March 27, 1999

Tripartite Committee (Ref. Civil Society)
United Nations Economic Commission for
Latin America and the Caribbean (ECLAC)
1825 K. St. N.W. Suite 1120
Washington, D.C. 20006

Dear Sirs,

Re: Free Trade Areas of the Americas (FTAA)

I refer to correspondence received from The Hon. James Smith, Ambassador for Trade, Bahamas requesting my organization to make observations on the above subject now under active discussion by the Minister responsible for Trade.

Having regard to all the high level discussions which have preceded this response and noting the peculiar and fragile economic makeup of the Bahamian economy and emphasizing that the Bahamas is not basically a manufacturing country, I wish to comment under the following heads:

1. Tourism and Trade
   Tourism is the backbone of the Bahamian economy. Nothing should be done to destroy the competitive edge which we enjoy and adversely impact the economy.

2. Banking and Related Services
   This area of economic activity takes about second place as a pillar of importance in the Bahamian economy. Any adverse behaviour would negativity impact the Bahamian G.D.P. On the contrary, effort and encouragement is appreciated.
3. Aid and Financial or Otherwise

Financial Aid such as what we are now receiving for the training of Air Traffic Controllers — and the construction of roads and other training in services in key sectors of the economy such as what we have been receiving in education and will always be appreciated by the Government.

4. Crime

The escalation of crime on all levels is negatively impacting the social and economic balance of the economy. This is bound to affect the Trade.

Geographically, the Bahamas covers the largest body of sea and land in the Caribbean. The policing of the vast area is certainly most expensive and in fact a heavy drain on the Treasury. Poaching and smuggling in human activity are spiralling.

5. Immigration Matters

This is one of the most significant areas in which I believe Government has to strengthen its control. We cannot countenance the free flow of labour as is suggested in Caricom circles. Our arrangement with Caricom is limited. The obvious illicit influx of Haitians and the more discreet inflow of other nationals is most alarming and disquieting. Something has to change — either the law or the implementation thereof.

6. Privatization and Nationalization

These tools of economic policy need to be implemented with discretion. The government is set upon the policy of privatization. There is merit in this, if at the end of the day there is no dislocation in human relations — but rather positive economic result for the general good.

7. Stabilization of Currency

The Bahamas has maintained a stable currency — pegged to the American dollar. This is more than what we can say about most Caribbean countries. We must pursue the same economic policy.

8. Agriculture and Fishing

Herein lies the greatest potential for economic activity and development in The Bahamas of our national resources. Governments have only paid lip service. There are some exports in agriculture and sea products but these do not now impact significantly the GNP — but they could with commitment, planning and resolve.

I trust that these observations would be of some help to you in your future deliberations.

Sincerely yours,

[Signature]

Audley Humes
Secretary