Mr. CHAIRMAN:

Before the Honourable Member for St. Michael North West starts his presentation, let me say that the guillotine comes down at 6 o'clock. The Honourable Member for St. Joseph will be given fifteen minutes to wind up so there will be eleven minutes for the Honourable Member for North West to speak. The Honourable Member for Christ Church East has also expressed a desire to speak. The Honourable Member for St. Michael South Central will be given eleven minutes to speak and then the Honourable Member for St. Joseph will wind up from 5.45 p.m. to 6.00 p.m. when the guillotine comes down.

I thank you.

Mr. C. A. MASCOLL:

Mr. Chairman, it is quite unfortunate that we do not have enough time to debate this Head. We need to determine where we are and where we want to go with this sector. Sir, when it was called the

offshore sector, the now Prime Minister of Barbados identified it as being capable of producing 2 000 new jobs per year over a five-year period. In fact, it was supposed to be the main plank of the Barbados Labour Party Administration's job creation programme around 1995.

Sir, I want to say that to this day, nobody knows in Barbados what is the contribution of the international business sector to the GDP of Barbados.

H25:

Sequence 237

5:10 p.m.

Friday, March 19, 2004

Continuation of Mr. C. A. MASCOLL:

Nobody has a clue. Mr. Chairman, it is not even included in the Gross Domestic Product (GDP) as a measure, and this is now after several years of saying that the International Business Sector will be a major sector in the Barbados economy.

Sir, what we have a clue about, perhaps, is the amount of taxes we get from the sector, but that is where we need to start, so all the old talk and a lot of long talk in this Chamber, and you cannot measure the performance of the sector, we are going to be no better off as a country. The first thing we have to do is to define the functions of the international business sector.

Hon. K. D. SYMMONDS:

Mr. Chairman, on a point of order. The Honourable Member is misleading the House, only in so far as he is asking that virtually the technically impossible be done. Any kind of business, irrespective of what that business may be, that does one item of one transaction outside the shores of Barbados, has performed an international business transaction.

How on earth, Sir, could you quantify what is contribution of the sector?

Mr. Chairman, I really do hope that the Honourable Member for St. James Central is not ever put in charge of this sector, because he needs to understand the concept of value added, and that is how the gross domestic product is measured.

If it is impossible to measure the performance of the International Business Sector, then there is no need to have it, because how could you begin to plan for a sector that you do not understand. In 1991, this sector was supposed to be creating jobs in excess of 3 000. It now creates less than 1 200 jobs as I speak to you, as defined.

Sir, I have a grave difficulty with taking Barbados towards the area of call centres and that I have already expressed. I want the Honourable Member for St. Joseph to say, and I ask the question, having said that there are now more than 600 persons employed in call centres in Barbados, I wish to know the

character, the level of pay, what really is involved and to what extent, could we be thinking in terms of the future for Barbados and see call centres as a major component of our developmental thrust. I cannot see how we can even begin to contemplate that.

Sir, the reason why I speak like this about the sector is because I well recall PRT being seen as a flag ship company, well fixed perfectly within the context of Barbados' developmental strategy, where we were thinking in terms of the development of software and how it was deemed that PRT was, in fact, according to the Business Barbados Magazine that is published, and a very good document on the international business sector, to be the future of Barbados, given Barbados' educational standards, given Barbados' potential in terms of human capital development, given the stability, given the attraction of the Barbadian economy.

I have difficulty, Mr. Chairman, in understanding exactly what we are doing. In fact, I thought that the notion that PRT as a flag ship company, sat perfectly within the context of our desire to get to the high end of the international business sector. Now, we have completely reversed our policy initiative. We have completely reversed our policy focus. We have now gone to call centres and we feel proud as a country, to be speaking to this matter in such lavish terms.

I want to know what is the rate per hour being paid to persons involved in the call centres of Barbados. This is what I am asking the Minister responsible for this sector to tell me, because that is an important consideration, if we think that our developmental thrust can be enhanced in this kind of service.

I cannot see it happening. I cannot see how we can be considering that when Barbados is already supposed to be a high cost country, in terms of all the components of our business cost. I cannot see how we could be confining ourselves to a strategy that is supposed to be high end. I cannot see how we could be focussing on upgrading our tourism plant, how we could be focussing on providing a high quality tourism product recognising the high cost destination that Barbados is. I cannot see how we could be trying to get involved in a Caribbean Single Market and Economy (CSME) which we are hoping we can ply trade in high end matters like law, services pertaining to accounts, legal services and the like, yet we could find it necessary at this stage to be emphasising the importance of call centres within the context of a future Barbados. It is at variance with our economic focus and strategy.

In fact, if we are not careful, Mr. Chairman, we will be in a position, where, sooner rather than later, we will have to be subsidising or seeking some other forms of compensation for people at the lower end of that market. This is what it is, so do not get caught up that call centres are here to employ anybody to give them major wages when the month comes. We have to accept that this is, in fact, a recognition of a failure of this sector; but let me go on.

Mr. CHAIRMAN:

Honourable Member, you have two minutes more.

Mr. C. A. MASCOLL:

Sir, let us go on in terms of the services sector. Sir, we definitely need to look at the gross domestic product, the composition of services and how we truly intend to transform Barbados into becoming a services sector economy in a very meaningful way.

I would hope that we can get, at some time in the not- too-far distance, a real debate on how we can transform the Barbados economy to take notice of the existing high cost, and the fact that we need to go to high, value-added products, high, value-added jobs, and at that end of the market, within the context of our future development. There is no other way for us to do it. We cannot even begin to pretend.

In fact, we have consistently been recognising that in the year of manufacturing, we have been failing. We have lost 3 000 jobs over the last seven years in manufacturing. The contribution of manufacturing to the gross domestic product, in real terms, has declined by \$5 million, over the last seven terms. We have seen several areas, even those that we have sought to protect such as Tee shirts, sausages, spaghetti and macaroni, in 1998, by way of the imposition of bound rates, have not performed well, within the context of the new global reality and within the context of what Barbados can truly become in terms of being competitive, even in manufacturing.

Therefore, I would not wish for us to make the same mistake in identifying low, value-added areas for our future developmental and economic thrust when, in fact, we have already recognised that Barbados needs to go towards high, value-added products, and high value added services, consistent with our capacity to remain competitive and become competitive in a future Caribbean and international economy.

I thank you, Mr. Chairman.

Hon. R. R. FARLEY:

Mr. Chairman, I am saying that I am saddened by what I have heard this afternoon coming from the Opposition. The Shadow Minister, the lead spokesman in this matter has narrowed now to the Democratic Labour Party's position on international business to one simple policy whosoever will, may come.

House 25, sequence 238,

5:20 p.m.

Friday, March 19, 2004

Continuation of Hon. R. R. FARLEY:

That is his policy stripped of all the reference to the British Virgin Islands: whosoever will, may come. We do not need to know who you are, where your money has come from or what you are going to do in this country; whosoever will may come. That policy runs completely opposite to the policy which the Barbados Labour Party had determined since the 1970s to be the policy that we would pursue in international business in Barbados. Barbados could have had hundreds and thousands of companies had it chosen to pursue the strategy now being articulated by the Honourable Member for St. Michael South-Central if we did not bother with any of the features which are now accepted as being part of what a responsible international financial centre would have in place.

The Honourable Member for St. Michael South Central is telling us not to worry about money

laundering; about corporate inversions; about tax treaties; about know-your- customer rules; about international co-operation in this area and not to play at the top of the pile in the international financial arena but to scrape the bottom of the barrel. His message is: whosoever will, may come. He is not too concerned that in the fight against terrorism the major markets with which we treat have dreamt up rules.

In order for Barbados to maintain its very coveted position with the US Treasury Department in terms of its qualified intermediary status, we need to be a responsible jurisdiction so that our businesses in Barbados do not have to go through twists, turns, loops and hoops in order to do business with the United States of America. We are able and we made a decision both in a previous Barbados Labour Party Administration and in this one that we would want to pursue those businesses who, both we and them, would want to be able to mention the name of Barbados in polite company and not sneaking and whispering. The end of the market that the Democratic Labour Party wants us to target, we are not interested in because that will only land us into the hands of the black marketeers of the international financial community and we have chosen not to go there.

Asides.

Hon. R. R. FARLEY:

That is what he has said. Sir, I am not going to spend much time on the Honourable Member because he has now articulated a new position for the Democratic Labour Party. I am saddened but we are not going there. I am going by what is said in here.

Asides..

Hon. R. R. FARLEY:

There are no manifestoes over there, there are people and they have spoken and the record of this House would reflect.

Sir, I want to deal with the Honourable Member for St. Michael North West. The Honourable Member for St. Michael North West quite wisely stayed away from that international financial mess that his rival, the Honourable Member for St. Michael South Central, created. He is a wise man, but in stretching to make a point, he pulled something along the way. He spoke about PRT (Barbados) Limited; but I know about PRT. In fact, I was pleased to have been part of the team that brought PRT here. The PRT experience was positive and instructive. Sir, I will distill in a single statement all of what the Honourable Member has said, his policy being that you must not try because you might fail, but I take a different approach: nothing ventured, nothing gained.

The PRT story is not a reflection on Barbados. PRT did not close because of any problems in Barbados. There were problems at the high corporate end. The founder was involved in several other business initiatives, he spread himself too thin, and the company was taken over by its other shareholders. They, like the American custom in the corporate world, looked at how they could chop and they chopped left, right and centre. The last person who was manager of the company here tried to get them to keep Barbados and subsequently returned to Barbados to look at business investment opportunities because they recognised, after they had made the decision to cut left, right and centre, that Barbados should have been kept. What was important is that PRT was a point of departure. It had the

demonstration effect of showing Barbadians, the number of whom increased in terms of those studying information technology, as well as local and overseas investors that high-end software development can be done in Barbados.

The Honourable Member showing his lack of understanding of this area - and in that regard he has been consistent over the last ten years, so there is some virtue to what he was saying - made the grand claim that you cannot be going in the direction of PRT and software development and also supporting call centres. Does he know where India is and what they are doing? Maybe he does not watch Lou Dobbs on Cable News Network (CNN). Does he know that India is seen as the leading centre for information technology in the world? Does he know that in addition to the thousands of software developers developing high-end software whether in India or elsewhere in the world that India is also the call centre capital of the world?

It is therefore clear not just based on sound arguments but based on practical reality what the Honourable Member for St. Philip West who said he is a scientist would call observation that they are not mutually exclusive, that there is room in the market both for call centres and for software development. So the Government has not turned around and reverse. The Government has not abandoned its ambitions to have its graduates of its tertiary institutions used to their fullest capacity in developing high-end software in Barbados. At the end of the day, opportunities have to be created for large scale employment for our high school leavers.

Mr. CHAIRMAN:

The Honourable Member has two minutes more.

Hon. R. R. FARLEY:

How times flies when you are having fun, Sir.

Sir, the reality is that all of the obstacles that stood in the way of the fullest development of this sector have now been removed. We have maintained our position in terms of our financial integrity and our capacity to treat financially. We have unshackled Barbados from the legacy of the Democratic Labour Party with respect of telecommunications. Within that same agreement is the capacity for call centres to have their own VSATs to make direct connections to bypass the public network and that is even before the liberalisation of the international sector. Therefore, that element of cost would no longer be an issue. I expect that the Honourable Member would have to eat his words. I hope he finds them filling. To me, they are very empty.

Mr. CHAIRMAN:

You have one minute more to feed him.

House 25 Sequence 239

5:30 p.m.

Friday, March 19, 2004

Continuation of Hon. R. R. FARLEY:

Sir, the bottom line is that we are consistent in our policy and are pursuing both initiatives.

Mr. Chairman, I want to say that one of the initiatives of which I am proud and one that we should soon be seeing the fruit, is that initiative between the Carnegie Mellon University, one of the leading Information Technology Universities in the world and the Barbados Community College, as well as the Industrial Development Corporation (IDC), to provide industry-related software training.

This Government has established a training institute at the Harbour Industrial Park, where on successful completion, persons are finding work in a number of areas, for example, the offshore and private sectors. Sir, when combining that with EduTech and others, we are well on our way into the future.

Mr. R. L. SEALY:

Mr. Chairman, I have reentered this debate slightly saddened by the presentation of the Honourable Member for Christ Church East who has just taken his seat.

Mr. Chairman, I will repeat what I said when I prefaced my presentation on International Business. I spoke of the need for us to be responsible when dealing with this delicate sector. Sir, the Honourable Member carries a disproportionate level of responsibility as the former Minister with the responsibility for International Business, the Honourable Member for Christ Church East. At no point in my presentation did I say that Barbados should abandon due diligence. At no point did I say that we should abandon our reputation for being a clear jurisdiction. In fact, Mr. Chairman, I said that we needed to be mature and responsible when discussing this subject.

Mr. Chairman, I am not here to defend the British Virgin Islands but what I would say is that the Chief Minister of the British Virgin Islands was shoulder-to-shoulder with the Prime Minister of this country in fighting the Organisation for Economic Cooperation and Development to have the blacklisting removed. Therefore, am I to understand that the Prime Minister of this country is joining shoulder-to-shoulder with somebody who has nefarious intentions as far as bringing International Business Companies (IBCs) to this region? In fact, the British Virgin Islands has also been cleared of the blacklisting of the Organisation of Eastern Caribbean Development States. We have to be careful that while criticising others, we do not end up criticising ourselves. As I said, we have to be careful what signals we are sending to members of this sector.

Mr. Chairman, I want to deal with the Honourable Member for St. James Central who always refers to me as his friend. Sir, I do not accept that the sort of declines that we have seen in activities in this sector could be justified on the basis of what is happening in the various international trade theatres. We cannot apologise. Our competitors have to deal with all of those issues as well.

Mr. Chairman, we are aware, for example, of the World Trade Organisation (WTO) ruling that hurt foreign sales corporations. The fact is that we were once the fastest growing jurisdiction in the world for Financial Services Centres, (FSCs). Now we have none. That is precisely why the Ministry has to be capable of responding to all of these different international happenings and refine the plethora of products that we offer in the sector that would improve performance.

Sir, an Honourable Member has said that I am comparing Barbados with the British Virgin Islands. I

am not. I am comparing Barbados with Barbados. It is an undeniable fact that in 1996 there were 4 137 licences for International Business Companies (IBCs). In 2003, there are only 2 123. That is Barbados in 1996, compared with Barbados in 2003. That is a fact that cannot be denied.

Mr. Chairman, as I have said and will repeat again, it is interesting that the total registered in 1996 was 4 604. In 2003 it was 5 406. In other words, we have increased the numbers that have registered but we have decreased the numbers that are active, and that is information that should be put out in the public domain. At the very least, it should be available to Honourable Members of Her Majesty's loyal Opposition.

The Industrial Development Corporation (IDC) had some Italian investors in this country yesterday and they were given that information while we in the Opposition were not. It is wrong.

Asides..

Mr. R. L. SEALY:

Mr. Chairman, if they want to know where the information has come from, I will make that a document of the Honourable House. It is a speech delivered at the Barbados Chamber of Commerce on January 28, 2004, by Henderson Holmes, the Executive Director of the Barbados International Business Association. He got the figures from the Ministry of International Business and they do conform with figures that I got from the Ministry but I had to get this document off the back of a truck. It is sinful.

Mr. Chairman, I am saying that public information and education is critical to this sector. Too many persons are unaware of what the sector represents and I think it is worthwhile for the Ministry to move ahead apace with its attempt at public information. There is actually a plan in train to have a programme to inform people on the nuances of the sector. It is a shame that the Government Information Service (GIS) could not have done it but they have hired an outside company to do it, and we look forward to Barbadians learning more about the sector because it has a tremendous amount of potential and both parties have recognised that. It is just unfortunate that the ruling party is not doing anything about it.

Mr. Chairman, I also want to say that when the Honourable Member for St. Joseph rejoined the debate, I accepted that he was somewhat derailed and felt compelled to spend the complete 15 minutes giving me a non-lesson

about the British Virgin Islands but when he had first spoken on the Head, he promised that he would have been speaking on what was happening in manufacturing.

Mr. Chairman, I am sure that there are constituents in the parish of St. Joseph, as there are constituents in St. Michael South Central, who want to understand clearly what is the Government's policy in this sector. The Honourable Member has totally disregarded their concerns. There are some of the most atrocious working conditions to be found at some of our industrial and manufacturing entities and we have not heard anything on that from him. These who are real people who want to hear something on that from Government.

5:40 p.m.

Friday, March 19, 2004

Continuation of Mr. R. L. SEALY:

The Ministry of Labour has promised employment protection legislation now for some time. In fact, they have been allocated \$30 million and in the Explanatory Notes they say they will protect workers. We cannot have much hope in that because the Honourable Member St. James North, in keeping with the pace set by the former Minister, slept through the entire speech of the Prime Minister when he moved the Estimates.

Mr. CHAIRMAN:

Honourable Member, you have two more minutes.

Mr. R. L. SEALY:

Mr. Chairman, as I said, we need to understand what is our future with manufacturing because the monitoring licences which were supposed to help protect them is an actual burden to some of them because some of the inputs to their process have been put on the list and they are having difficulties in getting raw materials.

Hon. K. D. SYMMONDS:

Mr. Chairman, on a point of order. The Honourable Member is misleading this August Chamber. The monitoring licences were never put on with a view to protecting anything. The purpose of a monitoring licence is the accumulation of evidence and data as a preliminary step if need be to go to further measures which may be protective in nature.

Mr. CHAIRMAN:

Honourable Member from St. Michael South Central, please wind up.

Mr. R. L. SEALY:

Sir, the licences are proving to be difficult and other issues confront our manufacturers as well. We need to hear a clear statement from Government on this matter because there is no focus on international business nor industry and maybe the Ministry should be shut down and put three departments under the Ministry that the Honourable Member for St. James Central heads.

I thank you, Sir.

Mr. CHAIRMAN:

Honourable Member for St. Joseph, you have fifteen minutes to wind up the debate.

Hon. D. D. MARSHALL:

Mr. Chairman, it is regrettable that we do not have the time to go into the minutia of the other matters but I want to say at the conclusion of the debate that in relation to the manufacturing sector, this

Government has, despite the wailing of the Honourable Members on the Other Side, been paying careful attention to the needs of this sector. In fact, there is a very lively dialogue between the members of the Barbados Manufacturers Association and my Ministry in relation to how together we can work to achieve growth in the sector and together carry out the Government's policy framework and ensure that our manufacturing sector remains vibrant.

Sir, while it is true that the number of jobs in the manufacturing sector would have declined over the years, I believe that the Honourable Members of the Opposition are choosing to bury their heads in the sand when they do not want to admit upfront that the manufacturing sector of many countries across the globe is under significant challenge. Sir, this is not a Barbadian phenomenon and the Honourable Member from St. Michael South Central must not try to fool anyone by suggesting that it is.

Mr. Chairman, consider the largest manufacturing economy in the world, that of the United States of America, which is under threat from the same challenges as ours. The point is how do we respond to that threat, and this Government has responded to the threat of manufacturing by a series of initiatives which have been working extremely well. I want to mention the Technical Assistance Fund. We have manufacturers in Barbados who have been working on their ideas but they did not have the direct resources to deal with some of the problems that they have encountered.

Sir, as long you are operating in the realm of the food subsector, you have to consider being HACCP compliant if you are targeting an export market.

I want to ask a question of the Opposition and in particular the Honourable Member from St. Michael South Central because as an engineer he would be a better mathematician than I. If he argues that manufacturing is in decline, what accounts for the increase in the export of manufactured goods over the last few years? If the sector is in decline, what metrology are they using to determine the decline?

Mr. Chairman, notwithstanding the fact that jobs in the sector may have declined, the amount of exports have increased and this is a clear indication that, notwithstanding the challenges that the Honourable Members on the Other Side are aware of but chose to ignore, the sector has continued to produce.

Sir, if we look at a mathematical assessment and decide it contributes less to the GDP now, it does not mean that on the whole it contributes less to the Barbadian economy. This Government is clear in its mission and continues to support the manufacturing sector through its three-year \$155 million Technical Assistance Programme to improve the productive capacity which has been extended now to another three years. I want to indicate to Honourable Members of this House that the programme has so far assisted 100 companies in the manufacturing sector to be able to retool and recreate the way in which they handle their business.

I want to talk about the further capitalisation of the Industrial Investment and Employment Fund. This fund is geared towards building international competitiveness within the manufacturing sector by allowing factories to retool so that there are able to achieve higher levels of competitiveness.

If one considers the challenge that was faced by one of our major manufacturing concerns, Barbados Bottlers, this factory benefited under this Fund because it was faced with the loss of the production and

sales of Coca Cola; but instead of closing and sending home its workers, it has been able to retool to the point where it has won international awards in terms of the quality and standard of its product. Mr. Chairman, that is not the hallmark of a company that is failing.

Sir, BICO has also received technical assistance under this Fund to the point that is now HACCP and ISO compliant and is able to export in a way that previously it had not been able to do. We have other companies in the manufacturing sector that have benefited from this Fund and when you listen to the manufacturers they publicly laud the efforts of this Government in ensuring that their businesses remain vital instead of having to close.

Mr. Chairman, as I said before, the challenges being faced by our manufacturing sector are global and we have been determined to see that our manufacturing enterprises remain competitive and the BIDC have worked with them to ensure this competitiveness.

H25/Sequence 241

5:50 p.m.

Friday, March 19, 2004

Continuation of Hon. D. D. MARSHALL:

Sir, we have to remember that the manufacturing sector is not just focussing on big manufacturers but also our small manufacturers. We have seen over the last ten years a large number of small manufacturers, especially in the food and agro-processing subsection, spring up and are now producing things like seasonings and so on and who have broken into the export markets. These are companies that contribute to the Gross Domestic Product, earn foreign exchange for our country and, perhaps, of equal importance, they employ people. We have more and more people getting into these kinds of enterprises.

Sir, this sector continues, in my respectful submission, to be a credit and the strategic object of this Government for the manufacturing sector, is to aim to increase output by 5 per cent to 10 per cent and to increase the export of manufacturing goods by 15 per cent to 20 per cent. The initiatives that we have put in place are proven, they have worked well but we have gone beyond that.

We recognise that in order for a business to create good jobs it must have a viable business and this Government is therefore committed to introduce a special corporation tax rate for manufacturers, by allowing manufacturers to be charged at a rate of 25 per cent in the year 2005, which is two years ahead of the corporation tax reform schedule. When in 2005 corporation tax is reduced across the board to 25 per cent, it is proposed that the tax rate for our manufacturing companies would benefit from a further reduction.

In targeting the small manufacturers, this Government has announced initiatives to allow cooperative producing enterprises to benefit from the tax incentives under the Cooperatives Act. So, we are not just putting a framework in place so that the factories and businesses are able to retool, we are not just putting a framework in place that would allow them to market, we are also putting a tax framework in

place which allows these businesses the opportunity to benefit from a tax regime that is of direct relevance to them because these are businesses that we value and recognise that their profitability must be ensured.

Mr. Chairman, I want to address one or two of the points raised by the Honourable Member for St. Michael South Central. We have long recognised that in the area of the financial services arena, legislative changes are required but this Government does not just run around changing legislation because another country has introduced a new piece of legislation. We do not change our legislation just because there is some new flavour of the month.

I believe that the members of the Barbados International Business Association would want to laud this Government by pointing out to the members of Her Majesty's loyal Opposition that the legislative changes that have been earmarked, and I believe they would be coming to this Honourable House in the not-too-distant future, certainly within the next few months, are changes that have been worked on in tandem with members of the Barbados International Business Association.

It is not at all a flavour of the month. We have been engaged in constant dialogue with the people who are actually practising in the sector to determine what legislative changes are needed.

I feel that I must disabuse the Honourable Member for St. Michael South Central of the view that legislative vehicles are created overnight. Barbados has a unique tax structure. We are not a tax haven. We have a corporate structure of a particular kind and when you determine that you are going to bring a new vehicle, it is not like putting another case of beer in the fridge, it has to fit in with other vehicles that are there. It has to be consistent with our approach, always paying the highest regard to a regulatory framework and so on. That is where I mentioned that this Government is redoubling its efforts to ensure that we remain on the cutting edge by the establishment of the research and development unit.

Sir, we feel that we have been very responsive and we feel that the changes that we are going to be making are going to respond to the needs of the sector. I believe firmly that we have to look at the sector from a broad context before we can descend into the minutia of it.

It is made up of many kinds of businesses with many different kinds of foci and it is made up of a series of double taxation agreements with nations across the globe. We have our strategic objectives and we are continuing to retain consultants, and the Other Side has spoken scathingly to the fact that this Government has been employing specialist people to assist it in its work, but we recognise that there are areas that our skills are not necessarily going to be as we would like them to be and we have not been ashamed. We are going after consulting firms in the United States of America, Canada and South America, simply because we recognise that it is all well and good to talk about Barbadians in those markets but the truth is, in the same way that Barbadians know the Barbados market best, there are North Americans who will know the North American environment far better than we do and we feel that we will achieve greater results by retaining those professional services when they are needed and are available.

Mr. CHAIRMAN:

The Honourable Member has one minute to conclude.

Hon. D. D. MARSHALL:

Mr. Chairman, I would like to commend these Estimates under Head 21 to this Honourable House. It reflects a commitment of this Government in ensuring the continued success and prosperity of the players in the international financial services sector but it reflects a commitment of the Government to go beyond the narrow approach of international businesses only being financial services. It reflects a commitment to every individual who would have received the benefit of a fine education in this country and who is desirous of selling services and skills abroad. It reflects a commitment of a Government that has been able to face the challenges and overcome the challenges of the recent past.

Mr. Chairman, with those few words, I ask that Head 21 in the sum of \$26,015,741.00 stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

S25:

Sequence 242

5:58 p.m.

Friday, March 19, 2004

HEAD 18 - AUDIT - \$447 631

Rt. Hon. O. S. ARTHUR:

I beg to move, Sir, that Head 18 stand part.

Hon. R.C. EASTMOND:

I beg to second that, Sir,

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

**HEAD 19 - MINISTRY OF FINANCE
AND ECONOMIC AFFAIRS - \$57 438 226**

Rt. Hon. O. S. ARTHUR:

I beg to move that Head 19, as amended, stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

**HEAD 20 - MINISTRY OF COMMERCE,
CONSUMER AFFAIRS AND BUSINESS DEVELOPMENT**

- \$10 691 966

Hon. R.C. EASTMOND:

I beg to move that Head 20, as amended, stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

HEAD 23 - MINISTRY OF HEALTH

- \$242 688 007

Hon. J. X. WALCOTT:

Mr. Chairman, I beg to move that Head 23, as amended, stand part.

Hon. H. F. LASHLEY:

I beg to second that, Sir.

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

HEAD 24 - MINISTRY OF SOCIAL TRANSFORMATION

- \$76 612 776

Hon. H. F. LASHLEY:

I beg to move that Head 24, as amended, stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

**HEAD 25 - MINISTRY OF AGRICULTURE
AND RURAL DEVELOPMENT**

- \$37 555 844

Hon. R.C. EASTMOND:

Mr. Chairman, I beg to move that Head 25, as amended, stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

HEAD 28 - MINISTRY OF HOME AFFAIRS

- \$26 552 852

Rev. J.J.S. ATHERLEY:

Mr. Chairman, I beg to move that Head 28, as amended, stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

HEAD 29 - DIRECTOR OF PUBLIC PROSECUTIONS

- \$283 250

Hon. D. D. MARSHALL:

Mr. Chairman, I beg to move that Head 29, as amended, stand part.

Hon. R. R. FARLEY:

I beg to second, Sir.

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

HEAD 30 - ATTORNEY GENERAL, AMENDED AS TO TOTAL IN THE AMOUNT OF \$55 864 178

Hon. D. D. MARSHALL:

I beg to move that Head 30 as amended stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

HEAR 43 - MINISTRY OF EDUCATION, YOUTH AFFAIRS AND SPORT

- \$243 310 319

Hon. R. R. FARLEY:

Mr. Chairman, I beg to move that Head 43, as amended, stand part.

Hon. R.C. EASTMOND:

I beg to second that, Sir.

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

HEAD 44 - MINISTRY OF LABOUR AND SOCIAL SECURITY

-\$30 299 649

Hon. R.C. EASTMOND:

Mr. Chairman, I beg to move that Head 44 stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

HEAD 45 - MINISTRY OF PUBLIC WORKS

- \$47 741 667

Hon. G. A. CLARKE:

Mr. Chairman, I beg to move that Head 45 stand part.

Hon. R.C. EASTMOND:

I beg to second that, Sir.

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

HEAD 46 - MINISTRY OF ENERGY AND PUBLIC UTILITIES

- \$15 970 337

Hon. A. P. Wood:

Mr. Chairman, I beg to move that Head 26, as amended, stand part.

Hon. R. R. FARLEY:

I beg to second that, Sir.

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

**HEAD 48 - MINISTRY OF HOUSING,
LANDS AND THE ENVIRONMENT**

- \$87 907 148

Hon. Miss H. E. THOMPSON:

Mr. Chairman, I beg to move that Head 48 stand part.

Hon. R.C. EASTMOND:

I beg to second that, Sir.

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

HEAD 50 - POST OFFICE

- \$9 440 071

Rev. J.J.S. ATHERLEY:

Mr. Chairman, I beg to move that Head 50 stand part.

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, Mr. CHAIRMAN reported to His Honour the SPEAKER, the passing of one Bill in Committee of Supply and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Rt. Hon. O. S. ARTHUR, seconded by Hon. R.C. EASTMOND, the Bill was read a third time and passed and cited as the Appropriation Act, 2004.

On the motion of Hon. R.C. EASTMOND, Hon. R. R. FARLEY, the House resolved itself into Committee of Supply, Dr. W. F. DUGUID, in the Chair.

COMMITTEE

Mr. CHAIRMAN:

This House is in Committee of Supply.

Clauses 1 and 2 as amended were called and passed.

House 25, sequence 243,

6:40 p.m.

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Clauses 3 - 4, inclusive were called and passed.

The Schedule as amended was called and passed.

On the motion of Hon. R. C. EASTMOND, seconded by Hon. R. R. FARLEY, Mr. CHAIRMAN reported to His Honour, the SPEAKER the passing of one Bill in Committee of Supply and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Rt. Hon. O. S. ARTHUR, seconded by Hon. R. C. EASTMOND, the Bill was read a third time and passed and cited as the Appropriation Act, 2004.

GOVERNMENT NOTICES

Hon. R. C. EASTMOND:

Mr. Speaker, I beg to give notice of a Resolution to grant the sum of \$38 093 976 from the Consolidated Fund and to place it at the disposal of Government to supplement the Estimates 2003-2004 as shown in the Supplementary Estimates No. 12, 2003-2004 which form the Schedule to the Resolution and that the Explanatory Notes to Heads 24 and 37 be amended as set out in Schedule II to this Resolution.

ORDER NO. 7 - RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION BY THE CROWN OF PARCELS OF LAND SITUATE AT DRAX HALL GREEN IN THE PARISH OF ST. GEORGE FOR THE PUBLIC PURPOSES OF HOUSING DEVELOPMENT AND RECREATION

Hon. Miss H. E. THOMPSON:

Mr. Speaker, the Resolution before this Chamber is not a difficult one. The Honourable Member for St. George South has been repeatedly calling on us to make provision for housing and housing development in his constituency, and I am happy to be able to give him his request this evening in the form of the delivery of approximately six hectares of land at Drax Hall Green.

The acquisition will therefore seek the vesting of the land in the National Housing Corporation and the National Sports Council, two entities of Government, because the land is intended to be applied for dual purposes. Approximately half of the parcel of land will go to the development of lots for housing and the other half will go to the development of recreational facilities. In rural Barbados there is a dearth of

recreational facilities when compared with urban Barbados. Even though villages may be some distances apart, the issue arises as to how to so locate and centre recreational facilities that villages within close proximity of a particular area can access and use them. The Honourable Member indicated that this is an area where there is a large community development and where there are large villages within close proximity and within walking access of the area and therefore it was an appropriate hub that could be developed in this way. The lands which will go to the National Sports Council are expected to be applied to multiple purposes. Specifically there would be enough land for the development of a cricket pitch. We also anticipate, and the Honourable Member for Christ Church East would be pleased to know this, to make provision for the playing of football because, now that we seem to be improving our football skills, it is important to keep those young persons involved in this sport because, after cricket, football certainly appears to be the next area in which we may be able to make regional and international breakthrough and thus a means of upward social mobility for our young males.

Mr. Speaker, frequently, when football and cricket pitches are developed persons seem to forget that the young women in the area also want to apply themselves to sporting activities and want to have fields and pitches developed for them. Hence, provisions would be made for a netball and volleyball court. As volleyball is played both by men and women we expect that particular court will be highly utilised, but the netball court will cater specifically to the girls from the area who want to take part in ball games. There will also be provision for a basketball court. That is another sport we are seeing more girls playing. I am not too sure what is the size of the female teams in Barbados but I know that internationally female basketball is gaining in popularity. When you watch international sports you see some towering women engaging in this sports. We hope that the people of St. George South would welcome and use these facilities to the fullest, that they would host competing teams from other constituencies and that the area would provide a nurturing place for young people to go in the evenings to become involved in positive activity which can redound to the benefit of their individual communities, their families and the island as a whole.

The other half of the parcel of land which we are seeking to vest will go to the National Housing Corporation. I am pleased to recognise in the Chamber the Manager of the National Housing Corporation, Mr. Vincent Alleyne, and to note that contrary to what has been put out, there is only one Manager of the National Housing Corporation, the next post after that is that of the Deputy Manager. Both of these persons were appointed to these posts before I became the Minister. They are also persons who have served the Corporation long and well over time and whom I am challenging to capture the new vision and to take the Corporation forward to deliver on what is perhaps one of the most important social services in Barbados.

This notion that there is a General Manager and an acting General Manager is really very false and I do not want the public to feel that I am entertaining that culture and that kind of confusion up in Country Road. We are very clear in relation to our roles. I believe that we are going to be hearing at length from the General Manager about the new policy direction of the Ministry and that since people are calling for his voice to be heard and his face to be seen that we would be hearing and seeing a lot more from him in the future.

In relation to the housing development at Drax Hall Green what we are proposing to do - the Honourable Member for St. Lucy would be pleased to learn it has been part of the social culture of Barbados particularly in rural Barbados... I think it was the Honourable Member for St. Michael North-

West who made the point, I am not sure whether he made it on the Floor or in private discussion, that you would be amazed to find that although per capita St. Andrew is one of the poorest parishes in the island, it has one of the highest percentages of home ownership. House 25 Sequence 244

6:20 p.m.

Friday, March 19, 2004

Continuation of Hon. Miss H. E. THOMPSON:

That is because there have been families who owned small land holdings primarily used for agriculture but who would have passed them down from seed to seed.

Sir, what would have happened in that culture would be that friends and relatives would have gotten together with members of the family, engaged in meeting turns, sold pudding and souse, raised black belly sheep, sold pork, et cetera, and built houses incrementally. They would have started by converting the front, then would have changed that wooden front to bricks. That is the model that we are hoping would be pursued at Drax Hall Green.

Mr. Speaker, the National Housing Corporation is not going to be using the land to build many houses at prices with which we in this Honourable Chamber are unhappy. What we are purporting to do is to put in all the sites and infrastructure and make the land available, primarily to residents from the area. Those residents will have first call on the land and would use the lots to develop them at their own pace in ways that best suit them.

We believe that is a model of home ownership which has taken place, which we should continue to encourage and facilitate, though not always releasing houses onto the market but by releasing the land on which the infrastructure is already placed.

Mr. Speaker, that is consistent with some of the other initiatives which we are going to be pursuing during the course of this year. It is our intention to make available approximately 644 residential lots at various sites, which would include both lower and middle income housing.

Sir, that should go a considerable way towards alleviating some of the problems, but I concede that it will not relieve all of the demands in the market. The point is that we have to find mechanisms through which we have to build houses quickly or have land made available quickly which people could access.

Mr. Chairman, Honourable Members of this Parliament are aware that the joint venture will continue apace. Construction has already started at some locations and under this programme, we will be releasing 908 middle income houses and 41 lots, 191 low income houses and 130 lots. Those low income houses are the ones that are being sold in the range of \$103 000 to \$120 000. We have already had this discussion and I think that we have agreed on both sides that is not a price range with which we want to continue, and to call it low income.

Sir, we must not fool ourselves that there is not a class of Barbadians who want houses in this price

range but the greatest demand that we are seeing is for houses and land which are under \$100 000.

I have indicated to the Honourable Chamber that the National Housing Corporation has received a large number of offers from local, regional and international builders to construct low income housing at a variety of good prices. In some instances, people are using alternative building materials that we are going to have to check to ensure that these materials can hold up under tropical, climatic conditions. In other instances where those builders are using building systems which could allow us to produce houses quickly with traditional materials, that would be something we need to explore. Therefore, before the end of this year, I would hope to come back to this Honourable Chamber and report the location of our new projects for genuine low income houses in the region of \$70 000 and \$80 000, but I would not necessarily wish to fix the prices at this time but I would want to indicate to the Chamber the number of lots that are available, at what locations, and at what settled price they would be. This is something that I have directed the Board to work feverishly on and to have prepared.

Mr. Speaker, a number of lots have been made available but I believe the hour is late, people are tired, we have had a very long week and, therefore, I will not take the opportunity to have all the information available to this Honourable Chamber this evening. Sir, it is clear to me that the Honourable Chamber is keen to have a debate on housing policy generally. There are a number of new initiatives which I am also keen to put before the Honourable House and to indicate what the new policy direction is going to be as well as what achievements we have made to date. I believe there are a number of issues that are ripe for public discussion, that are relative to housing policy and what direction we need to go, if we are to deliver on what is one of the primary aspirations of Barbadians.

Mr. Speaker, as I have before indicated, I am very pleased to be able to give the Honourable Member for St. George South his wish to have a housing and recreational development in St. George and in particular at Drax Hall Green.

I thank you, Mr. Speaker,

Mr. M. A. LASHLEY:

Mr. Speaker, I rise to make a contribution to this debate. I first want to say that the Opposition will support any allocation of house spots which will redound to the benefit of those persons who are seeking or who are in dire need.

Mr. Speaker, I certainly want to make a further plea for the constituency of St. Philip North. We hope that the Honourable Minister of Housing would see it fit during the coming year, to let those persons along with the neighbouring constituencies, have the benefit of housing spots in St. Philip.

Mr. Speaker, although the Honourable Minister of Housing has submitted that the lands would be vested in the National Housing Corporation, I certainly cannot leave this debate without saying a few words about the National Housing Corporation. Sir, it is a fact that the face of the National Housing Corporation needs to be changed or the philosophy of the National Housing Corporation needs to be refocused.

Mr. Speaker, quite recently I happened to interview a client of mine, a tenant of the National Housing Corporation. What happened was that officials of the National Housing Corporation had placed a Notice

of Eviction on her house, although she had paid all of her rent payments. Sir, certainly that action has caused her some embarrassment and humiliation.

H:No.25(245)

6:30 p.m.

Friday, March 19, 2004

Continuation of Mr. M. A. LASHLEY:

Mr. Speaker, I am submitting that the approach by the National Housing Corporation was hard. Imagine knowing that your records are up to date and go home to see a notice plastered all over your house and neighbours and other persons making laughing sport at you.

Sir, I am certain that tenant is entitled to seek legal redress and the matter will not be rested until the National Housing Corporation either makes an apology or give that tenant some damages for the humiliation, shame and embarrassment that was caused to that tenant.

Mr. Speaker, I want to say that apart from the Church Village area, the National Housing Corporation has not shown any presence in St. Philip North. From the outset I have asked that there be lots from the National Housing Corporation for constituencies of St. Philip North, south and west.

When we examine the whole concept of the compulsory acquisition of land, the issue of timely compensation for those persons whose lands were compulsory acquired, I have noticed that you have to wait some length of time to receive the necessary compensation for matters of this sort. This is an area we need to look at and make sure that persons are timely compensated because we are impacting on the rights and properties of individuals.

Mr. Speaker, I have heard the Honourable Member for St. James South mentioned that they will be paying attention to alternative building materials for houses and I further submit that we have had contractors who have utilised inferior materials in relation to the building of houses and that some time soon we need to look at the issue of enacting a building code so that we would have adequate structures that withstand time any natural disasters.

It is commendable that as part of building estate that recreational facilities be incorporated into the concept because with this we would have greater interaction among the residence which would redound to the benefit of the community as a whole and which would improve their quality of live.

Mr. Speaker, I want to submit that on the issue of low income housing, many people have indicated that the price of \$100 000 or \$120 000 is way beyond their wages and this is a reflection on the housing policy in that a proper analogy should have been done of the wages of that low income group so that the Government could place the price of housing to meet their wages.

Mr. Speaker, finally I submit that the Honourable Minister of Housing takes a look as soon as possible at the principal agency of housing in this country, the National Housing Corporation, on behalf of the Government to ensure that the corporation is in focus and also take an in-depth look at the management of that corporation.

Mr. Speaker, I thank you.

Hon. G. A. CLARKE:

Mr. Speaker, I am sorry that the Honourable Member for St. George South is not in his seat but a few facts must be put in the records lest we misunderstand the facts of this acquisition.

Sir, this land was identified since 2001 by the Honourable Prime Minister, the representative for St. George South, a number of persons from the Ministry of Housing and Lands and myself. In 2002 Cabinet and the Ministry of Agriculture approved this acquisition. The Section III notice was published in February and the land was surveyed on the 4th April by the Lands and Survey Department.

Mr. Speaker, I simply wanted to put those facts on record.

Mr. D. St.E. KELLMAN:

Mr. Speaker, I want to thank the Honourable Member for St. James South for making a new policy as it relates to housing.

H25/18:

40Sequence 246

Friday, March 19, 2004

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

Mr. Speaker, I want to thank the Honourable Member for St. James South for making a new policy as it relates to housing. The last time that we were here we were discussing the acquisition of land in St. Philip and I told the Honourable Member that she was not committed to any housing policy which was left to her by anybody, that the housing policy which was left in that Ministry was not one in the interest of the masses of people in Barbados and it did not relate to the social patterns of the masses of people and she needed to concentrate on providing land for house spots more so than entering into arrangements with contractors as it relates to housing.

I am happy to hear that the Honourable Member has gone into rural Barbados and has been able to find a housing solution that allows the masses of people in Barbados to go back to the good golden days where they were able to help themselves and protect them from some people whose interests are not necessarily the interests of the masses of people in Barbados.

Mr. Speaker, I also want to say that even though I congratulate the Government for looking after the housing needs of the masses of people in Barbados, as you are aware, St. George is the area of Barbados where we have to be very careful how we interfere with the agriculture land in Barbados. I need to have an assurance from this Government that this is not the end for agriculture in the St. George area but this particular piece of land has been allocated to the housing needs and that the private sector will not be

given a free hand to go into St. George and damage that good agriculture land as we know it to be.

I am not saying that house spots should not be provided in St. George but one has to be very careful when developing land in St. George to solve the housing needs more so than any other parish. Also to make sure that when we select land, it is selected in such a way so that we do not give a lead way for selfish people who do not understand the food needs of Barbados to come in and destroy the policy that has been left by all Governments.

I am also hoping that the Minister will also remember that they have been some spots left in that Ministry for a long time. I do not want to give any wrong information. Sir, Mount Poyer, St. Lucy, has been there for a long time and nothing has been done about it. The Minister has already stated that house lots will be available and she will not change from that policy but I would expect the Ministry to come up with a solution about the problem there because the people of St. Lucy have been waiting too long for those housing lots.

I am also aware that the Honourable Member for St. George North was in the process and started work to acquire land at The Cottage, St. Lucy for housing lots. I am hoping that I see some work done speedily in that area as it relates to housing lots. I have argued that the only way that we can tackle the problem of low-income housing in Barbados is by allowing the people to have house lots so that they can dictate their own pace or by finding somebody who has the capacity of land, capital, material, to build houses and the capacity of good conscience.

Sir, when I look around, I can see only one person who is involved in that kind of building that has capacity of land, capital, material and to build. It is clear to me that if we are going to enter into any arrangement, we have to know the delivery cost of those houses before we enter into any arrangement.

National Housing Corporation must understand that they have a role to play. The days are over for National Housing Corporation to believe that they can deliver low-income houses to Barbados. They will be misleading the public of Barbados and that is why I said in this Honourable House that it is better for National Housing Corporation to acquire the land and sell it but when it comes to building they should forget about building. Sir, whenever they start to build, they start with a low-income idea and end with a middle income house, and that is not serving the housing needs of Barbados.

Sir, I agree with the Honourable Member for St. Thomas that is not a new point because I have been saying it so often that it is getting stale now and I hope it would get into the heads of the Honourable Members on the other side.

Mr. Speaker, I am saying to this Honourable House that there is a need for housing in Barbados but it is the particular policy that is being practised that will make a difference.

I thank you very much, Sir.

Mr. R. D. JONES:

Mr. Speaker, just a few brief comments on this particular Resolution before the House. As being said on this side, I too would want to lend support for the provision of housing needs within Barbados. I believe at the centre of the minds of most Barbadians, particularly those who are currently without their

own houses, that is central to many of their basic needs and this effort to provide those house spots and associated services at Drax Hall, St. George are welcomed by the people of St. George and others from around Barbados who might want to relocate from other parts of Barbados to St. George.

I believe that in many instances the allocation of these house spots sometimes carries a very strong partisan tag. I would want to encourage the Minister and those who are involved in the allocation of such house spots to make it an almost faceless exercise. I use the words faceless exercise because persons sometime stand back from the process because they believe that they might not be considered in the pool when things are to be distributed or given. I firmly believe that Government is there to serve all of its people and all of its people relate to the total population of Barbados, those that are here and those yet unborn. That is the role and function of the Government.

Mr. Speaker, nevertheless, this is not going to alleviate the dire shortage of housing solution in Barbados. I know that in Christ Church East Central and other parts of Christ Church that there is a heavy demand by young persons to find their own homes. Sir, birds usually leave the nests of their parents and the same kind of situation has to do with young people to get a job, have access to loans and to establish houses and families.

Therefore, this kind of thing must be encouraged.

Sir, I know that my colleague from Christ Church West Central spoke to the development at Kent, which will be located at Christ Church East Central. I would like to know that as soon as possible this activity commences so that people in Christ Church and other areas across Barbados would benefit from that particular development. I do not want to be selfish but I hope that the people of Christ Church and the surrounding areas would benefit from this development. We need housing solutions. Outside of St. Michael, Christ Church is possibly one of the most densely populated parts of Barbados then followed by, I believe, St. James and St. Philip.

Mr. Speaker, while we consider solutions for the rural part of Barbados, like St. George, we need to consider even more solutions for places in Christ Church as a means ...

H25:

18.50 p.m.

Sequence 247

Friday, March 19, 2004

6:50 p.m.

Continuation of Mr. R. D. JONES:

...while we consider solutions for the rural parts of Barbados, such as St. George, we need to consider even more solutions for places in Christ Church, as a means of ameliorating some of the desperate conditions in which people find themselves.

This kind of rapid acceleration of housing needs, would remove the possibility of persons illegally squatting and putting up shanties across Barbados. This is something that we do not need. I want to encourage the Minister and all of the agencies under her portfolio, if they currently have this, to look at a comprehensive housing solution for Barbados, over a 10 years, 15 year or 20 year period to see how the Government, working with the private sector can bring about the kinds of housing solutions needed.

I do not believe, nevertheless, that there should be necessary competition between the need for housing and the need to feed ourselves. We have to recognise that it makes no sense to have a house, but you cannot get resources, such as food from the land to feed ourselves. Therefore, let us not just 'willy nilly', either by private sector greed or Governmental collusion in any form, allow the land to be so used that, at the end of the day, we end up with scarcity of land for the production of food crops and other sustaining products for our people.

Since our debate in this House over the last few days, Mr. Speaker, several persons have called from these housing estates, questioning the possibility of owning their housing units. They are also looking for the best way to maximise their scarce resources to obtain their units.

I know that if the Honourable Minister is as lovely in her heart, as she is in her smile, again, she and her administrators, would look at this matter, to see how they can make those consequential adjustments to bring this matter to a sensible and logical conclusion, on behalf of those persons.

Many of them have said to me that they have spoken to persons at the National Housing Corporation, and for years engineers were to come and look at what they consider to be structural defects, and they have not come, and there have also had pledges. Sir, situations like these, build up frustration and anger at a state entity. Confidence does not reside then within that state institution, so the job of the Minister becomes triple, on behalf of the working class people.

Therefore, those persons who are functionaries under her Ministry, have to carry out their responsibility in such a way that the burdens and the difficulties would be lifted from the people, and that the Governmental policy, as effected by the hands of the Minister, can be adequately concluded. Persons also told me that they talked about a valuer coming, and we have not seen one yet.

Sir, I do not know what technique they use to carry out their evaluations. I am not a valuer of anything. I might speak to some figures, but I do not know of valuing anything. I leave that to those who are professionals in that field. Sir, persons who are in those residences can tell you that nobody came to them. They did not see them. They did not know if they came when they were at work and stood outside and made the evaluations. Mr. Speaker, we need to dissolve these kinds of contradictions and settle this issue in the minds of people, so that they can go forward with confidence, in obtaining their own small piece of the rock.

Let me say, Mr. Speaker, that I am appreciative, and I believe that the Town and Country Planning would not have allowed the construction of such a large housing development, without the associated sporting facilities. We have to create breathing for all of our people. It must be part of a comprehensive physical culture, within our country, where people not only play but would walk, run and even watch, because sometimes even watching the sport creates a kind of psychological benefit for people.

Mr. Speaker, I know we have to be conscious about our land, but I am hoping that the facility which was erected would have a separation between cricket and football. It is not practical really. What we do in Barbados is akin to madness where we ask people to run over the little mound in the centre of the field. It is extremely difficult and I hope that enough land is available, so that there can be a distinct separation, where the two major sports can be played at that given area.

This would also lead me, Mr. Speaker, to say that at the playing field at Wotton, which we know is a large housing development, has not been in use for several years. I believe the National Sports Council has placed large truck loads of mould to do something with the field. It is not in good condition. I would therefore urge the Honourable Members who have responsibility for the National Sports Council to urge them to ensure that something is done at Wotton without delay. We are moving outside of the football season now, into the cricket season in a matter of weeks. I am sure that if they start now, they would not be able to get anything done, but it is important that something is done there.

Mr. Speaker, also at Charnocks, there is another facility that has not been used for two years because of inadequate preparation. I hope that something is done to that area, on behalf of the people of Christ Church, because most of the football in Christ Church is played at that venue, under theegis of the Christ Church Football Council.

Mr. Speaker, I want to say, as well, that we have heard the voices of those young men at Gall Hill. I am sure that the Honourable Member for Christ Church West Central, in whose constituency those people reside, have heard them making noises. They are quite potent young men and young women in that part of Barbados, who have been saying since late 1998, that there was a hasty claim of land at Cane Vale for persons in that area to play sports. The only persons that we are able to have playing anything are those who play tape ball, because tape ball can be played on most surfaces, once you have an interesting looking pitch, but football cannot play, and there is a heavy demand in that very small part of Christ Church. We have about 10 to 12 football teams in a radius of about four miles.

Therefore, Sir, the call must also go out for that to be done as well. We spent an inordinately long period of time to bring things to an adequate development. I would therefore want to encourage the Minister of Sports, to look at these matters and to issue directives for the completion of these exercises.

One final point, Mr. Speaker, before I sit, I know we have been here long, over these last five days and those who are not of the physical stamina, as the Honourable Member for St. Michael South, might be currently wilting.

Asides..

Mr. R. D. JONES:

There is a mass of derelict units across Barbados and we need to look at finding the owners. I am not a lawyer and I cannot say how it can be done. They might be encouraged to do something to those places and rent them out, because there are people who might always rent somewhere, because they might never want to own. The people who own the derelict properties might have disappeared off the face of the earth, I do not know.

I am not asking the Government to go and take up people's property. This is not a factious state. I am totally opposed to those kinds of notions, but we might be able to encourage and provide mechanisms where some of these spots, thousands of them, can be utilised for the provision of housing solutions for Barbadians.

Mr. Speaker, once again, I want to compliment the Minister for moving forward, but ask her not to rest on her laurels, in believing that by the bringing of this particular measure, or what is taking place in the housing estates of Barbados is all. We, on This Side...

House 25, sequence 248, 19:

0014

Friday, March 19, 2004

Continuation of Mr. R. D. JONES:

Mr. Speaker, once again I want to compliment the Minister for moving forward but I am asking her not to rest on her laurel in believing that by the bringing of this particular measure or by what is taking place in the housing estates of Barbados is all. Mr. Speaker, we on this side will be on her back to ensure that Barbadians are adequately taken care of relative to housing.

I thank you.

Hon. Miss H. E. THOMPSON:

Mr. Speaker, I am glad to see that Honourable Members still have enough stamina at this hour where we can still have energetic and vigorous debate.

Mr. Speaker, I just want to answer as quickly as I can the points of concerns that were raised by Honourable Members. I would like to thank the Honourable Member for St. George North for giving us the historical development. Surely people could not have felt that mysteriously this happened, but we are very grateful to him for giving us details.

Let me address the concerns raised by the Honourable Member for St. Philip North. On the behalf of the National Housing Corporation I would wish to proffer our apology to the person who was affected in this way. In fact, the case was brought to my attention and I suggested when I heard about it that she should not only be written a letter of apology but that some token, maybe a basket of fruits or some flowers as a gesture of apology should be sent to her because no offence was intended. I know that in communities things like this can cause hurt, shame and pain. Regrettably for the Honourable Member for St. Philip North, he may be better at practising criminal law than personal injury law because one does not get compensation for hurt feelings in law. However, we recognised that an error was committed but there was absolutely no malice or incompetence on the part of the National Housing Corporation. In the best regulated business no matter how good your efforts, mistakes will happen. This lady was the victim of a genuine error and I do apologise to her most sincerely for the pain that she suffered as a result of an error of the National Housing Corporation. The issue of the availability of land in various constituencies was raised. It was touched on by the Honourable Member for St. Lucy, the

Honourable Member for St. Philip North and the Honourable Member for Christ Church East Central. Essentially, the challenge that we have is one of the same thing with housing units. There are some members who live in largely rural constituencies and if we are to give them housing lots we would have to compromise the agricultural holdings. I have indicated to the Honourable Member for St. Philip North that if he could find some genuine rab lands or some lands on the edge of plantations that could be used for housing to bring it to my attention. I have also indicated that to Honourable Members who are from rural constituencies. Where there is land available in urban Barbados that is well suited to building whether that is in urban Barbados in St. Michael, Christ Church or St. James then we would have to maximize those lands as far as is possible.

However, there is always a challenge as you move out of the urban corridors that you have to look for tracks of lands that are large enough to do a housing development that would make it economically viable and allows you to achieve economies of scale because clearly if you are constructing a road and you are going to construct ten houses, you have to look at how you are applying your resources. It would make more sense if you can do a large development of 100 lots. So as you move out of the urban corridors you come right up against the problem of having to move on and to encroach on agricultural lands. So I would urge Honourable Members of the Chamber to assist us in locating genuine rab lands and lands that are available that can be developed for housing.

An issue was raised about the lots. I indicated that we were doing 644 lots but the figure is actually 665. We are going to do 20 lots at Lancaster in St. James; 79 at Deane's Town Terrace; 64 at Fairy Valley in Christ Church Phase 2; 38 at Deane's Town Terrace Phase 2; 77 at Cottage and Groves Phase 2; 32 at Mount Poyer in St. Lucy; 45 at Old Deane's Town; 73 at Upton/Kent in Christ Church; 70 at Greens in St. George; 75 at Four Hill in St. Peter; 58 at Constant Phase 2 in St. George; 10 at Wanstead Terrace Extension; 3 at Paradise Meadows - and I must confess that I do not know where that is - and 21 at Rices in St. Philip which would be in addition to the houses that are being built there. So this number will give a number of people access to lands.

The Honourable Member for St. Lucy makes the point, I know that this is his view, that the National Housing Corporation should not be as engaged in housing construction as it is, I beg to differ. The National Housing Corporation has always provided lots on the one hand and housing on the other. What I think we need to do is to strengthen our quality control mechanisms to ensure that when somebody gets a house from us it is of the highest possible standards and you do not get interior doors being placed on the outside where they rot within a very short time.

Mr. Speaker, I am not going to support a situation where we allow people exclusively to build their own houses. Tropical Storm Lili justified my policy position because during Tropical Storm Lili we saw a number of wonderful three and four bedroom houses that were not built according to specific engineering standards and that were not built by building contractors or by the National Housing Corporation but by family efforts, by dint of hard work and doing conversion of the housing structure over time which either collapsed or sustained serious damage like roofs being blown off. It is my experience that in many instances where people build their houses themselves that incrementally not as much consideration and deep attention is paid to the engineering aspect of it and the houses that they built are not as of a high quality as those built by the National Housing Corporation, so I think that the National Housing Corporation has a role not only for policy development and the development of infrastructure and lots but for the construction of houses.

The Honourable Member for Christ Church East Central spoke to the process of the allocation of lots. The board has more than one committee. The tenants committee is the one responsible for the allocation of housing units and there is another committee that is responsible for the allocation of lots. They have developed a criteria for choosing the persons - because you have to qualify. Clearly they would have to be an income bar for houses in particular price ranges. My understanding is that they are going about their work in a fair and equitable manner, that they have tried very hard to ensure that a person who walks off the street into the National Housing Corporation without going through a Member of Parliament of whichever party has as much a right to access and to know that their application would be given consideration as somebody who is recommended by a Member of Parliament. They have tried very hard because you would recall that very early on in one of my first speeches in the House I indicated that it was my intention to try to put in place transparent systems and objective criteria for the allocation of houses that can stand the test of time and can stand scrutiny and that people can look and ask what is the criteria and we would be in a position to say. Whether it is for the allocation of units or the allocation of houses, the respective committees are in the process of addressing these issues.

House 25 Sequence 2497:

10 p.m.

Friday, March 19, 2004

Continuation of Hon. Miss H. E. THOMPSON:

Mr. Speaker, as I understand it, the Committee for the Allocation of Lots has been working on new criteria standards, et cetera.

Mr. Speaker, in respect to the purchase of tenant units within the housing estates, I still believe that the sale of these units represent a wonderful opportunity for persons to own homes at reasonable prices.

In the Barbados market, none of us can truly say that to ask somebody to pay \$10 000, \$12 000 or \$20 000 for a three bedroom unit, is truly an exorbitant price because no one could acquire land at that price. The smallest piece of agricultural land is now being sold at \$7 and more per square foot. Therefore, a 3 000 square foot lot, on which there is nothing, could cost approximately \$21 000, whereas persons are getting a complete structure, even if we think that it has not been maintained as well as we would have loved over the years for less than that. It can also be refurbished because under Town and Country Planning's new resolution would allow persons to make appropriate changes to one's home.

Mr. Speaker, the final point raised was about valuers. I accept the Honourable Member's point that there are persons who would never have seen the valuers because with 4 100 units, the valuers did not go into every unit, in every housing estate. What they did was to go into housing estates, looked at the general conditions of the units and then randomly selected units on the various blocks. Therefore, it is entirely possible that a person who is in full employment and was at work would have never seen the valuer who would have come to their area. Clearly the valuation process took place before I became Minister but I am advised that is how it was done. It was not done by the National Housing Corporation's staff but by qualified valuers.

Essentially those are the issues that were raised. I look forward to having a serious policy debate on housing because I think the time is ripe for us as a Parliament to discuss the issue of housing, and to make recommendation about how we go forward and try to make sure that all Honourable Members as far as possible, feel they are treated with a sense of equity and justice so that no Honourable Member would feel so aggrieved that he or she would have to come to this Honourable Chamber and agitate. Therefore, I want for us to look at housing policy and to let the public be aware of what are our aspirations and policy directions. I want them also to be aware of the constraints and challenges that we face in the delivery of housing solutions in Barbados.

With those word and at the urging of my colleagues who clearly want to go home, I beg that this Resolution do now pass.

Hon. R. R. FARLEY:

I beg to second that.

The question that the Resolution do now pass was put and resolved in the affirmative.

ORDER NO.9

TO APPROVE THE GUARANTEE BY THE GOVERNMENT OF THE PAYMENT BY NEEDHAM'S POINT HOLDINGS LIMITED OF COST OVER-RUNS WITH RESPECT TO THE CONSTRUCTION OF A RESORT HOTEL TO AN AMOUNT NOT EXCEEDING US\$10 613 732.20 AND THE PAYMENT OF DEBT SERVICE TO AN AMOUNT NOT EXCEEDING US\$7 MILLION ANNUALLY.

Hon. N. A. LYNCH:

Mr. Speaker, under the Guarantee of Loans Act, Cap. 96, Government may, with the approval of Parliament, guarantee the borrowing by a company incorporated under the Company's Act and controlled by the Government. In this case, the Needham's Point Holdings Limited, a limited company incorporated under the Companies Act, is a company controlled by the Government.

Mr. Speaker, this Resolution is for the guarantee of the Senior Debt for Needham's Point Holdings Limited. Sir, let me give you the background to this issue. Honourable Members would be aware that the Barbados Hilton, a 184-room hotel, was closed in April, 1999, and demolished in December that year. The Needham's Point Holdings Limited invited tenders for the construction of a new 354-room hotel on September 20, 1999. When those bids were closed, a company, Johnston International, was chosen to work closely with the design team to bring the price within Needham's Point budget, without affecting the overall integrity and quality of the building.

Sir, a value engineering study was carried out in the year 2000 and took 18 months to complete. During that period, there was found to be contamination on the site where the hotel was supposed to have been built, plus there had been migration of oil because there is an oil refinery opposite. That site was successfully cleaned by certain technologies. In addition, there were some disagreements among the engineers and the geo-technical consultants about whether or not the land was safe and secure for the building of a hotel.

Mr. Speaker, there was a review which was conducted by a soil expert during December 2001 which lasted until February 2002. This review revealed that the south block and the ancillary buildings for the hotel were completed. The Needham's Point Holdings Limited contacted Johnston International to construct the hotel over a period of 24 months, commencing July 2002. The cost of construction was originally estimated to be US\$58 500 000. The revised projected cost of the project to date is US\$106 137 372, inclusive of land, debt service, pre-opening cost, severance pay, legal fees, consultant fees and site preparation, to be financed as follows:

Equity US\$ 46 760 000

Quasi Equity US\$ 16 868 000

Cost Overrun Guarantee US\$ 58 389 000

Senior debtUS\$ 37 500 000

Revised Cost US\$ 106 000 000

This includes changes to the pile foundation under the north block, changes in the size of the pads footings, pre-operate opening expenses, designs modifications, furniture and fixtures.

Sir, the Senior Debt has among its conditionalities, the provision of a cost overrun guarantee of 10 per cent of the entire project cost and a debt service support guarantee.

Mr. Speaker, to date the cost guarantee is projected as approximately US\$5 million. However, a number of claims have been submitted, which are being vigorous pursued and contested by Needham's Point Holdings Limited.

Mr. Speaker, in accordance with the management agreement, the Board has also accepted that a number of persons are now coming into Barbados. The General Manager has already arrived to start the pre-opening operations.

Mr. Speaker, the Barbados Hilton is expected to be delivered to the Government over the 24-months period by August 2004 and the hotel should be opened by October, 2004.

Mr. Speaker, with those words, I beg that this Resolution do now pass.

Hon. R. R. FARLEY:

I beg to second that, Sir.

The question that the Resolution do now pass was put and resolved in the affirmative.

H:No.25(250)

7:20 p.m.

Friday, March 19, 2004

**ORDER NO. 12
TO MOVE THAT THE HOUSE RESOLVE ITSELF INTO
COMMITTEE OF SUPPLY TO CONSIDER THE GRANT OF
MONEY FOR THE SERVICE OF THIS ISLAND.**

Hon. R.C. EASTMOND:

I want to put a motion that the Honourable Member Christ Church West be appointed Temporary Chairman.

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

On the motion of Hon. R.C. EASTMOND seconded by Hon. Dame BILLIE MILLER, the House resolved into Committee of Supply, Dr. W. F. DUGUID, temporary Chairman of Committee, in the Chair.

COMMITTEE OF SUPPLY

Mr. CHAIRMAN:

This Honourable House is now in Committee of Supply.

SUPPLEMENTARY ESTIMATES 2003-2004 NO. 12

- \$38 930 976

HEAD 23 - MINISTRY OF HEALTH - \$555 388.00

Hon. J. X. WALCOTT:

Mr. Chairman, the amount of \$555,388.00 is allocated to cover the cost for a number of areas falling under the purview of the Ministry of Health.

I beg to move that Head 23 stand part.

Hon. Dame BILLIE MILLER:

I beg to second that, Sir.

The question that Head 23 stand part was put and resolved in the affirmative without division.

HEAD 24 - MINISTRY OF SOCIAL TRANSFORMATION - \$80 424.00

Hon. H. F. LASHLEY:

Mr. Chairman, I beg to move that Head 24 stand part.

Hon. Dame BILLIE MILLER:

I beg to second that, Sir.

The question that Head 24 stand part was put and resolved in the affirmative without division

HEAD 28 - MINISTRY OF HOME AFFAIRS - \$401 194.00

Rev. J.J.S. ATHERLEY:

Mr. Chairman, these are three small items of expenditure under the programme indicated for professional services in relation to changing design for the project at Tamarind Hall, \$231 000; professional services associated with counselling fees at Glendairy and for additional cost attendant upon additional security needs at Government Industrial School.

I beg to move that Head 28 stand part.

Hon. Dame BILLIE MILLER:

I beg to second that, Sir.

The question that Head 28 stand part was put and resolved in the affirmative without division.

HEAD 30 - ATTORNEY GENERAL - \$529,300.00

Hon. D. D. MARSHALL:

I beg to move that Head 30 stand part.

Hon. Dame BILLIE MILLER:

I beg to second that, Sir.

The question that Head 30 stand part was put and resolved in the affirmative without division.

HEAD 37 - MINISTRY OF PUBLIC WORKS AND TRANSPORT

- \$15 962 146.00

Hon. G. A. CLARKE:

I beg to move that Head 37 stand part

Hon. Dame BILLIE MILLER:

I beg to second that, Sir.

The question that Head 37 stand part was put and resolved in the affirmative without division.

HEAD 43 - Ministry of Education, Youth Affairs and Sports - \$20 565 524.00.

Hon. R. R. FARLEY:

I beg to move that Head 43 stand part.

Hon. Dame BILLIE MILLER:

I beg to second that, Sir.

The question that Head 43 stand part was put and resolved in the affirmative without division.

Hon. R.C. EASTMOND:

I beg to move that the Explanatory Notes to Head 24 and Head 37 be amended as set out in the Schedule to this Resolution.

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

On the motion of Hon. R.C. EASTMOND, seconded by Hon. Dame BILLIE MILLER, Mr. Chairman reported passing of one Money Resolution to Mr. SPEAKER and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. R.C. EASTMOND, seconded by Hon. Dame BILLIE MILLER, the Resolution was read a first, second time and agreed to.

Hon. R.C. EASTMOND:

Mr. Speaker, this brings us to the end of Government Business for the week.

ADJOURNMENT

Hon. R.C. EASTMOND:

I beg to move that this Honourable House be adjourned until April 20, 2004.

Speaking on the Adjournment, I want to thank the security forces, the police officers for providing services for us.

H25/Sequence 251

7:30 p.m.

Friday, March 19, 2004

ADJOURNMENT

Continuation of Hon. R.C. EASTMOND:

Mr. Speaker, speaking on the adjournment, I want to thank security forces, the police officers, who provided services for us, those persons who provided the catering services and waited on us, the Clerks and staff of Parliament, the media and all persons who attended this exercise and made it the success that it has been.

Mr. Speaker, in the circumstances, I beg to move that this Honourable House do now adjourn until Tuesday, 20th April, 2004 at 10.00 o'clock in the morning. Sir, before I take my seat I want to convey best wishes to all and sundry for a happy Eastertide.

Hon. Dame Billie MILLER:

I beg to second that, Sir.

Mr. CA MASCOLL:

Mr. Speaker, I rise to thank the staff of Parliament, the workers in the dining room and all persons who have made this week a rewarding week for both sides of the House. I think that the level of the debate, as far as I am concerned, reached a very high standard and I thought that issues were discussed and, in fact, thank you for presiding over the affairs of this House during the last week, Mr. Speaker.

I would also like to thank the Chairman of Committee, my friend, for having presided over the Estimates debate in Committee and to thank each and everyone in this Chamber for having conducted themselves in the most appropriate way. I am being told that I missed the Deputy Speaker and the Acting Chairman, who just had his first stint in the Estimates.

Asides.

Mr. C. A. MASCOLL:

I, therefore, would like to wish every Honourable Member of Parliament a happy Easter and look forward to a very refreshing vacation and a resumption of work that is unparalleled in the affairs of this Honourable House. I certainly wish to thank the Members on my side for having demonstrated such a high quality and calibre of debate in the first Estimates debate since the last general election. Sir, it has been for me rewarding and has been educational in many respects.

I thank you, Mr. Speaker.

The question was put and resolved in the affirmative without division and Mr. Speaker, adjourned the House according.

H25:

7:33 p.m.

Sequence 252

