
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Friday, August 10, 2007

Pursuant to the adjournment, the House of Assembly met at 10.15 a.m. on Friday, August 10, 2007.

PRESENT

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

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

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

Hon. Dame B.A. MILLER, D.A., B.C.H., (Senior Minister and

Minister of Foreign Affairs and Foreign Trade)

Mr. G.W. PAYNE, Q.C.

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

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

Hon. R.D. MARSHALL (Chairman of Committees)

Mr. H. F. LASHLEY

Mr. D. St.E. KELLMAN

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

Hon. Miss M.A. MOTTLEY, Q.C., LL.B. (Deputy Prime Minister) (Minister of Economic Affairs and Development) (Leader of the House)

Mr. T.A. PRESCOD, B.A. (Minister of Social Transformation)

Rev. J.J.S. ATHERLEY, B.A., B.Sc., J.P. (Minister of State, Prime Minister's Office)

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

Hon. R.R. FARLEY, B.Sc., J.P. (Minister of Housing and Lands)

Hon. Miss C.Y. FORDE, L.C.P., J.P. (Minister of State,

Ministry of Education, Youth Affairs and Sports)

Hon. J.X. WALCOTT, M.B., B.S., FRCS (Edin.), J.P.

(Minister of Health)

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

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

Mr. C.A. MASCOLL, B.Sc.(Econ.)(Hons.), M.A. (Public

Finance) (Minister of State, Ministry of Finance)

Hon. D.D. MARSHALL, Q.C., LL.B. (Hons.) L.E.C., (Attorney- General and Minister of Home Affairs)

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

Hon. K.D. SYMMONDS, B.A., LL.B. (Minister of State, Ministry of Foreign Affairs and Foreign Trade)

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

Prayers were led by Rev. Cannon Ivan Harewood.

Mr. SPEAKER: This House is now in session.

MINUTES

Mr. SPEAKER: Minutes of the meeting held on Tuesday, July 31, 2007.

Hon. R.C. EASTMOND: Mr. Speaker, I beg to move that the Minutes so cited be confirmed, subject to any omissions, observations and/or corrections.

Hon. R.R. FARLEY: I beg to second that, Sir.

Mr. SPEAKER: If there are no corrections, observations and/or omissions, then let those Minutes stand confirmed.

PAPERS

Hon. R.C. EASTMOND: Mr. Speaker, on behalf of the Honourable Member for Christ Church South and Minister of Health, I am commanded to lay the following:

1. Annual Report of the Sanitation Service Authority for the years 2003 to 2004, 2004 to 2005, and 2005 to 2006.

GOVERNMENT NOTICES

Hon. R.C. EASTMOND: Mr. Speaker, I beg to give notice of the following Bills:

1. The National Art Gallery Bill, 2007
2. The Local Loans (Amendment) Bill, 2007

FIRST READINGS OF BILLS

Hon. R.C. EASTMOND: Mr. Speaker, I beg to move the first readings of the following Bills:

1. The National Art Gallery Bill
2. The Local Loans (Amendment) Bill, 2007

Hon. R.R. FARLEY: I beg to second that, Sir.

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

SUSPENSION OF STANDING ORDERS

Hon. R.C. EASTMOND: Mr. Speaker, I beg to move the suspension of Standing Orders 6, 16, 18, 20, 42(5), 43 and 44 for the remainder of today's Sitting.

Hon. R.R. FARLEY: I beg to second that, Sir.

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

GOVERNMENT BUSINESS

Mr. SPEAKER: Government Business is now the Order of the Day. Order No. 9.

ORDER NO. 9 – THE OFFSHORE PETROLEUM BILL, 2007

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

Hon. Ms. H.E. THOMPSON: Thank you very much, Mr. Speaker. This is the first of two Bills with which the House is going to deal today, both relating to matters involving the offshore sector, which the country is seeking to establish. The Bill currently before the House will deal with the broad policy framework and general legislative provisions and later this evening, we are going to look at the tax provisions. Sir, they come by way of two separate pieces of legislation.

Mr. Speaker, this Parliament is the third oldest in the Commonwealth and has had over time, the opportunity to deal with points of significant social and economic development. This House has seen legislation that is enabling of certain kinds of activity. It has passed legislation which is regulatory of particular types of economic or social activity but in this instance, Sir, the House is today passing a piece of legislation that comes in the vein of a few others that have passed in times preceding and is in the order of social engineering.

Today, Sir, I introduce to this Parliament, pieces of legislation that will shape Barbados' development socially and economically, and will define the future of Barbadians yet unborn and, hopefully, will become the vehicle by which Barbados moves from developing country status to that of developed country status.

It is therefore, Sir, a point of important discussion and debate at the level of the Parliament and, I hope, at the level of the country.

House 144, sequence 03, 10:30:14

Friday, August 10, 2007

Hon. Miss. H. E. THOMPSON: Mr. Speaker, in seeking to bring us here, a tremendous amount of effort has been exercised by members of the Cabinet in developing what is a unique policy framework in what is for us an unusual area of endeavour. Sir, it is one in which the country has no history. There were no precedents that we could follow. What we found was that Barbados occupied a unique position socially and economically.

Sir, in seeking to craft an offshore petroleum industry, there were a number of imperatives, at the level of the policy, that the Cabinet determined had to undergird the legislative structure which was to shape the economic endeavour. Therefore, over the course of five meetings, three of them extraordinary Sitzings of the Cabinet, which went very late, we determined what those policies roots should be.

Sir, it also required a tremendous effort on the part of the Civil Service at the level of the Ministry of Foreign Affairs and Foreign Trade, the Office of the Chief Parliamentary Counsel and the Office of the Ministry of Energy and the Environment.

Sir, I would wish to thank my colleagues for the efforts they have made to bring Barbados to this point to allow us to make a step toward the development of a new industry because that is what we are doing here today.

Sir, Barbados has established certain avenues for foreign exchange earnings and certain avenues for

economic growth and development. We have invested at one point in manufacturing. We have invested at another point, a long time ago, in sugar. Sir, in more recent times, tourism has been the mainstay of the economy as well as the offshore financial services sector going as far back as the 1970s, I am happy to say to another Barbados Labour Party Administration. These have become the four prongs on which Barbados' economic development has been predicated. Out of that, Sir, has been the underpinning of the social growth which we have seen in Barbados.

Sir, today, we launch a new industry. We seek now to establish Barbados, not as a jurisdiction producing oil or energy for its own domestic consumption or to assist in the offset of domestic consumption... As you know, Sir, and as the Parliament well knows, Barbados produces onshore 1 000 barrels of oil per day but we use an associated natural gas, the resources of which are running extremely low, and we consume 8 000 barrels of oil per day.

Sir, it is not that offset with which we are concerned. What we are developing now are platforms for further development and for the industrialisation of an energy industry and an oil industry and perhaps an oil and gas industry in Barbados and to bring it into the mainstream of economic development to stand alongside, and in some instances, depending on the quantities of the reserves which we may find that we have, perhaps to stand taller than those which are the current revenue earning sectors and foreign exchange earning sectors of the economy.

Mr. Speaker, it is therefore in that context that I want to speak, to point the Parliament to the principal features of the legislation. Sir, the Act is relatively long, and there are a number of particular issues to which I would point Parliament during the course of the day as we discussed the legislation. However, I want to explain carefully the broad policy framework which is governing that which we do today and that which we are attempting to do in the development of this new sector.

Mr. Speaker, we determine that there were certain imperatives from which we were not going to deflect as a Cabinet. There were a number of key policies, social and economic issues, which are of paramount importance to the country, which therefore have to remain at the centre of the development process. Sir, we are not prepared to cede sovereignty or to cede grounds on these matters to the multinationals. In fact, we wanted to prioritise issues relating to Barbadian nationals and the nationalisation of this industry.

Sir, there were some hard decisions that had to be taken. Some of the companies that are seeking involvement in this process have balance sheets that are larger and coffers that are deeper than those of the Government and people of Barbados. Sir, what we took with us to the

negotiating table is the sovereignty of a country and the mandate of a people whose trust we cannot betray. Therefore, in seeking to craft this industry, what we are attempting to do is to ensure that this industry has a national flavour and is very much a Barbadian-owned industry.

Sir, we recognised that there were certain concessions we had to make to the multinationals in the development of this industry. I am going to say what they are up-front and get them out of the way. Sir, we are a frontier jurisdiction. The oil that is being produced is onshore. Sir, four years ago, ConocoPhillips drilled a well offshore St. Philip, known as the Sandy Lane well, not named for any particular location or significance. Sir, there are people who believe when they hear Sandy Lane well that it is somewhere off the Sandy Lane Hotel, but it is actually physically off of the south-east coast of Barbados. Sir, I cannot speak to the naming of it.

Mr. Speaker, when that well was drilled, though no oil was found, it became indicative or suggestive of the potential that lies in the Barbadian waters. Sir, a large volume of gas was found in that well, so large that drilling operations had to be suspended for two days to manage the volume of gas and the escape of gas before they could have continued in the search for oil.

Mr. Speaker, the second thing that was significant is that sediment, rocks and other debris, were found from the drilling process that showed clearly that the well had a reservoir of oil at some time but that the oil had slipped out, perhaps through a fracture in the substrata of the ocean bed, and was therefore not in the well at that time.

Mr. Speaker, they were satisfied that the indicators used by geologists, petroleum engineers and other scientists working in the area have produced evidence not only of the gas that was found but that there had been oil.

House 144 Sequence 4

10.40 a.m.

Friday, August 10, 2007

Hon. Miss H. E. THOMPSON: Mr. Speaker, it is well-known that the Tobago Trough, part of the geological vein or fault line from Trinidad and Tobago, runs through Barbados. It is also known that similar geological traits, as exist in Trinidad and Tobago waters, exist in Barbadians waters.

Sir, it is at this point I would wish to pause, to say that this Honourable House and this country owe a debt of gratitude to the Honourable Member for St. Michael North East, whose leadership of the arbitral process with Trinidad

and Tobago, at the United Nations Convention on the Law of the Sea (UNCLOS) Tribunal, has enabled Barbados to define its boundaries in such a way that we are more likely now to find oil than perhaps before. It has also enabled our territorial space to be expanded. Therefore, the potentials and offerings that we could, therefore, make to the international markets, are now enhanced by that legislative process, by the findings of the Arbitral Tribunal.

Mr. Speaker, while that process was important for our fish reserves, to help the fishing industry and to allow our fishermen to go to Tobago waters to fish, it also had another very important role, which is helping to define this new economic frontier. Sir, it goes beyond the drilling for oil because as technologies improve, the seabed would become the next area of exploitation for economic potentials.

Mr. Speaker, it is known that there are minerals to be found in the seabed, but that current technology does not make it economical to exploit or to try to capture those resources. Sir, because of our expanded territorial space coming out of that arbitral process, the time would come when Barbados would be better able to exploit its marine territory.

Mr. Speaker, in seeking to craft the new framework, there were a number of issues of which we had to be cognisant, by way of concessions to the multinational entities that have an interest in this matter. I have already indicated that Barbados is a frontier jurisdiction and in that regard, even though the CoconoPhillips showing was very promising, this is still a frontier jurisdiction. Therefore, there are companies that would not come, simply because we do not have what they would regard as proven reserves, hence we have to craft a framework that would be sufficiently attractive to the companies, while seeking to retain as much benefit as we could ourselves.

Mr. Speaker, secondly, this is an industry that has extremely high investments. Sir, depending on where drilling is taking place and depending on what is happening, it is entirely possible that a drill rig could put you back between US\$2 million to \$10 million a day.

Finally, we are aware that for this investment, the costs are going to be extremely high, not only because we are a frontier jurisdiction, not only because of the type of expenditure associated with offshore drilling but that if oil is to be found in Barbadian waters, it would most likely be found in the deep offshore. Therefore, the cost of operating in Barbados would be extraordinarily high. Sir, in that regard, as we shape the framework for the policy, we had to be conscious of these things. We had to be conscious as to how do we shape a policy that is beneficial to nationals but yet attractive to multinationals. Sir, I will explain how we did that, as we progress during the course of the day.

Mr. Speaker, we were conscious of the fact that this industry has a number of dichotomies. While it presents the opportunities for tremendous promise, equally, it carries associated perils: There is the promise of great wealth; people feel that in oil States, all of your troubles would be over; people believe that the problem becomes too much money rather than no money. Therefore, there is always the tendency, while the petro dollars are flowing, to do what the old people would call “lick them out quick”, or to spend quickly on things that are not necessarily developmental or as a priority. Sir, we are deeply conscious of that.

Mr. Speaker, being cognisant of that danger, we, therefore, determined very deliberately that it was imperative on us to build inter-generational equity. We are going to attempt to do that in essentially four ways: (1) We have carved the 70 000 square kilometers that are on offer, at this time.

Let me explain to this Honourable House that is not the whole of Barbados’ marine territorial space. It is part of Barbados’ marine territorial space, and we have carved it into 26 blocks, 24 of which are being put on the market, at this time, and two of which are being reserved for future use. That is the first way in which we are protecting and securing inter-generational equity.

I would wish, therefore, to lay in this Honourable House today, the map of the Bid Blocks, which are going to be made available for bidding. I would also wish to indicate to the Honourable House that we have reserved for the future, apart from the other territorial space not going up at this bidding, specifically two blocks, namely, “Moses”, a block in the north, and the second block called “Oistins”, a block in the south.

Mr. Speaker, both the country and Parliament would note that we have taken the opportunity to name the bid blocks after things that are uniquely Barbadian: “steel donkey”, “green monkey”, “black belly”, “land ship”, “road tennis”, “tuk band”, et cetera. These blocks are named after Barbadian culture and history and as you go through the names, you would see they are names which should resonate with the public.

10.50 a.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Hon. Miss H.E. THOMPSON: You can identify your block by number or by name but you do not have to identify them at all in this way but we felt it would be a good gesture in this first bid offering if we name our blocks after Barbadian culture and historical icons and that is what we have attempted to do. For instance, you will see the

historical significance for which Holetown and Oistins are known and you would be able to appreciate why those two are chosen. Equally, I think that Barbadians would know why we chose a flying fish or chattel house. The tuk band, road tennis and the Land Ship are all cultural Barbadian icons. Sir, there are people who may have named them differently and some people may have said that we could name them after former leaders and so on but it is a high subjective thing and at least Parliament understands the rationale.

Mr. Speaker, what you may not know is why we chose B4362 sugar cane as one of the blocks. Sir, the B4362 sugar cane was a breed of sugar cane developed in Barbados and shipped nearly throughout the entire sugar cane growing world and it turned out to be one of the more prolific breeds of cane ever produced and grown worldwide.

Asides.

Hon. Miss H.E. THOMPSON: Sir, as a people there is nothing wrong with us dreaming this dream but this is not a dream that exists in isolation, it has to be backed up with some scientific basis. Sir, apart from the Sandy Lane well, a lot of seismic data has now been developed, which shows that there is a good likelihood that oil and/or gas is likely to be found in Barbadians water.

Mr. Speaker, I made now the Bid Blocks a document of the House so that it accompanies what we are doing here today and the House and the public can have access to that in perpetuity. I think that is the place where that particular document should reside.

Mr. Speaker, the second way in which we are attempting to build inter-generational equity is to ensure that the Government reserves a right to secure a maximum 25 per cent on each of the blocks that goes out to tender. There are 26 blocks and 24 blocks will go out to tender and the Government of Barbados has the right to reserve out to a maximum 25 per cent on each bid block for State ownership. This is an important consideration because it means that for each of the block, if oil is found, Government can own a maximum quarter of the oil over and above its right to tax, et cetera, that we own a quarter of bid blocks drilled across the allocated area. We may not take a full 25 per cent in all, that is an option but the creation and existence of the option that we could exercise on behalf of the taxpayers is fundamental to securing future wealth in relation to this matter.

Sir, when one has a commercial find of oil, drilling is not a short-term thing, it continues over the course of several years, hence, in taking this ownership stake, we are securing for Barbadians down the road, an ownership in

part of the oil found in our waters into the future and, Sir, that is an important consideration.

Mr. Speaker, Mechanism No. 3 is something that is to be now put in place but we are in the process of preparing the framework and it would be brought to the Cabinet and given to the public at the appropriate time when the planning process is completed. It is our intention to recommend to the Cabinet the establishment of a State enterprise in which Barbadians would be able to buy shares, which would allow them ownership of the oil reserves. Sir, just as one buys shares and invest in a company, we would allow investment into this enterprise.

Mr. Speaker, the initial share offering, the rates would be such that all persons who have an interest, would be able to buy. I am really hoping that average Barbadians would see this as an opportunity to secure inter-generational wealth in their own families, that they would see this as an investment by which they can secure the future of their children, grandchildren and great grandchildren, that they would take \$500 or \$1 000 and invest. Sir, I know that people from Moon Town would be able to invest much more but we would allow average Barbadians and we are going to encourage average Barbadians to buy shares because an investment of \$500 or \$1 000 would have a tremendous yield down the road.

We have not crunched the numbers yet but when the company is established, the figures would be given but I am only attempting today to craft the broad policy framework and make Parliament aware of what is the thinking and approach of the Government. There may be those indicating that you may or may not find oil and that they do not want to put money into the venture but the investment of Barbadians will be linked to that of the Government.

Mr. Speaker, the 25 per cent ownership of Government of which I spoke a moment ago, carries interest and becomes viable at the point that a commercial find is declared so that if no commercial quantity is found, there is no risk to Government. It is only when a commercial interest is declared or a commercial quantity is found and you are going to commercialisation of the oil that the interest will start to bite. Sir, there is really, in buying these shares no risk to the public because you would only benefit at the point of a declaration of commerciality,

H144/11:00

Sequence 6

Friday, August 10, 2007

Hon. Miss. H. E. THOMPSON: ...you can only benefit at the point of a declaration of commerciality. Hence, the investment is a safe one. You cannot lose it. It is not that you are going to invest your money, then a dry hole is drilled and you cannot benefit. It will not work like that. A Government's interest will only take you where there are commercial vibes, hence the benefits to the tax payers and public will also take you there at that time.

Sir, the fourth way in which we are seeking to protect intro-generational equity is in the establishment of the petroleum heritage stabilisation fund. Part of the experience of countries which have found oil has been that, as I indicated earlier, a lot of the revenues are spent very rapidly, not necessarily on developmental matters, not necessarily on social capital investment, or not necessarily on education and training. It is in this regard the phenomenon known as 'Dutch Disease', becomes of the greatest concern.

Sir, several jurisdictions that have successful oil industries are still seen to be characterised by a level of social and economic contraction and deprivation that is astounding, given the amount of wealth that passes through the national economy. The expression 'Dutch Disease' refers to exactly the existence of that amazing divide, the existence of tremendous wealth coming through the economy, alongside economic contractions. It happens this way. A tremendous amount of oil is found, petro dollars flood the economy, persons migrate from other industries to the petroleum industry, where a higher level of wages is being paid. It is impossible then to find labour to carry out other economic development and other activity in the economy. The prices in the oil industry, wages and salaries, are higher than wages, say, in the agricultural sector. Sir, because people in the energy industry are earning a lot more, that influences the level of salaries and wages in the rest of the economy, and you find that your wages and salaries bill becomes higher. Sir, other aspects of the economy then starts to contract. Sir, for instance, agriculture cannot afford to pay the high rates, because it does not have the same levels of revenues. It cannot afford to pay the high rates that the energy sector would be paying.

Equally, as a result of those contractions, Government tends to rely more heavily on the oil industry for its revenue stream and other sectors go into decline. Sir, one sees, when there is a lot of money coming into the economy from oil, that there is a level of contraction in other sectors of the economy, social development and economic development do not take place at the anticipated rates, and the benefits of the energy sector do not flow through the economy.

Sir, Barbados is conscious of the fact that we have to frame a policy, an approach, that militates against this

phenomenon. Part of the way in which we are doing this is in the establishment of a petroleum heritage stabilisation fund, which will allow resources related to the energy industry, revenues, foreign exchange, to be held for the benefit of future generations, to be applied to specific areas of economic and social activity to ensure that petro dollars are not squandered, that future generations have access to them, and the petro dollars used in this time are used for sound social and economic reasons, social development, along with economic growth, because the two do not always take place in tandem. You can go across the world, see and be amazed at the manifestation of the lack of synergy between society and economy, economies that are doing well.

Sir, perhaps, the United States is a classic example, an economy of tremendous wealth at one end, with people living in abject poverty at the other. Barbados has been very lucky, under both administrations, and I make that concession today, insofar as we have been able to craft a model of development, that has always taken cognizance of the poor and dispossessed, and we have developed a very large middle class. A number of people who are truly doing, by comparative analysis across the world, developed and developing countries, we have developed a middle class and a number of people who are well.

In fact, I often smile, because people in Barbados, many of whom describe themselves as the small man and poor man. I am not suggesting by any means that they are not poor people in Barbados. I am not so naive. I see some of them. I know some of them. Some of them live in my constituency. A lot of people who describe themselves as poor, would never be classified as poor by any United Nations agency or any rating agency or international finance institution, because when you compare Barbados' economic statistics with those of the rest of the world, not only our economic, all our social and economic profile, Barbados very much presents as a middle income society. Not even lower middle income in many instances. Sir, down to our health and disease profile is very much that of a developed country, moreso than a developing country.

Sir, you go to other countries, and I am not going to mention the other countries today, people are earning less than a dollar a day, people are earning \$1.50 a day, \$10 a month, \$10 a week. They are people in countries in the world who are still being paid in rice, wheat, corn, in agricultural products they are producing, who are really earning subsistence level wages, and who are living a subsistence level of life. We do not have that here in Barbados.

Mr. Speaker, we are seeking to ensure that we capture by way of a legislative provision and enshrined into the law a fund which continues to secure our social and

economic growth now and into the future. That is what we are attempting to do.

Sir, the Petroleum Heritage Stabilisation Fund is the last of the four mechanism by which we are ensuring inter generational equity at the level of economic gain.

I believe these mechanism, some of which are borrowed. Norway, for instance, has, perhaps, the best regulated, best managed, most productive petroleum sector in the world. It has used a number of mechanisms to ensure social and economic justice and social equity. Part of the mechanism used in Norway is a fund, I cannot remember what they call theirs, but it is a similar Fund to that which we are seeking to establish at this time. Sir, a Fund which we are going to establish in the future, but which I am speaking at this time. The frame work for the policy for this Fund has been developed, and will shortly go...

11.10 a.m.

Sequence 7

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House 144, Sequence 08, 11.10 a.m.

Hon. Ms. H.E. THOMPSON: The framework for the Fund, which we are going to establish in the future but which I am speaking about at this time, has been developed and will shortly go before the Cabinet for approval.

Sir, it is intended that the Fund will benefit the major pillars of the economy, such as social growth, education and training, and infrastructural development. I would not wish to elaborate on all of the details today, because while I have conceptualised the policy framework, it is yet to be approved by the Cabinet and I would not want to speak about it as if all of the details are finalised.

It is not yet finalised, suffice it is to say to Parliament what the intention of the Cabinet is, what the approach is going to be and by the time we resume after our Summer recess, I should have the policy framework completed, approved by the Cabinet, and the legislation completed and before this Parliament.

Sir, I spoke earlier about some of the perils, and indicated how we were going to address them, and how we going to build inter-generational equity. There are many mechanisms that will be used to build capacity at the national level.

Barbados, as a small island developing State has, over the course of many years, taken several steps to ensure the protection of our environment, particularly our marine environment. These have ranged from the establishment of

a Parks and Beach Commission, the development of a Coastal Zone Management Unit, the development of marine pollution legislation and coastal zone protection legislation to the existence of planning regulations, going as far back as the 1950s.

As an island people, there is a particular way of life to which we are accustomed. In fact, most of Barbados' residential installation, infrastructural installation, and commercial installation, if you think of the tourism plant, all exist on the coast.

Barbadians of many generations have made a living from fishing. There are generations of Barbadians, who rise every morning before the crack of dawn to head for a sea bath, whether it is at Browns Beach, Miami/Enterprise Beach, Paynes Bay or Brighton. We have been able to develop a good tourism product to a profitable tourism product, partly because of our environment, yes, it has to do with our culture and way of life and people, and the fact that people feel comfortable here.

It is therefore imperative, Sir, that in the development of this framework, the Government should ensure that our natural environment is protected. Therefore, we have indicated to the companies that they must file with us, prior to the start of operations - and this is captured in the legislation - an environmental management plan by which they are going to operate.

Therefore, it is going to be important for each company, apart from filing this operation plan - and there are a number of other plans which must be filed, and which we see also in the area of protecting Barbados - a health and safety plan, and a general work plan, so that we can ensure how the work is to be done. I will come later to the issue of work plans and the surrender of blocks over time, but we have to ensure that there are no threats to the coastline, the marine environment and that there is a resource pool out of which steps can be taken to mitigate the impact of any adverse eventuality, if, in fact, it does take place.

Sir, there are two categories of involvement, which persons can have in our industry. They can come in as participants, they can come in as operators, they can have licences to do seismic and exploration of that type, or they can have licences to actually do drilling. I will go through the finances, when we come to the other piece of legislation this afternoon, but I am just establishing the broad framework now.

There are two pieces of legislation before the House as the Chamber is aware. We could not do them together this morning because the Chief Parliamentary Counsel is bringing a substitute Act for the one that we have here. There are apparently some typographical errors and they

wanted to give the House a clean copy. It was not ready this morning, so we had to start without that second one. Therefore, this afternoon, we are just going to deal with the financing of the industry and the financial implications, rather than the broader policy. I do not anticipate that we will detain the House for a long time this afternoon on that matter, although I do expect that we may have quite vigorous debate and discussion.

There were certain imperatives relative to protection, and the marine protection was a very important consideration. Apart from the fact that the companies have to meet certain criteria, they must have the technical capacity, financial capacity, strong environment records and are able to file appropriate work plans.

The issue of capacity is critical because, as I explained earlier, the cost of this exploration activity is going to be extremely high. It was therefore critical for us to find companies that had the financial capacity to do the necessary work, what Barbadians call 'speculation'. Sir, we had old time 'speculator' in relation to land, but oil has been characterised by speculation for many years. There are those who have made and lost fortunes in oil over time.

Sir, in Barbados, the search for oil onshore before we found commercial quantities of oil, went as far back as the 19th Century, when people dug in St. John from pits, which were literally dug by hand, for "man jack" or an oil sediment that was hard and had to be processed.

House 144, sequence 08, 11:20:14

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Hon. Miss. H. E. THOMPSON: As a child, people would come and say do not do so and so "man jack" or "man jack" so and so. Sir, it is out of that industry that the expression came. Sir, I wonder now if it has something to do with skin colour, but that is for the sociologists to explore. The point I am making is that Barbados had to craft the criteria for involvement in the industry very carefully. Sir, financial and technical capacity was an important issue.

Mr. Speaker, drilling for oil worldwide is at an all-time high as is oil prices. Sir, the demand for oil is very high, so the search for oil right now is extremely intensive. The investment being made in oil exploration is high, therefore it was important that we find companies which had the technical capacity to command the drill rigs and other equipment to be in Barbados' waters when they wanted them. Sir, some of the companies, even with the very best intentions, just would not have had the capacity to do that, and it was important for us to attract companies that had that kind of capacity. Equally, the criteria that we set were that there had to be strong reputations in relation

to their environmental practices and that they had to file, marine, environmental and research work plans with us.

Mr. Speaker, there are components of the programme that are biddable. Sir, I would explain these features in the afternoon when we look at the finances, but suffice it is to say at the moment that each company will be required to bid a minimum of US\$50 000 at exploration and US\$100 000 on production per block for marine protection and research. Mr. Speaker, the sums can be considerably higher but it is part of the competitive process which would accompany the bidding process which we have developed.

Mr. Speaker, I mentioned earlier that health and safety were important considerations for Barbados, and that these two are going to be biddable items. As a people, we have invested very heavily in training and education. It has been part of the way in which we have built social cohesion and social capital in Barbados.

Mr. Speaker, we believe that it is of extreme importance that this industry should be developed in two ways; in the building of capacity within Barbados and among Barbadian people and the ensuring that large numbers of persons are trained in the skill sets which would be required to do the job in the industry, whether it is at the level of the University of the West Indies, other universities, the Barbados Community College, the Samuel Jackman Prescod Polytechnic or the other technical training institutions which exist in Barbados.

Mr. Speaker, whether people are trained locally or overseas, the building of capacity and training is critical to the development of this process, hence there is a biddable annual training fee at a minimum of US\$200 000 per block. Mr. Speaker, this speaks to the investment which the companies have to make in training and education, which is separate and apart from the investment which the Government would make in training and education.

Mr. Speaker, as we develop this industry, it is important that new skill sets become part of the labour force in Barbados. There was a time when it was a big thing to have six O'level certificates and then everybody had almost a first degree and then it became a big thing to have a Master's degree or two or a Doctorate. Sir, the point is that over time as the society changes, as the level of development progresses and as competition increases, both internally and externally, new skill sets have to be built.

Mr. Speaker, while generations past may have said to their children, well try and be an actuary, a lawyer or a doctor, or take up skills as a carpenter or a mason, we are going to be looking now for divers, for welders who can dive and weld underwater, for petroleum engineers,

geologists, petroleum economists and for people with a range of skills not now resident in Barbados.

Mr. Speaker, I want to use this Parliament today to make a call to Barbadians who are working in oil industries across the world... Sir, last week Friday, I think it was or the week before, I met a young Barbadian, 30 years old, who was here on holiday, who had built drilling platforms in Asia and is currently building drilling platforms in Africa.

Sir, we think that there are no Barbadians who have skills. Sir, they have the skills but they are working outside of Barbados. Mr. Speaker, we need now to find them where they are and bring them home so that their skills can help to build the local industry. Mr. Speaker, we have to ensure that the jobs in the industry can go first to Barbadians, then to CARICOM citizens and then to persons outside of the region. Mr. Speaker, the most important thing is for us to build a Barbadian capacity to carry this industry at every level so that Barbados and Barbadians can derive the maximum possible benefit from the establishment of this new frontier of economic endeavour.

Mr. Speaker, we have made it imperative that those persons who involve themselves in the industry... Mr. Speaker, I would link this now back to the point I was making earlier about speculations. Sir, because of the monies to be made, it is common in the sector for persons to bid on a block or two, get them, hold them for some considerable time and then when the industry starts to do well, sell them at tremendous profits to other people who are interested or have the capacity to do the development. Mr. Speaker, Barbados is setting up a framework which requires those entities which bid on our blocks to start work immediately. Sir, the legislation specifies the timeframe within which companies have to respond and act on their drilling programme. Mr. Speaker, that is critical to getting drilling activity going in the shortest possible time and to militate against people getting blocks and holding them indefinitely.

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Hon. Miss H. E. THOMPSON: There is also a surrender requirement that is built into the legislation, so that if you were to get a bid block and do not drill, you would have to surrender it back to Government. If you were to drill and you are using part of your block, the other part also has to be surrendered, after, I think, a period of two years, prior to the start of your programme. Furthermore, once your license time is up, you cannot hold

on to your block, if you have not been doing any commercial work in it, you have to return it to Barbados.

Sir, there are also two circumstances in which you could hold onto your bid block: (1) if you are just about to declare commerciality on a well or a block, and (2) if you are going to do further exploration for gas, as opposed to oil. Therefore, the conditions under which you do not surrender and where you can hold onto a block, are clearly specified in the legislation.

Mr. Speaker, that is also an important protection mechanism because apart from ensuring that work on the blocks is done expeditiously and as efficiently as technology would allow, it protects us too, because if there is high prospectivity, with the blocks back in our hands, we could then put them back out on the market for a second time. Whether they are bid on by the same companies or by other companies, it would mean an additional revenue stream for Barbados, when the blocks are put back on the market. Furthermore, we may determine that we would hold further numbers of the blocks for future generation. Sir, that too became an important measure for protection.

Mr. Speaker, with oil prices rising at the rates they have been... Last year between October and December, oil prices on the international market went down to about US\$60 a barrel, we, therefore, lowered the price at the pump, based on what we were getting on the international market. Since then, the price of oil on the international market started trending upwards but about a month ago, oil started selling at the highest price ever. It was sold at just under US\$79 per barrel, it is now down a little below that but is still way above the pump price that was set last year. It is nearly US\$20 above the pump price that was set last year. It also suggests, at the very crude level, the kinds of revenues that Barbados could earn, if oil is selling at this price and we were to have a commercial quantity available.

Mr. Speaker, as a small island developing State, which is essentially a price-taker of energy prices, one which is vulnerable to the vagaries of the industry, we felt that if we are going to have a national industry, it was of extreme importance that there should also be available to Barbadians, a supply of oil and gas out of that produced locally, hence written into the provisions, is a requirement that the companies operating here must first satisfy national consumption demand for both oil and gas, thereby protecting our economy and our society.

Mr. Speaker, the companies operating here would ensure security of supply, which is a critical pillar of the National Energy Policy, which is that Barbados must secure its supply for domestic consumption. Mr. Speaker, even if our consumption pattern were to move beyond that which we currently use, the requirement for the companies to satisfy national demand would still exist.

Mr. Speaker, it would be imperative on the companies, prior to doing any works in blocks, which they would have secured in bidding, that they should conduct environmental impact assessments. These assessments have become common as part of the planning instrument and planning tool. It is now critical for us to ensure that they become part of the regime of how these companies operate in the offshore sector. Sir, in that regard, the terms of the environment impact assessment will be set by the agencies in Barbados that are responsible for the conduct, review and approval or disapproval of environmental impact assessments. This is also important to us, in relation to our marine and coastal environments.

Mr. Speaker, persons asked whether or not there is going to be any spoiling of the aesthetic appeal of the beaches or coastlines, as a result of the drilling operations. Sir, my response to that is that the drill rigs are so far offshore that persons would not be able to stand at Farley Hill or some high point and see them out in the waters. They will be that far offshore.

Sir, apart from the insistence on the fund for marine protection, apart from the insistence on bidding monies for marine research and marine protection, et cetera, the environmental impact assessment is a critical tool, which the Ministry and the planning authorities can use, to protect the marine environment, whether it relates to fishing population, marine biodiversity, plant life or animal life, in the marine environment, it is an important mechanism.

It is also important to protect reef structures. The reefs are important to Barbados in the protection of our coastlines, as habitats for many marine species, in the generation of sand/beach protection, et cetera. Therefore, we do not want wanton and reckless damage to the marine environment. In that context, therefore, the environmental impact assessments, in relation to where drill rigs can and cannot go, will be a very important provision.

Mr. Speaker, it is easy to shift or to specify the location of drill rigs because these days there is technology, which allows not only vertical but horizontal drilling in the deep shore, hence if there were a reef at a particular location and we wanted a platform to be located away from it but that was the area where they wanted to drill, it could be done by the technology and by the tools available for horizontal drilling.

11.40 a.m.

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(EDITED 05/09)

Hon. Miss H.E. THOMPSON: This is not a major difficulty but is something that allows the multinationals to

get at the oil or gas reserves while allowing the country the capacity to protect its marine environment.

Sir, decommissioning is critical to the general operationS of the way companies will conduct business. Sir, people talk about the good old days but there was a time in the bad old days, when oil companies behave with impunity across the world and ignored the marine environment. Sir, these are days of increased corporate social responsibility, greater consciousness of environmental protection and the need to protect the environment and so on. This is not to say that people in the industry are saints but there is an increasing recognition that the exploration and exploitation of hydrocarbons has a severe adverse impact in relation to climate change. Sir, it is a balancing act between national and multinationals; between environmental exploration and exploitation for economic growth and social development and between the protection of the basis of that environmental exploration, exploitation and the economic development. It is a balance between giving multinationals enough that they can be comfortable while securing for nationals that which they deserve, they legitimate expectation of wealth and as owners of the oil fields and the industry that which they can reasonable expect to come to Barbadians for social and economic growth and development.

Mr. Speaker, there was a time when oil companies set up operations that left the marine environment of countries in very bad condition and when they had completed drilling, they left taking with them all the revenues that they had made, abandoning equipment and leaving a lot of hydrocarbons not properly cleaned up. This legislation sets out a framework for decommissioning, once drilling is complete. This is another important area by which we are seeking to protect the society and environment. Sir, clean-up from oil spills and in the aftermath of drilling operations can be extremely high cost. In this context, we felt it was critical to lay the framework for the decommissioning exercise at whatever point drilling and exploration are over. Sir, within the body of the legislation, the issue of decommissioning is dealt with in great detail in order to ensure that there is a higher level of environmental protection. This adds to the other levels of environmental protection and the other mechanism to which I spoke earlier.

Mr. Speaker, under the health and safety requirements, there are a biddable minimum of US\$50 000 per block and US\$100 000 per block at a different stage of the development. Sir, persons have asked about ownership issue and I wish to assure the House that ownership of the area remains with Barbados. We are not selling the offshore area to anybody. There is a view in Barbados that everything is for sale but the offshore area is not up for sale. It is available for bidding and a licence will be granted which carefully crafts the terms and conditions under

which companies can operate but, Sir, ownership of the area remains with the Government and the people of Barbados. Equally, ownership of data generated from this process remains with Barbados. Sir, that is central to what we are doing.

There are reams of data relating to various aspects of Barbados, its physical development, its economic development, infrastructural and so on that was developed by companies in the U.K., when we were a colony and reside out of Barbados. It is important that the data remains with us for our own records and safekeeping so that we are able to do clear analysis and understand what the geology of Barbados is from a scientific perspective, the knowledge that comes from it and the planning that one can do based on having that sound knowledge. Sir, it is also important that it remains with us for two further reasons. First of all is that you can, therefore, determine what future exploration and exploitation would occur based on what the data is telling you and, finally, the data has high economic value.

The data sets, which the people in the energy industry are going to buy are worth US\$180 000 per set. There are lines of seismic data, which sells at US\$80 per kilometre and you are talking about thousands of kilometres so the sale of data itself can result in a significant revenue stream for Barbados. If that data were to get into other hands, then they are the people who would be earning the revenues from it. Sir, once the data remains in our ownership that is another revenue stream, which comes to the Government and, by extension, to the people of Barbados.

Mr. Speaker, there is research, which would have to be done as part of this process and that is critical to the gathering of information; the making of planning decision and that we are insisting on because the companies have access to equipment and facilities that the Government does not, that research is research which Barbados wants to take possession of to help to guide our decisions and which is appropriately conducted at this stage now that we are likely to be investing with persons who have the resources to do this work on our behalf.

Mr. Speaker, naturally, in businesses of this sort they can be conflict and when there is, the legislation makes provision for mediation and conciliation as a first stop and in the final stages, if mediation and conciliation do not work, then there is alternative dispute resolution. Mr. Speaker, I have spoken about the training for local population and supply of oil and, equally, Sir, it is important for the transfer of skills and technology. This is an important industry, one of the most revenue rich in the world.

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Hon. Miss. H. E. THOMPSON: It is an industry that is capital intensive. It is an industry that is technology intensive. We are seeking to ensure, in the regime that we set up, that there is adequate technology and skills transferred to Barbadians, so that we are able in turn, down the road, because there are other Caribbean countries that are going to be developing their industries. I very much hope, as we have given support and guidance to the Eastern Caribbean and other countries of the Caribbean, in relation to areas of development, when countries in the Eastern Caribbean wanted to establish a VAT, it was, for instance, to Barbados they turned to receive guidance in what is the way to do it, the policy framework, structure, establishment of a VAT, the pitfalls, and so on. I am hoping that by going through this process, Barbados will be eminently well placed, our civil servants, politician, and even those in the private industry to invest. I know we cannot see strangers in the House, but we have some strangers with us today who are actively involved in this industry, and we are pleased. I am aware of them. I cannot see them, because you cannot see strangers in the Gallery. I do not see anybody, but I am aware they are present. Therefore, Barbados will be well positioned to also invest in give leadership to and derive benefits from the energy sector in the Caribbean.

Sir, Jamaica and Cuba are just putting out acreage for offshore exploration. It is my understanding that the Governments of St. Vincent and St. Lucia have similar contemplations. Therefore, having gone through this process ourselves, having equipment and skills, which will be resident in Barbados, having people in Barbados who are investing in the industry, and ensuring that Barbadians go through the learning process in preparation for this industry, Barbados will be eminently well positioned to invest in the industries in the Eastern Caribbean and Northern Caribbean. I am looking forward to those opportunities to be available to us, and making sure that Barbados is prepared for it.

Mr. Speaker, a critical area, to which I have not yet spoken in significant detail, is the whole issue of the supply of goods and services by local industries. This is an industry that consumes vast quantities of goods and services. Barbadians must be able, and we are developing a framework that will prioritise Barbadians supplying these goods and services.

I think we are setting some workshops for September and others for December, while we will have a number of workshops and Town Hall Meetings, to indicate to Barbadians how they can benefit from investment in the industry, freighting services, the supply of helicopter

services, supply of food, linen and laundry services. There are a number of goods and goods that must be supplied to other industries, and we are going to be having these services to prepare Barbadians for how they can supply the industry.

Sir, it is also a critical part of the licencing process that companies get their goods and services in the main, those which are available on Barbados. Clearly there are some aspects of sophisticated equipment and services which we cannot supply. Largely, goods and services have to be supplied by local individuals and companies.

Mr. Speaker, I would like to see Barbadians looking at how they can invest, how they can create partnerships for investment, how they can create cooperatives which will allow them to derive some of the benefits and revenues, which are going to be available from the industry, as a matter of course.

Sir, the process for the development of the industry started late last year and has gone through several stages. The option was available to us to a selective tendering or bidding process, to approach a number of companies to get into an exclusive relationship with us. We believed that Barbados' interests were best satisfied by having an open and competitive process which was transparent, objective and allowed for the involvement of those entities which saw an investment opportunity available to them. That is the policy we have pursue and are continuing to pursued. In this regard, there is a timetable which was set and which has been followed. Everything that we have said we are going to do in pursuit of the making of this investment opportunity available and in the establishment of the industry, has followed the path we said it would, at the time in which we indicated it would.

Sir, the process will continue with the sale of data sets. On or about the middle of this month we will open a data room where technical geological data will be available for persons in the industry to purchase the data and for review, so that they can help make assessments about the nature of their investment, what they are going to bid and how. Equally, there are going to be workshops to prepare the country for the process, those who want to invest, those who will be supplying goods and services. We have to develop the new legislation for the company in which Barbadians will be invited to invest. We have to establish the Petroleum Heritage Stabilisation Fund, and there are a few other things which will happen as the process goes on.

Sir, the most significant date of which the Honourable House needs now to be aware, is December 3rd. We anticipate that the companies, having had all the information available to them, will be put in a position to come to Barbados and to make their bid offers on December 3rd. Sir, on December 3rd, we will know as a

matter of fact, who wants to be involved. A number of companies have come to the various road shows which have been held at Houston, Barbados and London.

Sir, there are times if you go courting a young lady, you may be able to turn up at the house frequently and to carry her out a number of times...

Mr. SPEAKER: Honourable Member, you are not speaking about me?

Hon. Miss. H. E. THOMPSON: Sir, I am sure you would have had this experience.

Mr. SPEAKER: No.

Hon. Miss. H. E. THOMPSON: Sir, there comes a time when the parents may say to you, now young man, what are your intentions, and you have to show what your degree of seriousness is. Sir, essentially, we have gone through this process. We have gone out there, said there is acreage available, we have been wooed by a number of international companies, but the time has come where we are saying to them to show us what their intentions are, by indicating from your pockets, and by way of your formal tender and bid...

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House 144, Sequence 13, 12.00 p.m.

Hon. Ms. H.E. THOMPSON: The time has come when we are saying to them, at show us now what are your intentions, by indicating from your pockets, and by way of your formal tenders and bids, whether there can be any long term relationship between us, from which we can mutually benefit, and that date is on December 3, 2007.

Sir, on Monday, December 3, by 4.30 p.m., companies must have submitted their bids, and by the next day, December 4, we will be in a position to say who has bid. On the 19th December, the winners of the process will be announced. Sir, let me say that the process is completely open and transparent. It is a tendering process. Each company will formulate their own bids, based on their own advisors and their assessments. There will be a transparent box available at the Ministry, so that people can see into it, but people will be asked to place their bids or tenders in sealed envelopes into this box.

Clearly, the intervening two weeks, allow us to sit with our technical advisers and review the bids. We will know the sums that people are offering, as part of their

biddable signature allowance. We will know what people are offering for marine and environmental protection. We will know what they are offering for training and education. We will know what they are offering for safety. We will know what their own performance record has been, in terms of health, safety, efficiency, environmental capacity, et cetera. Therefore, the evaluation process will take place and on December 19, the winners will be declared.

I indicated earlier that for the purpose of facilitating this process, the Ministry of Energy will be declared a designated authority, and will have the capacity to deal with matters relating to the regulation of the oil industry, the bidding process, and the drilling process and will, in fact, be the authority responsible for all matters relating to this process, such as the licensing, production and exploration.

Sir, there is provision made in the legislation for transfer and/or cancellation of licences. Clearly, you would appreciate that having issued licences, we will want to retain some control of the process and ensure that we can terminate a licence, if there is some aspect of the operation with which we are dissatisfied.

Sir, where land access may be required, it will be in accordance with existing legislation in Barbados. Largely, this is an offshore process and we do not anticipate that there will be a significant amount of land needed onshore for the process.

Sir, contracts will be signed between the successful companies and the Government of Barbados in early January of 2008, after which the further data collection will take place. Each company will do its own reconnaissance and data collection, and data analysis. The drilling will only start after that process has taken place. Sir, before drilling can start, companies have to indicate their work programmes, their intention to start drilling, as well as do the necessary environmental impact assessments.

Sir, I will speak to the fiscal issues and the tax regime, when we look at that particular piece of legislation. I want just now to speak to the penalties for breaches of various aspects of the activity.

The legislation provides for general duties of the licensee for cancellation, surrender, transfer, and review of the licences by the designated authority and, generally, for issues relating to the licence. Sir, as I indicated earlier, there are issues that are biddable and other are fixed.

The penalties are at various places in the legislation. For instance, a breach of the legislation, in relation to the commissioning would attract a summary conviction and a fine of \$275 000 or imprisonment for five years. A breach

of the licencing terms would be similar and, I will share others with the House during my wind up.

Asides.

Hon. Ms. H.E. THOMPSON: Sir, we have spoken about the State's participation, and the House is therefore aware it is at 25 per cent. Sir, fees and royalties are governed by Part 10 of the legislation, and just to give the House an idea, a licence for reconnaissance is US\$1 000, a licence for exploration is US\$2 500, and a licence for production is US\$5 000. The Biddable Signature Bonus is the bonus or a lump sum that is a successful company will pay to the Government, on signing a contract.

House 144, sequence 13, 12:10:14

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Hon. Miss. H. E. THOMPSON: Sir, if you are successful, you would have to bid an amount, for purposes of this debate I am just going to say \$10, which is a low mutual sum, somebody else may bid \$15 and somebody else \$25, and on signing a contract, that sum is payable immediately even before drilling starts or any work is done.

Mr. Speaker, there is a biddable annual training fee of US\$100 000 minimum at exploration. There is a biddable annual training fee of US\$200 000 minimum at production, which is per block. What the Government is saying is if you are going to bid on these areas, you cannot bid below US\$200 000 per block. Sir, when we talk about a biddable training fee that is it. The minimum biddable coastal and environmental research fee is US\$50 000 at exploration and US\$100 000 at production.

Sir, you are aware of State interest at 25 per cent to be carried on the block. Twenty five per cent of a licence can be taken by the State. If a dry hole is drilled, all of the expenses fall to the companies. Barbados does not have to share in any risk or expense if a company drills a dry hole. Sir, if a company spends \$40 million and it is a dry hole, that is the company's expense. If however the company finds oil, Barbados will share in the find to a maximum of 25 per cent on the licence.

Mr. Speaker, there is a royalty tax payable by the companies of three per cent on the...

Sir, I was just reading because I wanted to distinguish what are the pure tax provisions and what is in the legislation and what is in the tax legislation.

Mr. Speaker, there is a retention right fee of US\$10 000. If a company wanted to do further assessments or is focussing on gas at that time, a fee of US\$10 000 is payable. There are a number of other fees payable. These

are called area or rental fees, hence the expression rentier states and rentier economies. In year one and two it will be US\$5 000 per square kilometre. This is a further rental fee on the licence fees and on the biddable signature bonus, all of which are cumulative. You do not pay one or the other. Mr. Speaker, in year 3 and 4, it is US\$10 000 per kilometre; in year 5 and 6, US\$15 000 per square kilometre; and in year 7 and 8, US\$20 000 per square kilometre; with a production area fee of US\$25 000. The other revenues out of this would be obtained by way of taxes, so I would not at this time speak to the tax revenues.

Mr. Speaker, what you can see emerging from the way I have done the presentation is that there are several revenue streams from which Government would benefit. The sale of data is one revenue stream. Taxation is another revenue stream. A number of fees which are payable is a further revenue stream.

Sir, the industry will pay heavily for the rights to be involved in the Barbados industry. Sir, we are ensuring that so that the taxpayers can equally benefit heavily from the benefits which are to be derived.

Sir, this was not an easy process. In order to meet the deadlines which were established, we had to work with tremendous alacrity. We also had to work with a relatively high degree of accuracy because we were dealing with companies that are very experienced. Sir, we had to take on board international consultants to work along with us and help to give guidance, and our own staff, whom I thanked earlier in the day for the work that they have done, to bring us to this point.

Mr. Speaker, it has been an interesting process even if exacting. I do not know how much oil or gas would be found or when. There are those who would seek to make light of what we are attempting to do, but there were also those who laughed at the notion of sending a man to the moon. There were those who laughed, I am being told by the Honourable Member for the City, at the notion of the building a deep water harbour. They were those who scoffed at a four-lane highway. There are those who said that the ABC Highway was not necessary at all, that it was a waste of time, a dream. There were those who said that we would never have an offshore financial sector in Barbados. There were those who said that the Barbados Drug Service was a waste, it would never happen in our lifetime.

Sir, always, whenever you seek to break new grounds, there are those who oppose the change. Sir, it was Machiavelli who noted that to those who seek change the greatest enemy are the agents of change who are numerous in number. Mr. Speaker, we ask this Parliament today to accept and pass a seminal piece of legislation, a piece of legislation that has the capacity for social and economic

engineering. We launch out today not knowing what the consequences would be, but having faith that the seismic data shows that there are high levels of oil and gas in Barbados' deep offshore marine territory. We are sure that unless there was genuine likelihood of good investments, one would not see the likes of Esso, Shell, HESS, BHP, Repsol and even Bajan SOL throwing good money into the water, that they would not be present today and that they would not be part of this process.

Sir, we launch out therefore in faith knowing that what we do has the potential to define Barbados' future. We do not know when oil would be found. I am hopeful only that God would answer my prayers that oil would be found in commercial quantities and that Barbados would have made the right decisions for shaping its society and economy into the future and for the establishment of this new industry.

Mr. Speaker, this Chamber cannot see what would happen. It can only make decisions that would shape what is to happen. All I am asking this Chamber to do today is to pass a piece of legislation which would shape Barbados' future and will become part of the legacy of this Government.

House 144 Sequence 14

12.20 p.m.

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Hon. Miss H. E. THOMPSON: Mr. Speaker, it is not to be taken lightly, it is a vision which we are pursuing. Sir, all would not share it, some would scoff at it. Sir, the framework which I lay out today before this Honourable Chamber, with a deep sense of humility and some sense of tremendous satisfaction that I have been part of the process in crafting it, would allow us safely to know that all would benefit from it. It also allows us to note that this could usher in the mechanism by which Barbados would move from being a developing State, to that of a developed society. It could usher in a new era of prosperity, so that all those who now scoff, laugh and deride us in this attempt, those persons, their children and their children's children, and ours, would all benefit.

Mr. Speaker, I look forward to bringing to Parliament the legislation that will create such a company. Sir, apart from all the benefits outlined and those which I will come back to outline this afternoon, I would then bring a further framework from which the country could further benefit.

Mr. Speaker, I close by first thanking my constituents for allowing me the opportunity to do this; the officers of the various ministries who have had a part in

this; and for the Cabinet, which has shared the vision and has worked to allow us to come to this Parliament today. I hope that at the end of the afternoon, I would be able to thank Parliament for passing this new legislation and for us being able to say that today we have passed a piece of legislation which has helped to engineer the future and that it is a new era for Barbadian society, economy and for generations yet unborn.

Mr. Speaker, I am much obliged to you.

Hon. Miss H. E. THOMPSON: Mr. Speaker, I beg to move that this Bill be read a second time.

Mr. G. A. CLARKE: Mr. Speaker, I beg to second that, Sir.

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

SUSPENSION OF SITTING

Hon. R. R. FARLEY: Mr. Speaker, I beg to move that this Honourable House be now suspended until 1.30 p.m.

Hon. Dame BILLIE MILLER: I beg to second that, Sir.

The question that the Sitting be suspended until 1.30 p.m. was put and resolved in the affirmative without division and Mr. SPEAKER suspended the Sitting accordingly.

12.25 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

RESUMPTION

Mr. SPEAKER: This Sitting is resumed. The Honourable Member from St. Michael South Central.

Mr. R.L. SEALY: Mr. Speaker, I rise to offer the Opposition Reply to this matter before us, the question of the Offshore Petroleum Act,

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Mr. R.L. SEALY: I think that as an Opposition you have different roles. Sometimes, of course, you have to

oppose and oppose energetically, and sometimes you have to support, and support energetically. Mr. Speaker, sometime you also have a role to keep the Government grounded. I think right away we need to ground what is taking place today in a few basic facts.

First of all, we need to understand the idea of exploring, hydro carbons is not all new to the Barbadian way of life. In fact, the Minister, in two minutes of her two-and-a-half-hour presentation, mentioned the fact that it has been going on for some time, over one hundred years. I think, therefore, that we should understand that the activity itself is not new to Barbados. We accept that, in terms of exploring our offshore areas, that part of it may be new, but we need to understand what we are doing needs to be looked at as a natural extension of what is presently taking place in Barbados, to keep ourselves grounded. It is not a new industry, so right away we need to put this thing in some context.

Sir, there is already an oil industry in Barbados, it may be fledgling. It may be restricted to land-base drilling operations but it does exist. Really and truly, I do believe that may be the Government is counting its chickens before they hatch. We need to just move forward incrementally with respect to this activity.

Sir, the Minister, in her wind up, said that some people would want to pooh pooh what they are doing. That is not even an issue. As I said, it follows as natural as night follows day, that we should explore all the possibilities to get crude oil, which is a very precious commodity. There is nothing to oppose. We went to Woodbourne and we found some oil. We went to Carrington, and we did not find any. We went to Boarded Hall, and I think we found a little piece. So, now we are going offshore to see what we might find.

Mr. Speaker, the Minister said that she is dreaming dreams. Unfortunately, the people of St. Michael South Central did not send me here to dream dreams. We have to deal with some reality. We might find oil, but we might not find oil. You might find oil that might not be economically feasible to exploit. We are well aware that there is a possibility if the world price for oil is not at a certain level, it will not be viable to drill oil in Barbados, offshore. I think we need to ground what we are saying in certain basic facts.

Sir, for the Government of Barbados to suggest, on the basis of some preliminary work, that we are on the cusp of a new industry, and that all the other four earnings of foreign exchange will be dwarfed when this new industry takes root. It is really, I think, getting ahead of itself. Sir, if we find oil that is great, but, of course, if we do not, we still have to continue to live. That is why I have to ask a few very simple questions to the Government.

Sir, what is the rush? What is the hurry? The oil has been down there for ten thousand years. The oil is not going anywhere. It is going to be at least ten years before you get a drop of oil to sell anywhere, because what we are talking about a process that is going to take many years. The recognizance work, the exploration work, then you actually have to start setting up production apparatus and so on. Nothing is going to happen immediately. This indecent haste, it seems.

Mr. Speaker, probably for the first time, certainly in this Parliament, and probably since Independence, a Parliamentary Sitting had to be adjourned, in order for the Cabinet to meet to discuss this issue, so that it could come to the Floor today. What is the hurry? I would think that if, indeed, we are on the cusp of this new industry, that is the head reason why we should take our time and have the appropriate consultations, and I mean with the public at large. We should have the necessary national conservation that should take place. Sir, I do not understand it.

Mr. Speaker, we heard about the ruling of the Permanent Court of Arbitration, with respect to the United Nations Convention on the Law of the Seas, and that, of course, provided the impetus for what we are, indeed, doing here today. Sir, Barbados' agent, in that exercise, the Honourable Member for St. Michael North East, making a statement to the House, after the ruling, said that Barbados can now begin in earnest the process of licencing its maritime space for exploration and exploitation of the non-living resources within it. Sir, she said, "I know the Honourable Member for St. James South is moving ahead in this regard." Those were her words, in earnest. Sir, that was April 2006. This is now May 2007. Sir, it seems as though there is some rush, some hurry, and I am just wondering what is it. We need to take our time.

Mr. Speaker, I think the question has been half-answered for me today, based on something that I read in a certain document, that was printed today by a certain man called Bresford Leon Padmore. Right away, the public relations is on. Apparently, what is informing Barbados' exploration of its oil reserves in the marine environment is not necessarily what is in the national interest, and the need for the appropriate consultation, but people are looking at an election cycle now. So we have to find something that we could go to the electorate and say, there is oil, vote for us and the national debt will be wiped away in two days, and the Singapore model would be a joke. Sir, check today, Beresford Leon Padmore. The Singapore model is a joke. The debt is going to be wiped away shortly. This is what is said by the ruling Party, through a certain organ.

Sir, all of a sudden we are racing ahead. The Minister spoke about December 19th. On December 19th we will know the future. That sounds a lot like another date I used to hear about. Remember April 28th, World Cup

Final. Sir, we were going to do this and that and the euphoria, so April 28th would come and we would hitch the election campaign onto to April 28th and then fourth term. That was the plan.

Sir, now that the World Cup has been a little disappointed politically, we have a new date now. It is no longer April 28th. It is December 19th that we will announce that there is all of this oil out there, so vote for us. This is the new thrust now, out of the blue.

Sir, we had a whole debate on energy policy the other day, and very short thrift was made of the issue of what we are discussing today. That was only a few months ago. Let us understand that we the Democratic Labour Party simply do not believe that major national decisions should be in anyway, even implicitly, compromise by electoral decisions. We have paid a heavy price for putting national interest ahead of Party interest in our recent past, and that is just the way we operate. Therefore, I have to ask these questions.

Sir, the minister for grand declarations, I would call it, would know only too well that sometimes you have to be a little patient.

Mr. Speaker, do you remember certain, the same Minister...

13.40 p.m.

Sequence 17

Friday, August 10, 2007

House 144, Sequence 18, 1.40 p.m.

Mr. R.L. SEALY: You will remember, Mr. Speaker, the same Minister assuring us that Mangrove Pond would be shut in August 1995. Sir, this is now August 2007 and Mangrove Pond is still operational. Therefore, let us understand that this current Minister, more than any other Honourable Member on that side, should appreciate that when you are dealing with significant issues, and issues of major national import, you need to be a little patient, and take all of the many factors into concern.

I think there is a case for a genuine national dialogue on this issue. Offshore drilling will conflict with some of our traditional industries. The tourism industry relies heavily on the marine environment and the seaside attracts people here. Therefore, to tell me that when you stand up on Farley Hill you cannot see a rig and therefore it is not going to impact the environment, is horribly simplistic, to say the least.

Sir, we have to be concerned about the potential for environmental damage and there is always the potential for an oil spill. Therefore, while I know the Minister would say that they made provisions for it in the Act, I think that there are some shortcomings, with respect to the Act in that regard, and we need to be very clear.

Therefore, I do not in any way believe that we should not pursue our opportunities in our marine environment, but I think that we should just have some more discussions. The heated rush to get this thing going to a point where you could make political mileage out of it, is not really in order.

For example, we should discuss this question of the companies and a little more accountability in that respect. Sir, interest has been shown by some traditional names in Barbados, but there are some other companies as well, who have been showing up at these road shows, whom we have never heard anything about, Sir, and to what extent do we want to have associations with companies such as that?

We do not want to get too alarmist, but when we hear that the traffickers of this world, of Jamaica fame are knocking around and showing an interest, we on the Opposition side have to ask some a few questions, especially given some glaring shortcomings in the legislation, which I would like to touch on as well. Mr. Speaker, I think we might be just counting our chickens prematurely. We need to temper some of the excitement and ground it. Sir, we need to go ahead and investigate and if there is an opportunity, take it from there.

Mr. Speaker, the Minister quite rightly said that you could find oil and you could blow all the money in a short space of time. This Government certainly knows how to spend money, with abandon, and spend it on some very questionable projects.

Therefore, we are not going to buy into it. We will support the notion of continuing to do what we have been doing, wherever we do it and to the extent that there may be some benefit for the country, we are supportive.

Mr. Speaker, the legislation has a few shortcomings. I spoke earlier about the question of the environment. It is clear that because of the absence of proper environmental protection legislation in Barbados, we are forced to rely on a very short section that calls for the environment to be protected in terms of the environmental duties at Section 38.

In essence, Mr. Speaker, we cannot relate to any existing legislation because none exists. The Honourable Member for the City of all people, who is so busy trying to beautify the environment of the City, should take the lead. Maybe, that could be her Swansong.

Sir, we should have some proper environmental protection legislation so that when matters like these come, we do not have to rely on these short sections and someone submitting a plan to the designated authority but rather, we could have some knowledge in knowing that we could protect our environment, not only with these activities, but with other activities occurring on our marine ecosystems, generally.

Hon. Ms. H.E. THOMPSON: Mr. Speaker, on a point of order. I do not want to interrupt the Honourable Member. He is not giving us a lot of substance and I do not really want to interrupt him.

Mr. SPEAKER: What is your point of order? Please.

Hon. Ms. H.E. THOMPSON: The Honourable Member is misleading the House when he seeks to suggest that there is a dearth of legislative provision to deal with it. In 1999, this House passed a Marine Control Pollution Act and a Marine Environmental Control Act, I do not remember the exact legislation but there are two substantive pieces of legislation which deal with marine pollution, marine control and environmental control within the marine environment and that will undergird what is happening in this piece of legislation. Therefore, to suggest that there is no other legislative framework is really entirely false, but I understand that the Honourable Member has nothing in particular to say. Sir, that is the problem.

Mr. R.L. SEALY: Mr. Speaker, so apparently we are supposed to look and see what is undergirding the legislation. Maybe, I could take my seat and the Honourable Member can tell me what else is undergirding here.

Sir, there is the issue of health and safety as well. We passed legislation dealing with health and safety. It has been debated. It has not been proclaimed so here it is now, in an issue like health and safety, we are once again left to these few eight or nine clauses in the legislation, dealing with an activity that can be fundamentally dangerous, in a very risky environment.

Therefore, we need to ask some questions. I must tell you, based on that intervention, about another shortcoming in this legislation, is this question of the designated authority. In the definition it makes it quite clear that the designated authority is the Minister responsible for energy. We have some difficulties with that, Sir.

Sir, this designated authority has an incredible amount of power, under this legislation. The issue that I just mentioned, the environment plan and making sure that they comply with what is perceived to be the national interest, has to be approved by the designated authority.

The development plan has to be approved by the designated authority, as well as the reconnaissance licence, the exploration licence, the production licence, and if a licence is to be extended, the conditions of this licence.

Sir, the Honourable Member for St. James South may think that I have something personal against her but it is not against her. In the future, we may have a cantankerous Minister of Energy, and we would not want that person to have this power and to be in a position to do something that may not necessarily be in the national interest.

Sir, just about everywhere that democratic Government is practised, we are moving away from this question of having a sole Minister making major decisions like these. In this very Parliament, this Government has at times tried to make heavy weather of the fact that it is moving the capacity to make decisions away from a singular Minister.

Asides.

Mr. R.L. SEALY: The Transport Authority, someone mentioned to me, and the question of the Queen Elizabeth Hospital Board.

Sir, do you know that in the offshore banking legislation, for an offshore bank to be approved, the Central Bank has to recommend it the Minister of Finance. The Minister of Finance cannot just arbitrarily give an offshore banking licence but a Minister of Energy now can give certain licences, under this legislation, and can even have disciplinary power to suspend a licensee. Mr. Speaker, I do not think that is really relevant in this day and age, when we are trying to move away from this question of a Minister having all of this power and all of this influence.

Mr. Speaker, I make these remarks cognizant of the fact that we are passing legislation, not only for today but for tomorrow. It is not meant to be anything personal. We are talking about contracts that are worth many tens of millions. I do not think any one Minister of Energy should have type of influence.

The Minister with responsibility for urban development cannot sit down and decide who should get a contract cutting down an ackee tree, for example, because it has to go through the UDC Board.

House 144, Sequence 18, 13:50:14

Friday, August 10, 2007

Mr. R. L. SEALY: Why should this one Minister have all of this power with respect to these decisions and

with such large sums of money and dealing with something potentially so sensitive.

Asides.

Mr. R. L. SEALY: It could be repairs to a house too, I did not mean anything by it, but you would understand the point I am making. I am just saying, Mr. Speaker, that we need to be very careful in that respect.

Mr. SPEAKER: I was going to say that the ackee tree was cut down a long time ago.

Mr. R. L. SEALY: The ackee tree was cut down a long time ago, but the Urban Development Commission is still doing other works.

Mr. Speaker, we are not dealing with ackee tree money here at all, these are many millions. Therefore, we believe that there is a case for lots of transparency, and we want to see something done about that.

Mr. Speaker, the mere fact that they talked about a designated authority, they do recognise that down the road that has to be changed. Maybe they will establish an authority, it could be an advisory panel or whatever, or some other statutory body may be set up to be the designated authority so that you could at least have a more broad-based involvement in the management of this Act.

Mr. Speaker, the Minister would talk about her box that you could see through. The tenders box is transparent, but let us face it, with these sorts of powers you could still, at the stroke of a pen, make decisions that could one way or the other be worth millions for a licensee. Mr. Speaker, I do not think that is really and truly even fair to the Minister at this day and age, to have to walk around with those burdens. Sir, they could allow a more broad-based approach in terms of how we deal with that.

Mr. Speaker, the Minister also has responsibility for the environment, so this point is directed at her. We heard about the two pieces of legislation with respect to the marine environment and the protection of it, but let us talk about the question of policing the legislation. We have some corporate players in this sector who are highly responsible, some of whom had to learn it the hard way by having to spend billions of dollars in terms of oil spills. Sir, the simple reality is that you cannot count on every single player to be responsible enough that if there is an incident they would come and tell you. Mr. Speaker, we have some very real examples here as well, this question of the aviation fuel in Gibbons and the impact that is having on the arable land in that area.

Mr. Speaker, what we are saying is that it is okay to have the legislation, but the monitoring of this legislation is

important. Mr. Speaker, this is a Government which cannot even get to the bottom of illegal dumping in gullies, so how are they going to deal with a potential oil spill 5 000 feet under the sea. I am just saying that they also need to have the appropriate monitoring mechanism in place.

Mr. Speaker, I might add that the gully problems come in spite of the institution of Gully Week by the same Honourable Member for St. James South. Of course, Gully Week has 'gone through the eddoes' now, but I remember when that was the hottest thing out. Sir, as it is now, all the gullies are cluttered up, so I would hope that we do not find ourselves in terms of the monitoring...even with terra firma, on ground..., I would sincerely hope that the Government does not plan to take that same track record out into our marine environment which is a lot more precious, because much more is at stake when we are talking about a potential environmental incident or accident in that area. Therefore, I would like to know to what extent thought has been given to that aspect of this whole exercise. Mr. Speaker, we need to give some careful consideration to that.

I mentioned, Mr. Speaker, the conflict that could take place between some of our traditional activity and offshore drilling. I would want to say something with respect to the matter that I glanced at earlier, which the Honourable Member spoke about, which is the issue of the arbitral settlement. Mr. Speaker, I understood from the Government of Barbados, that the main reason they were going to pursue that course of action was because of the issue of fishing, now we are hearing that as a consequence of that, we are going to have this new industry that is going to blaze trails all over Barbados.

Mr. Speaker, I spoke earlier about this question of indecent haste. We are saying that the people of Barbados must be put first. The \$12 221 383 043 that was spent on that arbitral settlement was supposed to be spent for the fisherfolks of Barbados. Mr. Speaker, while we have raced ahead and we are now on the verge of doing everything to facilitate the large multinationals to come and do their drilling, the fishermen are still without an agreement and without any hope of an agreement.

Mr. Speaker, the Government would say that the \$12 million was well-spent, but we believe that the taxpayers, including persons in the fishing industry, would have spent that money.

Mr. Speaker, we are on some tight timetable now to meet everything by the end of the year, because as I say the manifesto has to be drawn up early in January, so we have to get this thing in place by December apparently. Mr. Speaker, we are so far ahead in this process, but still there is no hope for persons who are participating in the fishing

sector who would have held out hope that the arbitral settlement would have worked out in their interest.

Mr. Speaker, we were told in that same statement by the Honourable Member for St. Michael North East, when she indicated that we would be beginning this, that the Permanent Court of Arbitration had ordered Trinidad and Tobago to negotiate in good faith, a fishing agreement. Of course, that was not true because when you read what the Permanent Court of Arbitration said, they said that Trinidad and Tobago was under a duty to agree to coordinate to ensure the conservation of the flying fish stock and to negotiate in good faith. Mr. Speaker, it also said that Trinidad and Tobago has their right and duty to conserve their resources within their Exclusive Economic Zone (EEZ). In other words, Trinidad and Tobago are not duty-bound to allow Barbados fishermen into their waters. They are saying it is polite, and I am saying that would be conflicting with the oil drilling that we are proposing.

Mr. SPEAKER: Sir, please, please. I thought you were mentioning this in passing, but you seem to be going into it in much detail.

Mr. R. L. SEALY: No, I was dealing with the arbitral award.

Asides.

Mr. R. L. SEALY: Mr. Speaker, we have reached the point where all the money was spent, the fishermen have been totally forgotten, they have been cast aside and we are moving ahead now with this issue. Sir, no fishing agreement is in place and we were supposed to conclude one. That is what was said in this House. I am a member of this House. That was cited as the start of this process, but this process is nearly finish and the one that we started on that affects ordinary Barbadians. We have got nowhere with it, but it just says something about the priorities.

Mr. Speaker, as I have said, we need to look at what has been the overall general approach of this Government. Sir, as I am saying, they are just basically trying to play a little public relations game with respect to what is proposed.

Mr. Speaker, I do not want to get too deep into the fishing agreement, or the lack thereof, but I think we could ask a question relating to the issue of Trinidad and Tobago. The Minister made much song and dance about the fact that we are going to be getting natural gas from Trinidad and Tobago. I know from that debate that we had on the National Energy Policy that the Government is placing heavy store on the potential for natural gas to quench many of our energy needs.

2.00 p.m.

Friday, August 10, 2007

Mr. R. L. SEALY: Mr. Speaker, my question basically is, if it is that we are possibly going to be producing our own natural gas within eight to ten years, what are the implications for the pipeline, which the Honourable Member for St. James South said was coming? The Honourable Member said -not me - the pipeline was coming and that the Trinidadian private sector was going to finance it.

Asides.

Mr. R. L. SEALY: Mr. Speaker, the Honourable Member is saying that I am not saying anything but this is a legitimate concern. Therefore, to what extent would this affect us, if we are going towards an economy that is going to rely heavily on natural gas, to suffice its energy needs?

Mr. Speaker, the Honourable Member for St. James South must be very clear and tell us to what extent, or how have all of the issues involving Trinidad and Tobago been properly resolved. We can see where the question of a fishing agreement is going, which is nowhere, but what about natural gas? What about some of the other needs? Sir, whether or not it is coming on a barge or in a pipeline, I think it is something on which we need to be very clear. It is something that as a House and a country, we need to understand because it could have implications for what might or might not happen in the future.

Mr. Speaker, at Section 40, the legislation calls for some local input and specifies the areas that we should pursue. It says:

“The Licencee should undertake development in training of residents in Barbados, where training should be for all positions in the petroleum industry, including administrative, technical and management position, where such training shall prepare residents in Barbados to replace positions held by expatriate personnel.”

Mr. Speaker, I take it by using the terms “residents”, as opposed to “citizens”, that deals with the question of our single economy. However, what it does not deal with, is the fact that it is only obvious that other countries that have developed petro-chemical industries, will be at a natural advantage with respect to these jobs that would be afforded. Therefore, even if the licensees do undertake to do some training for residents, we still need to ask whether or not Barbadians would ultimately be the beneficiaries of some of this so-called industry, and what would be done directly to assist Barbadians, who may want to pursue a career in this sector.

Mr. Speaker, there is also the question of providing training for persons employed by the Crown, who may have responsibility for monitoring. I think, obviously, if the industry is going to, perhaps, take off in another eight years, if we are lucky, then that type of security needs to go on before hand. Therefore, to what extent is the ministry working along with the other tertiary institutions in Barbados, to see that starts to take place beforehand? I would think it is a good thing but we need to be clearer on it because we may find ourselves in a situation where we would have jobs that end up being taken by persons, for example, from Trinidad and Tobago, because of the fact that Trinidad and Tobago has an established petroleum industry and have already shown a liking for coming to Barbados. And we are not absolutely sure where that would go.

I also believe there is the question of the Barbados National Oil Company (BNOC). If we are going to have experts within our jurisdictions, experts at exploring and producing oil, we should look at a situation where some sort of assistance, such as technology assistance, could occur, to the benefit of the State-owned oil company. It is a known fact that company has been producing way less than what it was producing in times gone by. There was a time when it was producing over

2 000 barrels a day. I think they are now down to somewhere between 500 and 1 000 barrels. Therefore, if it is that technology could improve the production at the Barbados National Oil Company (BNOC), then there would be nothing wrong with the Government of Barbados insisting that with these new players coming in, they should be required to assist in getting the State-own oil company back up to scratch.

Sir, in the same way we say they should undertake to develop and to train residents, in the same way that they should undertake to train and develop personnel employed by Government, they could also be required to assist in terms, first getting our own drilling efforts on land up to scratch and therefore improved to the point where we could have some more production of our oil onshore. I think that is definitely an area that could be developed. It is an area that could be looked into for developing some other ways, where we could get overall benefits from what we are proposing in here today.

Mr. Speaker, we have to ask ourselves, at all points, how exactly is it that Barbadians would benefit. It is okay to talk about the anticipated improved tax returns but I would think that we should also look at real ways, where people could have a stake, where people could start a career and improve their qualities of life beyond what the Government would earn. Let us face it, we have seen it, a windfall in taxation does not necessarily mean that prosperity follows. There are some examples in this

Caribbean. To some extent, there are examples here in Barbados. When VAT came along and we had all that extra money, what really happened - Sir, we could get another debate on that -0 in terms of getting the benefit from that extra taxation. But we need to be clear on areas where we would see a qualitative improvement in the standard of living of all Barbadians, as it affects this industry.

Mr. Speaker, we believe the matter is not one on which we need to make a lot of grand statements. Sir, I understand the excitement on the other side because presently, the Government cannot come to the electorate and talk about the wonderful job they are doing to help education, to help control the cost of living, or to assist with our housing programme. Therefore, since Cricket World Cup, 2007, did not work out, the new excitement is about oil.

Mr. Speaker, I am saying that we cannot be a part of that exercise but that to the extent that we as a country view what we are now presently doing as something, which could be developed and carried into other areas, then there is nothing at all wrong with that. The legislation has some shortcomings, I understand the one dealing with taxation has to be replaced altogether, as it has a number of errors in it.

Asides.

MR. SPEAKER: Honourable Member, we are only dealing with Order No. 9.

Mr. R. L. SEALY: Mr. Speaker, I am only responding to what the Honourable Member said. I think that given that fact, we just think that the shortcomings need to be properly and thoroughly addressed. If it is that we are going to benefit in a real way down the road, that is wonderful but we know only too well about the grand declarations.

Mr. Speaker, could you imagine, one of the bid blocks actually carries the title "flying fish"? I could only wonder how the fishermen must feel in reading about that fact, because they apparently have been totally forgotten and left cast by the wayside. But we are now looking for oil, that is the new thing, do not worry about the fishermen. Furthermore, the crane is not working at Oistins but who cares? That is not important apparently. Cricket World Cup, 2007 did not work out, so it is all about oil now, that is the new thrust.

Mr. Speaker, we wish the country well as we pursue our reserves in the marine environment. We will not get caught up in the talk, we have heard it all before. The Primary Home Programme and the insect "Honey Bee" that they had, and everybody was to have a house. That did not materialised.

2.10 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Mr. R.L. SEALY: We heard about the closure of the landfill and we are now hearing about this huge industry that we are on the cusp of but we do not buy into that. It is simply a case of the St. Joseph Hospital, that somebody would have to pay but 13 years later, nothing has happened.

Sir, we have grown use to the grand declarations of the Honourable Member for St. James South, the Minister for grand declarations and nothing happens. We are not impressed with that, we will deal with what is before us. We are simply setting up a framework for taking an activity that has been occurring for 100 years into the marine environment and, Sir, we do not mind. We wish the country well. Even when the careers of all of us in here are over...

Asides.

Mr. R.L. SEALY: Mr. Speaker, we are setting up a framework and I am not going to get caught up about the new industry and wiping out the national debt. The Minister said that she was proud to be talking today about a new industry that could pass out tourism and agriculture but, Sir, we are not going to be part of that exercise. This is a serious exercise of exploiting our hydrocarbon, which we have been doing for 100 years, but we are not going to get too caught up in all of that. Sir, corrections need to be made to this legislation and once that is done, we will have the framework.

Mr. Speaker, we heard that companies would not be prepared to spend millions if oil was not there but, Sir, ConocoPhillips spent millions but did not get any oil because it is a high risk industry and, therefore, we do not know what lies thousands of feet under the sea or thousands of feet under the seabed. We could just hope that something is there from which we could all realise some benefit and to which our children can realise some benefit down the road.

Mr. Speaker, I do not think that the matter has reached the point where we cannot have that consultation which we need to have. Sir, the Minister, rather than attacking the Opposition and anticipating the Opposition in her windup, the Honourable Member should have thanked the Opposition because if we were not in our seats, they would be no quorum. Sir, this is a brand new industry that promised to bring all this benefit to Barbados but no more than three ministers were in their seats, when the

Honourable Member moved this Bill. Sir, this is unbelievable even though it is so important.

Sir, on behalf of the Opposition, I want to say to the Honourable Member for St. James South that she is most welcome because, were it not for us, we would not have had this debate today and the Minister would not have the chance to say how humbled she was to start this new industry in Barbados.

Asides.

Mr. SPEAKER: Order, order, please. Have you concluded the Bill? Honourable Member, please get on with the Bill and leave out the asides.

Mr. R.L. SEALY: Mr. Speaker, I am an Honourable Member, you have called on me to speak and I have a limited time, Sir.

Mr. SPEAKER: Honourable Member, just proceed.

Mr. R.L. SEALY: Mr. Speaker, I just want to ensure that rather than talk about these brand new industries, maybe what the Honourable Member could talk about is what potentially could happen through our closer relations with the multinationals to do something about getting cheaper electricity, to do something about the fuel adjustment charge. Let us deal with a few issues that could impact positively on people in a real way or even explain to them how, down the road, such could occur.

Mr. Speaker, I would have thought that in two-and-a-half hours talking about this brand new industry and how emotional and how good the Honourable Member is feeling that at least she could have talked about capacity building for one minute. Sir, there was not a word about refining. I would think that if you are talking about a crude oil refining industry that you would have to look at the issue of a refinery of some sort.

Asides.

Mr. R.L. SEALY: It would be a sore point because I know you like to close down things. You closed down the St. Joseph Hospital and the Mobil Refinery. It was about closing down everything. Sir, we are going to have a problem and maybe the Honourable Member for St. James South should listen to the technocrats in the Ministry of Energy, the ones who told her to take her time, that she was moving too fast. I know they are upset because they do not want any part in this political foolishness but you should listen to them on the issue of setting up a refinery. If you are talking about setting up an industry such as this, you are going to need to look at your refining capacity for crude oil.

Hon. Miss H.E. THOMPSON: Mr. Speaker, on a point of order. The Honourable Member is misleading the House if he is seeking to suggest that there has been good technical advice rendered, which has been ignored. Moreover, until there is an industry, there cannot be any discussion about a refinery.

Mr. R.L. SEALY: Mr. Speaker, we were told that a new industry is being created. I understand that the drilling operations are different from the refining operations, which would be different from the distribution operation even though you have companies that do all three because most of the large companies are vertically integrated. I am suggesting that instead of telling us how emotional it is and these dreams we are dreaming about, born and unborn generations, dreams onshore and dream offshore, I guess they are wet dreams. Sir, instead of all these dreams, if we could hear something about the different capacities in dealing with the issue of refining.

I am just suggesting that we could hear something about the overall industry and this issue of lacking a refinery will be a factor whether or not it refines the crude oil or whether it does something similar to what was done previously, the cocktail, and improving our access to end products, in our own marketplace by our strengthened involvement in the overall petroleum industry. Sir, I do not agree at all that it should be dealt with totally separate.

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Sequence 21

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Mr. R.L. SEALY: Mr. Speaker, I think the Government has to share a few more particulars with people of Barbados on this industry. I think they need to develop some more particulars specifically on this issue of the offshore drilling that we are looking at. If indeed we are on the cusp of this brand new industry, there is actually a lot more involved then just simply the drilling operations. So we need to look at it comprehensively.

I do believe, as well, that our activities, which we are speaking of, will impact our national energy policy. There are some clear disconnects between our national energy policy and what we heard here today. I mentioned this question of natural gas, but we need to bring it home.

I, unfortunately, cannot regale you with anything about how emotional I am. I see this basically as a natural process, an extension of what we have been doing for a hundred years, and we will be doing, if we are lucky, for maybe another hundred years in an improved way, that can benefit all Barbadians.

Sir, I am not opposed, ultimately, to what we are discussing in here today, but I would urge the Government to take your time. There is no hurry. Do not worry about that election thing. I do not think any promise of oil could save you anyhow. The point is, let us understand that they are players with whom we need to consult. I think that everyone should have a say. I think you need it at the impact on the tourism product, the impact on the environment, and the potential for ordinary Barbadians to get involved. There is so much that needs to take place. Sir, the reality is, even after December when you start to award the blocks, there will be many years involved in terms of the exploration and recognizance work and so on, cleaning up the seismic work that has been done, and then doing the exploration work before you can even think about production. Sir, we are talking eight to ten years. I do not understand the hurry. Sir, I think I understand it better, based on what I read today, but I am not satisfied that this Government is approaching what could potentially be something very good, in the correct way.

Sir, with those remarks, I am very much obliged to you.

Mr. SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I rise to participate in this debate and to support the Honourable Minister, who spoke in outlining this legislation that would set out the framework for the restructuring of the legislative provisions, dealing with the petroleum industry in Barbados, but more particularly, to be able to innovate, in relation to the marine platform for offshore drilling, in respect to oil and gas and hydro carbon resources, for this country.

Sir, I do so, after the last speaker, conscious that he spent the last forty-five minutes, circling without being able to bring down his landing gear. I am sympathetic with him, because his speech focused entirely on a series of ad hominem attacks, and clearly reflected an inability to understand the topic, as well as to be appropriately briefed, especially in relation to matters pertaining to the fishing agreement and other things to which he referred tangentially.

Mr. Speaker, this legislation, that is before us, is one which seeks to make sure that Barbados can have the beginnings of an energy policy, that will allow us to increase the percentage ...

Mr. R.L. SEALY: On a point of order. The Honourable Member is misleading the House, suggesting that I made an ad hominem attack. I do not see how supporting an effort at exploiting our resources, could result to an ad hominem attack. Sir, I do not think you

would allow me to make an ad hominem attack. Sir, it is not a reflection on me, but it is a reflection on the Chair.

Mr. SPEAKER: I think so, too.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I will not refer to it as an attack, because of your ruling, but I would simply reflect, that he spent the majority of his time making comments about the Minister of Energy, that did not relate to anything that was in the substance of the Bill. Sir, I say so, because he was, in fact, in a speed wobble, having been given the responsibility of leading on behalf of...

Asides.

Hon. Miss M.A. MOTTLEY: He was in a speed wobble on matters relating to personal issues, as it relates to the Honourable Member for the Ministry of Energy. Mr. Speaker, I am saying that when he could not find comfort there, he then sought to move to the fishing agreement and other things, in circumstances where he was not even briefed, because if he was briefed, he would know that as recent as last Tuesday, BARNUFO, The Barbados National Union of Fisherfolk Organisation, also with its former President, and fishermen, from Oistin, were in Tobago, along with the Ministry of Foreign Affairs, and Sir Henry Forde, who is the lead negotiator for the Government's team. Sir, all the time he is crying false tears in here, on their behalf, he has been unaware that they have been meeting, in pursuit of trying to settle ...

Asides.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, they could not fish in August, and that was indicative of the fact they do not even know, that the fishing season does not take place until November.

Asides.

Mr. SPEAKER: Order, please.

Hon. Miss M.A. MOTTLEY: Sir, there were meetings with the Secretary of Agriculture, from the Tobago House of Assembly, and all of the fishing officials. Sir, I shall not be deterred by the comments of the Honourable Member for St. Michael South Central.

Asides.

Mr. R.L. SEALY: On a point of order. Sir, the Honourable Member for St. Michael North East, knows you cannot have an agreement with officials from the Tobago House of Assembly. The agreement has to be with the Government of Trinidad and Tobago. There is no fishing agreement coming. Stop misleading the House and

the country. Do not tell me about last week, because I spoke to an this morning, and I know you are not getting an agreement. That is what the Tobagonians are saying.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, once again, the Honourable Member belies his ignorance in a way that is unparliamentary. The reality is, the Prime Minister ...

Mr. SPEAKER: Please, please. Honourable Member, you cannot refer to the Honourable Member's ignorance, please.

Hon. Miss M.A. MOTTLEY: Sir, I said belies, but if you want me to withdraw it, I will withdraw it, because I can withdraw it, but he cannot change it.

Mr. SPEAKER: Honourable Member, and I cannot do anything about that.

Asides.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, the Prime Minister of Trinidad and Tobago went here, at the beginning of July for the CARICOM Heads of Government Meeting, spoke to these matters to the Press of Barbados, in a Press Conference. He indicated that he had agreed with the Prime Minister of Barbados that a team would meet with the officials in Tobago, to ensure that any fishing agreement which flows from it, was fully inclusive in relation to ensuring the participation of the Tobagonians. Sir, that statement, which he just made, once again, reflects his flying in the air on these matters. Sir, if I was not in here I would use other language.

Mr. Speaker, I am saying to you that we continue to have persons in here, rising to speak on matters, for which they have not been appropriately briefed, and the reality is also this. Over the course of the last fishing season, there has been an accommodation, and there will be, because we recognise that there is an interest on the part of Barbados and of Trinidad, in ensuring that there is conservation. Equally, there is an interest in ensuring that we have access to the waters for our fisherman to continue the work.

Sir, it so happened, once again, had he spoken to the fishermen, he would have realised that this season has been the most bountiful season for Barbadian fishermen in Barbadian waters. Any conversation, for five minutes, would have made him realise, that there has been no pressure, largely for the most part, that the Tobagonians have been complaining, that they have had problems in relation to the fish stock, and that the Barbadians, this season, have not.

Sir, there are a number of complex scientific reasons which I will not get ...

14.30 p.m.

Sequence 22

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House 144, Sequence 23, 2.30 p.m.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, there are complex scientific reasons which I will not get into in this debate.

Mr. SPEAKER: Honourable Member, as I said earlier, I do not want you to go into any detail relating to this particular topic, please.

Hon. Miss M.A. MOTTLEY: Thank you, Mr. Speaker, I am not going into it but I have only been forced to respond to the fact that there has been an allegation that the Government has not been paying any attention to the fishing agreement and has not paid any priority to the concerns of the fishermen. Sir, he made it an issue in his debate.

Mr. R.L. SEALY: Mr. Speaker, on a point of order. I did not make any allegation about the Government refusing to pay attention, I have simply said that the arbitral agreement, according to the statement from the Honourable Member for St. Michael North East, said that they would conclude a fishing agreement. Since the Honourable Member apparently has found back her bite, tell us when you are going to conclude the agreement.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, the Honourable Member must realise that no amount of increase in decibels gives him the opportunity to increase his intellect in this Assembly. The reality is that the Government is in the process of concluding a fishing agreement, which can only be concluded by having discussions.

In January of this year, Mr. Speaker, the Honourable Minister of State for Foreign Affairs and myself would have met with the Attorney-General and the Minister of Foreign Affairs in Trinidad and Tobago, and pursuant to that, the discussions then took place between the Prime Minister of Barbados, and the Prime Minister of Trinidad and Tobago and pursuant to that, there were the visit and interaction between Barbadian fishermen and Tobagonian fishermen, as well as discussions with the Tobago House of Assembly Secretary of Agriculture.

Mr. Speaker, if he had even come in here and reflected knowledge of those factual circumstances, I would have let his editorial comment pass but, in the event that the records of this House have been unfortunately

affected by inexactitude, then this Government has a duty to state the factual circumstances.

Mr. SPEAKER: Could we move on, please?

Hon. Miss M.A. MOTTLEY: Yes, Mr. Speaker, but the mere fact that the Member spent as long talking about those issues was indicative to me, Sir, that he really had nothing to say on the Bill.

Sir, he does not understand what we are trying to do. He does not understand that, in seeking to increase the percentage contribution to GDP by a maritime offshore oil and gas industry which, hopefully, in the future would also be buttressed by other minerals, we are in effect trying to create a fifth protective sector for Barbados, such that the diversification of this economy can continue, which is taking place in the first generation of Independence.

Mr. Speaker, all of us in this House at some point or another, have spoken about the fact that we are a service economy but we understand the vulnerability that we face in relation to services, particularly in relation to the tourism sector and the international financial services sector. Sir, while it has done us well and provided for the citizens of this country in terms of our being able to improve their quality of life, there must be continued efforts in the diversification of the economic base of this country, if we are to have some assurance of sustainability for future development.

Mr. Speaker, if that precept is a little too high for the Honourable Member for St. Michael South Central to understand, it is unfortunate. Hopefully, the people in St. Michael South Central would realise their mistake on the last occasion in respect of him because, I think, that they too, would have thought that these issues would not have been beyond his grasp.

Sir, he has shown in here today that he is not even prepared to go and read generically, even if he does not want to talk about the specifics of this Bill, to speak to what is happening in the world today, in relation to the oil and gas industry, in relation to the fact that we are using a resource that is non renewable, in relation to the fact that the usage of it will cause serious problems, which ultimately can affect the viability of small States such as ours, in the next 50 to 75 years.

Mr. Speaker, the reality is that while we speak, officials in my Ministry have been charged with the responsibility of doing economic planning for what will happen when oil reaches US\$100 a barrel. Sir, Barbados is largely an open economy, which is highly dependent on imports. Our percentage spend on oil and gas has moved from 2 per cent of GDP in 2003 to 6½ per cent of GDP today.

Mr. Speaker, we have done so without sending home 4000 people, as they did in 1991 and without cutting salaries by 8 per cent. The reality is that the external circumstances within which we have had to function, have changed substantially, but we have kept the ship of State afloat, and we have continued to see economic growth in excess of 4 per cent.

Sir, we believe that with prudent management and careful stewardship, in relation to the nurturing of this fifth productive sector, we can insulate the country from the shocks that have traditionally caused significant economic dislocation, whether in the mid 70s, early 80s or what it threatened to do in the last few years. Sir, that is the hallmark of a Government, which is serious about providing for its citizens, in a sustainable way.

Mr. Speaker, we have said, that we do not have a history in oil. Sir, all this talk about a century of oil and gas exploration in Barbados, is a lot of nonsense. We do not have the expertise in the numbers, and in the volume that we need domestically, to be able to allow us to become a mid-size player in the oil and gas industry.

Aside.

Hon. Miss M.A. MOTTLEY: I am hearing in an aside that we do not even have the legal infrastructure, in terms of experts in the law on the oil and gas industry in Barbados, and that is true. We have had, Mr. Speaker, to assemble the requisite expertise to make sure that we do not do to the oil and gas industry, what the Democratic Labour Party Government did to the fishing industry, with the fishing agreement in Trinidad and Tobago in 1990.

Sir, the Democratic Labour Party signed the fishing agreement with Trinidad and Tobago in 1990, without the relevant expertise and advice. This caused the country to suffer the consequences for that action, in relation to its maritime boundaries.

Mr. Speaker, those are the facts and we have said, no. This is not a case where we can go and settle over a bowl of soup in Conset Bay, where the 26 oil blocks must go. Sir, let us get real. Thirty years ago, there were two things that would never have allowed, even if we had settled the maritime boundaries for Barbados then, the development of an offshore oil and gas sector.

Sir, first, the technology for deep sea-drilling was not available, and it is only in the last decade, particularly led by PETROBRAS out of Brazil and the Norwegians, that the technology has become available for the kind of deep-sea drilling that is necessary in Barbados' maritime environment. Secondly, the cost of oil at \$28 a barrel and \$30 a barrel, made even onshore drilling uneconomical, far less offshore drilling.

When the Honourable Member speaks about the decline in the onshore, he has to know that part of the reason there was a diminution in the volume of onshore drilling, was because it was more economical to buy the oil at the world market prices, than to extract it from our shores at that time.

As a result of the increases, BNOC has agreed to be able to expand their programme. In addition, there is now technology available that allows for greater precision, in relation of where to find oil. The Honourable Member may not recall or may not have known that for the most part, most oil wells do not extract more than 30 per cent or 40 per cent of the oil, on the current technology that is commonplace.

Sir, there is now technology being developed, where people are going back and buying a whole set of old wells, doing parallel drilling and extracting the oil from the wells, such that you can get at least the oil that remained in the well, particularly since less than half would have been extracted.

Mr. Speaker, these are the issues that we have to contend with from a policy basis, a technological perspective, a legal perspective, and a fiscal perspective. This is not a country that has had a tradition in these matters.

House 144, Sequence 23, 14:40:14

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Hon. Miss M. A. MOTTLEY: Mr. Speaker, this is not a country that has had a tradition in these matters. Mr. Speaker, the worst thing you could do on behalf of a Government holding the patrimony in trust is to pretend that you know everything and move forward without the requisite advice.

Mr. Speaker, in my view, the majority of the Members of Parliament would have had to read fresh on these issues. Mr. Speaker, that reinforces the point that even though you may have had elements of onshore drilling in Barbados, Barbados does not have a requisite culture or expertise in oil and gas as Trinidad and Tobago has developed over the last century.

Mr. Speaker, we have sought to assemble the appropriate expertise from a policy perspective, from a technological perspective, from a scientific perspective, from a fiscal perspective and from a legislative perspective. Mr. Speaker, I do not believe that we would get it all right in the first going down if not we would be as close to being divine as is not usually the purview of mortals. Mr. Speaker, I do know that we would commit ourselves to

taking the best decisions based on the best possible advice that is available to us.

I also know, Mr. Speaker, that in terms of where we have set ourselves, we have sought to be competitive in relation to other comparative jurisdictions that have a similar profile to Barbados in relation to the deep-sea drilling that is necessary in order to be able to extract. Mr. Speaker, we have looked at their fiscal regime and their legislative framework and we have tried to pitch ourselves to give us a level of competitiveness because Barbados is not traditionally known in the oil and gas world for these types of activities.

Mr. Speaker, there is nothing new about it. The increase in the price of oil has also led, for example, Canada, for the first time in the last decade, to really be able to expand its production out of the Alberto sands, which has effectively oil that is above ground from the sands and extracting from the sands the hydrocarbon resources. Mr. Speaker, they could not do that when oil was \$28 or \$30 a barrel, they could do it now.

Mr. Speaker, in the last two weeks, many Honourable Members may have seen that there is now a rush for the Antarctica and the Arctic because countries have recognised that we would reach a point in this century where access to hydrocarbon resources could easily be further displaced beyond the wars in the Middle East and beyond the hurricanes that disrupt the supply chain, such that the prices we would be facing would no longer be the issue, but access to oil.

Mr. Speaker, we have a civilisation that is entirely dependent on these kinds of energy resources. These are issues that are fundamental to future generations of Barbadians. If this Government could bequeath for future generations, a fifth productive sector that could insulate them from the kinds of challenges that are likely to be facing the globe by the mid 21st Century, then I believe, Mr. Speaker, we would have discharged our responsibility appropriately.

Mr. Speaker, I will go further. There are all kinds of speculation as to whether or not the world has seen the peak in oil production. Sir, one of my colleagues in here I believe is reading "The End of Oil", a book I would commend to the Opposition.

Mr. Speaker, there are all kinds of speculations as to whether it would be as early as 2015, 2030 or 2050. Mr. Speaker, the one thing they are not speculating about is that it would be in the 21st Century, and that therein after production in that non-renewable resource would drop and drop and drop.

Mr. Speaker, I happen to be a little more optimistic than most people because I believe that the collective wisdom and brain power of mankind can find alternatives that could help us stabilise our societies in terms of their dependence on oil and gas. Prior to oil, there was coal. Coal drove a whole industrial revolution and the world came to the point where it recognised that coal was no longer the energy of choice and moved to oil. Mr. Speaker, more and more, gas is replacing heavy oil.

Mr. Speaker, British Petroleum has put \$8 billion in a company which is called BP as well, not British Petroleum but Beyond Petroleum, because they want to be on the frontier in relation to the new investments that are necessary for renewable energy because they recognised that the world has an obligation to be able to move more and more to that.

Sir, 30 years ago, the “Tom” Adams Government did experiments in terms of wave energy and wind energy on the East Coast and now countries across the world are seeking to put more and more money into wave energy and tidal energy because it is believed that it could truly add to the grid.

Mr. Speaker, our own view is that there would be no single replacement for oil and gas, certainly not in our lifetime. Sir, what there must be is a composite set of different alternatives that would allow us the luxury of being able to reduce the extent to which we have to find foreign exchange to import oil and gas into this country.

Sir, to the extent that we can produce..., have it refined and offset against what we import to the extent that we can get the wind farm, whether it is in St. Lucy or wherever else, going that can put electricity into the grid; to the extent if we could have access to concessional prices for natural gas from a pipeline out of Trinidad and Tobago; to the extent that we can use the photovoltaic panels and place one on every building in this country such that it can generate electricity for both residential and commercial buildings and sell the surplus to the national grid, and to the extent that we can use ethanol as well to be able to have in the mix of gasoline..., would reduce our foreign exchange spend.

Mr. Speaker, these are matters that we ought to be talking to the country about rather than just rough blandishments that electricity prices must come down. Mr. Speaker, electricity prices are not going to come down out of the blue. Therefore, what the Government is trying to do is to put a series of measures in place, just as we did with the solar water heaters...

Mr. Speaker, when “Tom” Adams and the Barbados Labour Party Government gave fiscal incentives to the solar water heating industry, it effectively guaranteed their

stability in this climate and made Barbados one of the highest per capita users of solar water heaters in the world, such that Barbados is now in a position where it has investments in solar water heater productions in St. Lucia. There is the joint venture we are doing in Nigeria, and we are now looking at other countries within the region in order to get market dominance before the Indians, the Israelis, the Germans and the Americans, who are already market leaders in this area.

Mr. Speaker, this area of public policy represents an area in which future parliamentarians and Ministers would have to be proficient. Mr. Speaker, I say so recognising that it has not been required of us, certainly in the last two decades that I have been in public life, but we have a responsibility because the two major issues that this country would face for the next three decades outside of any domestic social issues, will be climate change and the extent to which our economy is so heavily reliant on coastal infrastructure and coastal earnings and access to energy.

Mr. Speaker, there can be no Government that is serious about maintaining the quality of life in this country of our citizens that does not understand that has to be innovative but equally proficient and prudent in the management of public policy in these areas.

Mr. Speaker, I want to salute the Honourable Minister and to thank her for her leadership in this matter.

Mr. Speaker, I said then and I say now that were it not for the arbitral decision, we would not be in a position today to be discussing any legislation or the issuing of any blocks because we would have unresolved maritime areas that would have prevented us from the economic exploitation of the same.

House 144 Sequence 24

2.50 p.m.

Friday, August 10, 2007

Hon. Miss M. A. MOTTLEY: Mr. Speaker, this Government has put its money where its mouth was. I heard the other side complaining about \$12 million being spent on an arbitral process. Sir, it was \$12 million spent, to guarantee the future stability of our reserves. Sir, I went on record in the Economic Policy Statement debate that I feel very strongly that there is the likelihood that a rash influx of money could destabilise societies, both in terms of public spend, as well as the general spend of the average citizen.

Mr. Speaker, I believe we have seen enough around us in the world, to cause us to recognise that we have to

manage this money prudently, just as we did with the sugar cane windfalls. Sir, we do not hear about it now because our production of cane is too small but there used to be windfalls from the sugar industry and there used to be decisions as to how we would have spent that windfall.

Mr. Speaker, I am saying to you that rather than having an ad hoc approach to it, I strongly support the approach of the Minister and this Government, that we have a fund which would receive a stated percentage of oil revenues on an annual basis, such that we could provide for ourselves in 50, 70, 80, or 100 years from now. Sir, those are not long periods of time, there are people who sit in this Honourable Chamber, who were born during the 1930s, and went to school in the 1930s. For example, at that time, the Honourable Member for St. George South was going to school at St. Giles. When you talk about the year 2000, that was 60 years from his going to primary school. Therefore, when we talk about 50 or 60 years from now, when we talk about the years 2050 and 2060, about seeing peaks of production and declines, it is within the lifetime of some of us and certainly our children, who are already living.

Mr. Speaker, I believe that we have a duty, in the same way of the 1930s this Parliament reversed and repealed the Master and Servant legislation, that removed the iniquitous obligation of people to provide labour on plantations, in circumstances where they wanted housing...

Sir, all who want to talk about fair labour conditions must remember that legislation was passed by a Government in the early 1950s. Furthermore, there was the Holiday with Pay Act, the Maternity Leave legislation, among others. Sir, these are all legislation that would have been passed during the 1930s and 1950s, which we have now come to treasure. We now use these legislation as a benchmark for both domestic and hopefully migrant labour.

Sir, I say to you that in the same way that those legislation passed in the 1930s and 1950s acted for us today as a fillip for further economic development and social stability, that the legislation we are here debating today will act as a fillip for further economic development and social stability for those generations in 2050 and 2060. The only difference is that we anticipate that within the next three or four years, we would begin to see the benefits of this and hopefully the building out of this fifth productive sector of the Barbados economy.

Mr. Speaker, I believe this is a matter on which both sides of this Honourable House should be joined. There is no partisan politics in it but it is one that requires the united efforts of all right-thinking Barbadians. Sir, we are building an industry that requires all of our resources, both intellectual and financial, such that we put our foot forward in the right way and that in the same way we have come to be regarded, with a certain degree of distinction, in respect

of our conduct in areas of governance, tourism and international financial services, I would hope that our behaviour in this sector would also cause people to reflect that this is a country that has appropriately managed its resources, in circumstances where it has brought honour and distinction to its people and has provided for future generations.

Mr. Speaker, I am obliged to you.

Dr. D. C. ESTWICK: Mr. Speaker, I wanted to be involved in this debate in a more full way but I would have to curtail my involvement, as I need to go to St. Philip.

Mr. Speaker, it is necessary for me to make a few comments on the piece of legislation before this House. Sir, I have looked over the two pieces of legislation being debated here today. I have also looked at other jurisdictions where there is an oil culture. Sir, I tried to look for similarities and synergies and for areas where there may be some deficits.

Mr. Speaker, what I would speak about today is not the fact that what is being debated here this afternoon represents a pulling of a whole set of pieces of data from a number of various jurisdictions, but the fact that I have some fundamental problems, when there is an attempt to say to Barbadians that after we have passed this piece of legislation, there are going to be some fundamental changes to their lives. Sir, I heard the Honourable Member for St. James South saying - and I have written what she said - that she hopes the Lord would allow for oil to be found. The Honourable Member said that the seismic data suggests that there are hydrocarbons deposits.

Mr. Speaker, I want to say to the Honourable Member that I am a scientist and that beyond being a scientist, the job of an Opposition is not to rubberstamp any piece of legislation that come to this Parliament. Therefore, I am not going to give my support to any pieces of legislation that does not bring the requisite supporting data, to tell me what is actually going on in the areas that they want to say that oil exists.

If the Honourable Member for St. James South wants to get serious in this Place, I want the Honourable Member, as part of an attachment, to bring to Parliament, as a matter of courtesy, the necessary supporting information, where we would be able to evaluate, where we could have our experts evaluated, where we could put the consultants to evaluate.

Sir, the reason I am going down this road is that I have reviewed all of the reports with respect to previous drillings in Barbados. I have also seen all the grandiose statements made about the seeping of oil, from trapped sources, about the various types of mineral they found with

respect to the geochemical and geophysical evaluations. Sir, I have read all of those things. When those evaluations were done and the various companies went in to execute their core drillings and their scattering evaluations, after the licensed phase they quoted they were very disappointed, even though there was evidence from the scientific data evidence that there should have been oil there.

Mr. Speaker, I would want to say to Honourable Members on that side, to go spend some time and read the relevant information regarding this particular subject, before coming to Parliament. They must do that before they would want this Opposition to support this piece of legislation, without they bringing the information that we could use, where we could critically come to a decision. I am not going to be a part of that.

Mr. Speaker, in addition, another fundamental problem I have is this talk that we are going to suddenly create a new society; that we are going to transform Barbados; that we are going to be creating a new industry; and that we would be creating a new legislative framework that would do all of these wonderful things. Mr. Speaker, the reason that must be said is that on that side, the public relations machine is already trying to suggest to Barbadians that there is going to be this significant windfall, not only to wipe out all of Barbados' debts but to create a new economic frontier for Barbados.

3.00 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Dr.D.C. ESTWICK: Therefore, it is necessary for me to compare and ask them to hold on and to bring me the evidence to tell me that the blocks that are now out there as parts of bids, if you have individuals, who you have given licences to do reconnaissance, to do exploration and to do production, I believe it is only decent that Honourable Members of Parliament, an Opposition, be given the Opposition to be able to look at that data to determine whether we are going to be able to support legislation to give credence to utilise that information to establish a tax structure for Barbadians as well as other elements for Barbados. Sir, I would only say that if other Honourable Members do not want to understand or say anything about the two-dimensional seismic data, I want to see it and I also want to see the results. I want the three- dimensional data and from the core drilling data as well. I also want information with respect to the drillings, which are supposed to go on and from the so-called experts. I want information with respect to the sonar results. I want information that tells me all about whether there is movement of the seabed because I will not make a decision

in a vacuum because I have a duty to be respective to my intellect and not to be a deceitful individual.

Mr. Speaker, I will not come here and get involved in a debate when I realise that all we have is a framework. Sir, there is nothing wrong with the framework, the framework would do the job but the point I am trying to get over in here is that it means nothing whatsoever. Sir, all this talk about how much taxes are going to be charged on this and on that, they had better get some oil first. The Honourable Member for St. James South said she is going to do this and do that but the Honourable Member has better demonstrate that there is something there in a commercial quality that would....

Mr. SPEAKER: Sir, I think you came a little late. It really was the intention to do both Bills but because of a technicality, we have only done the first one. We did not do the tax one so presently, you would not be allowed to talk about that one.

Dr.D.C. ESTWICK: Mr. Speaker, I have no intention of going into the second Bill but if we want to stay on the first Bill, I can go into other areas of concern and I will raise the first one. Sir, there is overwhelming evidence because of the areas to be explored, there are major risks involved, there are many challenges with respect to the interpretation of the scientific information. Sir, I believe that I have experience with Honourable Members on the other side and I am not taking any information given without supporting evidence.

Mr. Speaker, to come here and ask for support on a piece of legislation, I must have the scientific information to make a credible decision. Sir, we are not in primary school here, we are making laws that would affect the future of Barbados but is the Opposition to make that decision in a vacuum. I know the Honourable Member for St. Michael North West does not like that sort of business. I am only asking that a better job be done the next time they come to Parliament when information may be technical but you do not have to bring all the technical specification but you can bring the results. You could distill the data to information that one could understand and then one could use that information to make a credible decision.

Mr. Speaker, the Honourable Member for St. James South said that this piece of legislation has to do with social engineering. Sir, what I find to be most amazing here is that this is the framework for the legislation and we are already postulating and pontificating about the future financial rewards to be able to create such a new economic forum in Barbados that we can create a completely new society, build new capacity in a new industry because money is coming because there is oil under the ground. Sir, that is the impression being given to Barbadians and it is a false impression being given to Barbados and a dangerous

one. Mr. Speaker, my job today is to attempt to dispel that. There are reputable scientists, whom I have had some discussions with and I want to question the logic of this administration indicating that we are going to Trinidad and Tobago and that there is going to be a pipeline brought from Trinidad and Tobago to Barbados.

Mr. Speaker, last week, I had discussion with persons responsible for energy at the CARICOM Secretariat, who are beginning to say that Trinidad does not have the supply, that they are in trouble of running out of natural gas in about 20 years but yet we have a group of individuals, parliamentarians coming here to tell Barbadians that there is a future in respect of running a pipeline in Barbados because there is gas.

Mr. Speaker, the problem with Honourable Members on the other side is that they do not read. Sir, many of them are psychologically challenged and, as a result of that, when one attempts to bring information that is credible...

Mr. SPEAKER: Honourable Member, you have to withdraw that remark.

Dr.D.C. ESTWICK: Sir, I will withdraw the remark. Mr. Speaker, I want the Government to come clean on that score because the evidence shows that is not going to be feasible unless Trinidad finds another deposit of natural gas. Sir, based on their deposits and the amount of natural gas that Trinidad now compresses into LPG and exports to the United States of America, that is the evidence that the experts have supplied me with and that I have actually evaluated by research. I want this Administration to come clean and tell Barbadians what is the true position with respect to this so-called pipeline bringing natural gas here to Barbados.

Mr. Speaker, the previous explorations that we had here off the south west of Barbados in 1996 and subsequently, did find some deposits suggestive of natural gas in its various form and some may want to jump to the position that it is a logical deduction that there should be some form of trapped petroleum deposits out there.

Mr. Speaker, many of the experts who work in that particular set of explorations, actually did come to the conclusion that one has to be very careful with respect to the correlation between jumping from a seepage of natural gas or possibly oil to this so-called massive deposit and that it relates directly not only to the typography but to the rate of change of the typography on the seabed. Sir, why I am making those comments is to suggests to the Honourable Members on the other side that I am not going to accept information...

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Dr. D.C. ESTWICK: ...to suggest to the Honourable Members on that side, that I am not going to accept information in a vacuum, if I am to tell my constituents that I am supporting a Bill, that executes a framework for the development of an offshore oil and gas industry. Sir, when I see the penalties that are supposed to be incurred, when I see the various cost for licences, I have to, therefore, ask the Honourable Member for St. James South two questions. Sir, it was said that those persons who would have received a licence, would have to bear the cost, even if the exploration and production elements produced nothing from the well.

Sir, I still want to know what is the cost to Barbadians, because I cannot understand how you are going to be employing so many consultants, who are supposed to be expert consultants, I want to know the cost for these consultants.

Mr. Speaker, you are not going to tell me, that you are bringing individuals to structure bids in Barbados and there are no costs to Barbadians. Again, I want to know what is that cost. Sir, why did the Minister give the impression, that during this entire process, there was no cost to Barbadians. I also want to say to the Minister that, when I look through the two pieces of legislation I have another question which I want to ask her. Sir, that relates to an issue raised by the Honourable Member for St. Michael South Central.

Sir, this piece of legislation, impressive as it is, close to sixty pages, all I can see in here is the Minister this and the Minister that, and the Minister the other. This administration has a tendency to bring to Parliament, invested in a minister, too much power to make critical decisions about the social economic development of Barbados. That is why we have so many problems with statutory corporations, and joint venture arrangements. Sir, the same arrangement is in this document.

Sir, I would have thought that in a modern Barbados, we would move rapidly to decision making, where we know we have within the various ministries experts. We can employ expertise if that expertise does not exist within our ministerial advising pool.

Mr. Speaker, this legislation needs to be redrafted to take some of the decision making powers, with respect to who gets a licence, who is going to discipline an individual who breaches this or that, and a whole slue of decisions that only a minister can execute, who is going to determine what fees, and the quantum of fees, and so on. I think we need to put councils of experts in place to make these

decisions and to appropriately advise the minister. I do not believe that capacity exists. I think we need to create that before we can put it in the legislation as a fixed part of doing business.

Mr. Speaker, the reason I am going down this road is because of experience with this administration. The Honourable Member for St. Michael North East, was at pains to say that it was the decision taken at the Arbiter Tribunal that acting fundamental, in creating the development of these pieces of legislation today. If that is true, I remember being taken by the same Minister down, in a part of this building, to a presentation for some experts that was supposed to outline and demarcate Barbados' territorial waters, relative to fishing. Sir, I have a good memory and I am going to say what I am want to say.

Sir, some time after, I remember the Honourable Member for St. Lucy was at pains in this Parliament to say that it had nothing to do with fish. The Honourable Member said it had to do with oil, and the Honourable Members on that side laughed. Sir, today, we are hearing a different story. It is all to do with oil, nothing to do with fish. Sir, I want the Honourable Member for St. Michael North East to get in a fishing boat...

Hon. Miss M.A. MOTTLEY: On a point of order. The Honourable Member is misleading the Chamber, and perhaps I can even better contextualise it. The late Sir Harold St. John, both in this Chamber and outside, made the point, even before I got involved in the matter, that the reason why Barbados could not sign a fishing agreement with Trinidad and Tobago, had to do with the inability to settle the delimitation of boundaries, between the two States, because it seriously affected our capacity for hydrocarbon resources. So there was never any mystery to that fact. Sir, in fact, it is not only hydrocarbon. It is not only fish. Sir, today you heard me talk about other mineral resources, which are incapable of extraction today, but we anticipate, would be capable of extraction in the future. So there is no mystery to it, Sir.

Dr. D.C. ESTWICK: Mr. Speaker, obviously, the Honourable Member supported my argument, and even realise that is what is done. So I might revisit that.

Sir, just one last point, which has to do with this speculation. These large conglomerates are speculating. They are prospective. You speculate and prospect based upon scientific data. The scientific data that one uses to evaluate is either credible or not credible, or it may be partially credible.

Sir, I want to caution the Honourable Members on that side that when one looks at the literature, with respect to oil exploration, and especially deep sea oil exploration, in difficult terrain, the risk goes up exponentially. The

scientific evidence is difficult to interpret. That is not to say, like the Honourable Member, she hopes God intervenes and they find oil. I hope so too.

The scientific data is difficult to evaluate, and that is what the experts say.

Mr. Speaker, that is the reason I have a problem with this attempt to send out to Barbadians, this notion, that all of a sudden this massive amount of oil will be extracted from the earth, and we are going to be producing thousands of barrels of oil per day, and large sums of money will be rolling into the Consolidated Fund in Barbados. That goes counter to reality.

15.20 p.m.

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House 144, Sequence 28, 3.20 p.m.

Dr. D.C. ESTWICK: The Honourable Member for St. Michael South Central is accurate when he says that to put into operation, the mechanical machinery and the other expert machinery that are required, is a long drawn-out process and if there are oil and gas to be found in Barbados' territorial waters, it is going to be many years from now before it can have any impact upon the social and economic development of Barbados.

Sir, for that reason, I deprecate on the Honourable Members on that side, especially the Honourable Member for St. James South, for trying to give Barbadians the impression that there is going to be this sudden transformation of Barbados because of this exploration process, when it is nothing more than a speculation that is going on. Therefore, it is the job of the Opposition to attempt to say to Barbadians not be caught up into the thinking that because the 'silly season' has started, to believe there is going to be a windfall in Barbados to get rid of the national debt, and many of the other so-called ailments that now face this country.

Mr. Speaker, my final statement to Barbadians, again, is that in Barbados at this time, our economic situation is so perilous that this so-called economic windfall from oil will not be able to solve that problem. Sir, this administration should learn from Dubai and United Arab Emirates, the experiences with respect to how one can misappropriate these so-called economic windfalls to affect socio-economic development.

Therefore, I agree with the Honourable Member for St. James South that we may have social engineering from this so-called new exploration, but it would be about 20 or

25 years from now, if there happens to be any deposits of oil found in Barbados.

I thank you, Sir.

Mr. SPEAKER: The Honourable Member for St. James Central.

Hon. K.D. SYMMONDS: Thank you very much, Mr. Speaker. At the outset, I want to try once again, to find some context for this debate. Sir, before the Honourable Member for St. Philip West leaves the Parliament to go to St. Philip to attend matters relating to his constituency, I want to make the point that the vital flaw in his argument is evident by the presence in this Chamber for an entire day, of top brass of the indigenous sector here in this country.

Asides.

Hon. K.D. SYMMONDS: Mr. Speaker, I want to make the point that at this stage, we are looking at a 70 000 square kilometers area, which for the first time in Barbados' history will be opened up to bidding for oil and gas exploration and extraction.

Mr. Speaker, the legislative framework, which has been 'pooh-poohed' by Honourable Members on that side thus far, is fundamental as a point of departure, if we are to govern and conduct the business of governance seriously. Why? You ask, no doubt. Sir, the answer lies in the inescapable fact that it is only out of the legislative framework that can possibly come, the ability of the State to empower itself to do certain fundamentals, which are critical to the policy of sustainable development of this country, and the sustainable well-being and development of the people of Barbados.

I say that again. Unless you have the legislative framework as your first priority then, the State itself will not be empowered to do certain fundamentals, which are critical for the sustainable development of the sector and also of the people of the country.

What are some of these fundamentals in the legislation to which I speak? Mr. Speaker, we have to recognise that the legislation contemplates the training of Barbadian nationals. I find it difficult to believe that an Opposition, which found its genesis in the argumentation of free education, and the argumentation of the advancement of the well-being of the people of the country, via the route of education of the masses, will raise its voice against the training of nationals at the expense, in part, of the same multinationals and others, who will be seeking to benefit from oil and gas exploration in Barbados. Sir, that is what is contained in this legislation.

Sir, the legislative framework speaks, as a matter of first priority to requiring further fundamentals to be done, and to empowering the State by way of the licencing process, to ensure that extracted out of the grant of a licence to the ones who would come to benefit from the resources of this country, supposing that we find such resources...Sir, none of us knows but the reality is that on the condition that you do, then you will give a certain commitment upfront to the training of Barbadian nationals to build, as the Minister said, a cadre of persons who will now be skilled and competent - for the first time in the history of this country - to adequately offer themselves to the further development and sustainability of this critical sector.

The second point that the legislation contemplates, Sir, if Honourable Members had cared to give but a moment or two to read through some of it before they spoke, would have been the issue of satisfying national consumption. I speak to this matter with a certain degree of concern about where Barbados is going, if we are to understand from the benches of the Opposition that there is to be really a concern about requiring a commitment to help us satisfy national consumption, because the history of the developing world on these matters is replete with disastrous situations.

Sir, with no pleasure, I point to the Republic of Cameroon and Nigeria, where in gas and oil rich countries, the multinationals came and virtually raped them, and they themselves are no better off today. The legacy is not only one of impoverishment but also one of corruption and pauperism. Naturally, that should not have accompanied a sector, which globally is seen as the leading sector, economically. Therefore, it is a wise and prudent thing in my judgment that you also insist on there being the satisfaction of national consumption.

I also want to make the point about the protection of the environment. Sir, before I go there, let me also reflect, not only on oil and gas but minerals generally, because right here in the Caribbean, in ana, I challenge any Member in this Chamber to tell me what is the happy part of the relationship that Guyana has with the multinationals, when they came for bauxite and lumber.

Mr. Speaker, what is the happy experience coming out of Guyana? Sir, were we not charged with the responsibility as a Government upfront, in building a legislative framework to protect as best as is possible, by way of using adequate foresight, vision and reason, the well-being of the people of this country.

Sir, on matters of the environment, the concerns are similar. The history is replete with examples, not only in the developing world but even in the so-called developed

first world, where environmental disaster has taken place.
House 144, Sequence 28, 15:30:14

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Hon. K. D. SYMMONDS: Sir, am I to understand now that this Opposition is going to find fault with a legislative framework having as its first priority the declaration that there have to be certain competencies and commitments made to the protection of the environment? I therefore say to you, Sir, if that is the substance of that which we heard from the Honourable Member for St. Philip West and the Honourable Member for St. Michael South Central, then we have heard nothingness in this House.

Mr. Speaker, there are other matters to which I must refer. The Honourable Member for St. Michael South Central made much ado about what he called a hurry, I think his language also spoke about indecent haste to bring this legislation. Sir, we are charged to govern, and govern we will. Mr. Speaker, you do not govern with an eye on the electoral clock or the electoral calendar. Those who are keeping an eye on the electoral calendar are those who like turkeys are calling for an early Christmas. Sir, nobody on this side is calling for that.

Mr. Speaker, the reality is that there is an economic issue of which the Opposition must speak. Sir, in 2003, when I came to this Chamber, the price of oil was around \$25 a barrel. Four short years later, it is now US\$70 a barrel, and all projections trend in the direction of US\$100 a barrel. Mr. Speaker, that by itself should tell the Opposition that now is the time we should be doing that which was perhaps not economically feasible when oil was \$20 a barrel, which is, to invest or to seek companies which would invest in the exploration of the deep sea off of Barbados.

Sir, it is more economically feasible to do it now, when you are spending a big lot of money to import oil and gas, than when you were only spending US\$20 a barrel. Sir, economically, that is what you have to be looking at. There is no indecent haste. Sir, for those amongst us who prefer to remain within the realm of economic illiteracy, then that might be a hard issue with which to grapple.

Mr. Speaker, it is not only the question of the 2003 price versus the 2007 price, there is also an issue of security of supply. Sir, if we have recognised that there is a high prospect of oil or gas onshore or offshore, Barbados has a duty to do whatever lies within its power to ensure the security of supply of oil and gas to the people, to the industries and to the businesses that depend on the prudence of this Administration for their survival in large measure.

Mr. Speaker, we are not alone in that regard. Mr. Speaker, I charge Honourable Members to pause and to reflect on what is happening globally. Sir, security of supply is what would cause President Putin in Russia to thumb his nose at President Bush in the United States of America and tell him to keep his hands off Iran. Sir, security of supply is what causes President Chavez to say to Bolivia, nationalise all of your oil and gas sector and drive the American imperialist out. Security of supply is what causes Cuba to import 8.5 million barrels of gas per day when their demand is six million. Sir, they sell the other 2.5 million barrels internationally so that they get a balance of payment support. Sir, that is what the security of supply issue is about.

Mr. Speaker, it should be no different for Barbados. There nothing about any indecent haste. Sir, it is a pity that the Honourable Member for St. Michael South Central is not in his seat because I would have wanted to have chastised him better.

Asides.

Hon. K. D. SYMMONDS: Sir, the point is that it is security of supply and not any frolic about indecent haste that causes us to look at the prudence of taking these important steps right now.

Mr. Speaker, Barbados has opened 70 000 kilometres square for the exploration and production. Sir, critical to these issues are some matters which relate to the boundaries of our offshore territory. Sir, the outer southern boundary would be drawn, as the Honourable Deputy Prime Minister said, with respect to the UN arbitral ruling, but there are of course other boundaries. Sir, to the West of Barbados, we have St. Vincent, more to the North-West, we have St. Lucia and there will be blocks which would lie contiguous to what approximates the median line. Sir, where there is no set maritime boundary, we will, under the Laws of Barbados, be using a median line approach. Sir, you cannot, as a matter of national or foreign policy, properly seek to go contiguous to another man's territory and say that you are auctioning off bid blocks without notifying him.

Sir, that raises another point which I would have hoped would have been heard in this Chamber before this time. Sir, there is the reality that this is not the first time that maritime offshore exploration has taken place within the CARICOM maritime space. Mr. Speaker, the unhappy relationship which we experienced with our sister state Trinidad and Tobago, was born out of a treaty line drawn between them and Venezuela, without reference to both Barbados, and Guyana though both of those sister CARICOM countries were fundamentally affected. We who criticise that cannot at the same time be seen to reprobate and then approbate the same action.

Sir, it follows logically that we have now to sit with the governments of the countries potentially affected by any bid exercise which would impact on a boundary between ourselves, and them. This House must therefore be aware that an outreach has already been made by Prime Minister Arthur to his colleague Prime Minister Gonsalves of St. Vincent. Mr. Speaker, as soon as the uncertainty at the helm of political leadership in St. Lucia is settled, a similar exercise would take place with St. Lucia.

Sir, we have already indicated to the Eastern Caribbean, as a whole, that out of this exercise, the further issue of maritime delineations between ourselves will have to be conducted. I caution the House however that maritime boundary delineation is not a matter simply of a multilateral thing - all of us sat and divided it up - you have to do it country by country bilaterally after a process of negotiations, especially when you have high prospects for oil and gas on the borderline between two countries, as indeed is the case with St. Vincent.

Sir, I want this House also to understand that the position of the Government of Barbados is that in the event that some such eventuality arises where we were to find oil close to the median line, then the real solution would be to go by way of a unitisation agreement whereby if I found a pool on my side but over across how much ever miles away there is also a continuation of that vein of oil and gas in the vicinity of the other side, then we collectively share the risk, which is also sharing the loss or alternatively sharing the profit.

Sir, that is the way the region must go because we cannot in the context of a single economic space continue to treat the most fundamental sector, which drives the entire regional economy, as though it is something to be separated, carved out and excluded from the region's economic growth. Sir, you cannot take energy, that which is most fundamental, and carve it out of a single economic space and treat it as though it is not supposed to be a player when in fact it must be the major player.

Mr. Speaker, I say this because part of that which we have been engaged in with Trinidad and Tobago, is to bring them to the Christian understanding that they have to do better as it relates to the question of security of supply and access to energy products coming out of Trinidad and Tobago for the rest of CARICOM, as indeed will Barbados have to lead by example if we are in that fortunate position so to do.

House 144 Sequence 29

3.40 p.m.

Friday, August 10, 2007

Hon. K. D. SYMMONDS: Mr. Speaker, much has been said, and I really do not wish to touch on the matter of fisheries, other than to say that maritime boundaries delimitation and fisheries access, clearly are matters that should be seen - for a blind man, even on a trotting horse - as two sides of one coin. Sir, I cannot access any territorial waters anywhere, unless I have the permission of that State which is sovereign over those waters. Therefore, to know what State is sovereign, that State would have to have had its boundaries delimited. And that is the reality.

Mr. Speaker, perhaps we treat this matter as being too simplistic. At the heart of current discussions are not the quantity of boats and how much fish the fishermen could catch, those matters have already been settled. At the heart of current discussions are the things which have challenged the European Union, for many years. These are matters relate to such things as the methods of harvesting, the management of the resources, and the sustainability of these resources.

Mr. Speaker, it is all very easy for us here in Barbados to sit herein Barbados or for someone elsewhere to sit and to say that we could have an agreement. While doing that, one also has to think about the sustainability of the resource that is being exploited; one has to think about the management of the resource.

Sir, if one would care to do some sort of reflection or some degree of research, one would see that the only other place where there has been such a holistic approach to such an agreement was Europe. That was a critical component part of the European Union Agreement. But, of course, you know how it is down here, these things are supposed to be treated as being intellectual, too high-minded, that there is no room for that in local politics, that it is not necessary. Sir, it is easier to make a snide remark about fishing, about the fishermen, about whether or not a Queen's Council went to Tobago to fish. Sir, it is easy to talk that kind of foolishness because being bereft of intellect is supposed to be the way in which this region and this country is to be governed.

Mr. Speaker, it was part of that approach that has brought us to the question of the refinery. Sir, I want to make it abundantly clear, the Minister of Energy and the Environment would have to be monumentally foolish - which she is not - were she, at this stage in a framework piece of legislation, to come to talk about making legal arrangements for a refinery. Sir, there might be high prospectivity but there is nothing yet to refine.

Mr. Speaker, the Opposition argues out of three sides of its mouth: on the one hand, they concede there is high prospectivity; on the other hand, they say the high prospectivity data is difficult to interpret, so in effect, it

might be found harder to achieve that which is down there, and thirdly, they want to have a refinery.

Mr. Speaker, let me make something very clear, we did not go into the PetroCaribe deal for three reasons:

(1) Before President Chavez softened his position, he had taken a hard line on ruling out the middle man.

Sir, Barbados would have to be eminently foolish, at the Governmental level, if the middle man across the Eastern Caribbean is an indigenous Caribbean company, and we are going to shoot down an indigenous Barbadian company, which would be employing thousands of Barbadians because of the fact that we wanted to enter into a short-termed agreement with Venezuela.

(2) The issue of post payment 20 to 25 years into the future for energy consumption today.

Sir, we took the point then and we will continue to take the point that it is better to bring about a system which encourages Barbadians to conserve and secondly, to use conservative forms of energy, which we have done. We came to this Parliament in March, as part of the Estimates. We came back with an energy Bill, which looked at conservation methods, such as a green economy and alternative methods of energy production.

Mr. Speaker, it is not our fault that the Opposition did not come out to bat on any of those occasions. It is not our fault that they have treated to these matters as though they are inconsequential. And he who is most inconsequential is on his feet. Sir, I will take my seat.

Asides.

Mr. D. St.E. KELLMAN: On a point of order. Mr. Speaker, the Honourable Member is misleading this Honourable House by making the remark that the Opposition did not take part in the debate.

Mr. Speaker, the Honourable Member is misleading this House and should withdraw those remarks because it is a sad reflection on me, and I do not like people to tell lies on me.

Hon. K. D. SYMMONDS: Mr. Speaker, I beg your pardon, the Honourable Member for St. Lucy is quite right. He was the sole Honourable Member and he was applauded for being on the Floor of this House, when all but he had fled. That is a fact. The Honourable Member did participate. I would not go into the quality of his participation but the Honourable Member did participate.

Asides.

Hon. K. D. SYMMONDS: Mr. Speaker, the most important part of our difficulty with PetroCaribe touches on the same refining issue. Sir, I am shocked, I am mortified, that the Honourable Member for St. Michael South Central, today, in August, 2007, could not understand that which was explained to him repeatedly, in 2006.

Mr. Speaker, the fact of the matter is that we produced approximately 10 000 barrels of oil per day. We have a refining agreement with the Republic of Trinidad and Tobago. The oil that we produce is refined in Trinidad and Tobago, in accordance with that agreement. Sir, what sense does it make then, at a point when we do not know how much gas or oil we would find, to be at this early stage in the day saying that we wish to violate that agreement, to go elsewhere and do something different? Sir, when we had the offer from President Chavez of Venezuela, one of the reasons we did not take up that offer then, was that we did not want to violate the agreement that we had, which is working for us, because it is refining Barbadian oil every day and giving it back to us, at concessionary rates.

Mr. Speaker, people are only hearing about the bad things about the relationship between Barbados and Trinidad and Tobago, they are not hearing about the good things. They are not hearing that Trinidad and Tobago is selling it back to us, at concessionary rates. Sir, there is nobody else who is going to do that.

Asides.

Hon. K. D. SYMMONDS: I do not think anybody on the other side wants me to go into the history of the Democratic Labour Party on oil refining in Barbados.

Asides.

Hon. K. D. SYMMONDS: Mr. Speaker, the reality is that we come back to a situation where it would be rash and imprudent for this Government, at a first stage in a legislative framework, to be speaking about refining capacity.

Mr. Speaker, the other issue which we have to look at is the futuristic issue of the production integration under the Single Market and Economy. Sir, we are a single economic space. Sir, maybe it has not hit home yet over there but we cannot plan the development of the Barbadian economy as though it was still 1980. Sir, there is a necessity for us to be looking at issues of critical mass, economies of scale, and to be determining whether it would be wise, by way of investment, for every Member State of CARICOM, which may have some sort of oil production, to have its own refinery, or whether it is necessary now for us to look more in the direction of a central area, where refining would take place because the constant duplication and triplication of the effort will not make either economic

sense, or would it help us in the context of industrial development, under production integration aspects of the economic activity that we are contemplating.

Mr. Speaker, it is, perhaps, deeply unfortunate at best that we have to continue going over and over these things. Sir, we are at a stage where the region, as a whole, is coming to terms with some of these basics and moving on.

Sir, we come back to the point of departure,. We have a legislative framework, which is trying as best as is humanely possible, to contemplate a wide range of uncertainties, but to put in place provision for basic fundamentals which protect the people of Barbados, which seek to empower Government to sustainably develop those opportunities for the people of Barbados, both economically and educationally and more important than any of that, it allows us, once again, to demonstrate a certain degree of leadership within this region.

3.50 p.m.

Tuesday, August 10, 2007

Hon. K.D. SYMMONDS: (EDITED 05/09)

Mr. Speaker, before I take my seat, I must offer heartfelt congratulations to the Minister and her senior staff at Ministry of Energy and to those who would have worked tirelessly....

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

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, there is no doubt that we are discussing a very important Bill in this country. One might want to question the timing of the Bill but that is not important at this time. Sir, one must understand that this Bill must be equated to a situation, which occurred in the 1980 and I believe that we, as an Opposition, cannot commit the same cardinal error that was committed by the Opposition of the time, when sea island cotton was seen as important in having the capacity of developing Barbados much further. We would have learnt after, the international politics of small developing countries having an item that has the capacity to take it to a higher level. Sir, we should have learnt by now, the international politics that come to play when we are involved in situations like these and where we need international help.

Mr. Deputy Speaker, I have no doubt that any oil finds in Barbados would be of great significance to Barbados but, as a people, we must be careful and must understand international politics and must understand how international players behave in these matters. We have to

look at our size, at our development and at how international players behave to small countries, when they find they are progressing along a particular line. Sir, once we understand these facts, we would have a better understanding of where we are going.

Mr. Deputy Speaker, before I take that particular line, I must forewarn the Minister of Finance that as the person, who prepares the budgets for the House and for the country, that he must be careful how information is fed to his Ministry from the various Ministries without taking the principle of conservatism or the principle of objectivity into account. Clearly, we saw it in the third Ministry and we now see it in the fifth Ministry, that is, we saw in tourism, where we got the impression that statistics could be taken to a bank, that you could bank based on statistics and now see it in the fifth industry, we do not know our oil finds but there is a hope and a climate created in Barbados already that we have already found oil and that we can pay our bills. Mr. Deputy Speaker, I am saying that this is a dangerous trend and that we have to be careful.

Mr. Deputy Speaker, I will introduce to this Parliament today the principle of conservatism and the principle of objectivity. Sir, if we do not include these two principles, we will create false hope in the society in Barbados and one would get the impression that in those industries, which are helping us to keep our heads above water, that all workers can give up their jobs and now depend on the new oil industry for these new well-paying jobs and, Sir, we will find ourselves short of workers because all of them would be looking to work in the oil industry. Mr. Speaker, this is based on what has been fed to society, that the oil industry has so much to offer, that we should ignore everything else and bank on the oil industry.

Hon. Miss H.E. THOMPSON: Mr. Speaker, on a point of order. The Honourable Member is misleading the House when he says that the impression has been given that the new industry of oil will displace all others and that we should bring closure to every other area of economic endeavour. (15:56:33)

Mr. Speaker vacated the Chair and Mr. Deputy Speaker took the Chair.

Mr. D. St.E. KELLMAN: (15:57) Mr. Deputy Speaker, I want to thank the Minister for that intervention. She has confirmed the possibilities and that is why I spoke about the principle of conservatism and the principle of objectivity. The Minister has just confirmed everything I have said so I have nothing else to say on that particular matter. I thank the Minister for understanding that you cannot project these revenues so high. The Minister has admitted that there is a possibility based on the projection given that nobody would want to be labourers anymore, everybody would want to be oil workers. Sir, in Barbados,

you cannot get a job as a labourer with the multinationals so, how do you expect to get an oil job with them but, Sir, we do not have to worry about that because we have something in Barbados called Oasis and Oasis will look after the locals.

Mr. Deputy Speaker, we have taken one year to come to the truth in this Parliament. The impression was given that we were all about fishing and I have warned this House to be careful - again I speak about the principal of conservatism and the principle of objectivity, but it was clear to me that there had to be some oil, even if it were shark oil. I understood the Minister well, when she kept away from the real oil and went fishing because she realised that you can get shark oil from the blue peter shark and that is why we were pursuing the fishing agreement and not the real oil agreement.

Mr. Deputy Speaker, being a fisherman and being on the ground, I understand it well because that is the only conclusion to which one could come, that the Minister was dealing with shark oil and had to use fishing as the excuse, not realising there is a difference between shark oil and the oil used for energy. Sir, that is the Barbados Labour Party for you, they love shark oil and would cloud everything using shark oil even if they want to get the real oil.

Mr. Deputy Speaker, I have a few things to correct on my way to petroleum. The Minister said that the Democratic Labour Party should not talk on these matters because in 1991, they cut salaries and that in 1991, they sent home people. Sir, all the Democratic Labour Party did in a crisis was to follow what the Barbados Labour Party did in the 1980 because the impression is given in this country that the first political parties that ever cut salaries or sent home people, was the Democratic Labour Party and, Mr. Deputy Speaker, that is a lie.

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Mr. D. St.E. KELLMAN: the impression is given in this country, that the first political Party that ever cut salaries, or sent home people was the Democratic Labour Party. Sir, that is a lie. I am telling you that it is a lie, because I am going to prove to this Honourable House that it is lie.

Sir, in 1981, the Barbados Labour Party sent home people, cut people's weekly work, from five days to four days, in the MTW.

Asides.

Mr. D. St.E. KELLMAN: Sir, the evidence is there, the School Meals workers, everybody.

Sir, if you do a calculation, from five to four, you will see that was more than 8 per cent. Do not come in hear talking about sending home people and cutting people's wages. We could have only followed the Government's policy left by the Barbados Labour Party.

Sir, I was young enough and I would defend that. Do not come in here with this red herring, about sending home people and cutting people's wages, as if 1991 was the base area.

Asides.

Mr. D. St.E. KELLMAN: Sir, we are dealing with a legal matter and the Attorney-General, who happens to be the Honourable Member for St. Joseph, tells me that this should never be in the debate, that we are dealing with oil. I am grateful to the Honourable Member because he understands quite well that this debate is not about cutting salaries or sending home people. The only sad thing is, he was not here to tell the senior Ministers on his side that it was not about cutting salaries or sending home people. Sir, this debate is a very serious debate, and it must be continued at this level. That is why certain Honourable Members on this side, must not get involved in this debate.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, it is hurtful to be speaking about conservatism and objectivity, and the Honourable Attorney-General and Minister of Tourism can tell me to make a point, when they are well-known, and dealing with statistics, this side is interested in the actual. Mr. Deputy Speaker, instead of grandstanding, let us see the oil coming out of the ground and let us base our projections Barbados Agriculture Society, our projection on the oil coming out of the ground, instead of coming here and giving Barbadians the impression that after this Bill has been passed, nobody has to worry, and we can repay all our debts. How can that get into a discussion like this?

Sir, I am saying this is misleading the country, creating social unrest in the country, and serious economic problems for people working in the country.

Hon. Miss. H. E. THOMPSON: On a point of order. Sir, it is causing social unrest down 'Moon Town', because of the prices he is charging for white rum and other commodities.

Asides.

Hon. Miss. H. E. THOMPSON: Sir, I want to say that nobody on this side has suggested that all of a sudden you will find oil at the last bid, the debt for the country will be paid, and life will be automatically transformed. That is part of the methodology which has been extremely clever, of the other side today, to so overstate the policy framework, that it is made to look ridiculous. That is the strategy.

Mr. DEPUTY SPEAKER: Honourable Member, proceed.

Mr. D. St.E. KELLMAN: Sir, I did not introduce the price of white rum or beer in 'Moon Town'. It was the social unrest, because the Minister is down there, lined up to buy a white rum at \$5.99 and a Banks beer at \$1.75, the cheapest any place in the world. That is the social unrest that the Minister is talking about. I do not understand. Sir, the Minister is now telling us that the Honourable Member does not drink white rum, yet, she can tell this Honourable House about social unrest about white rum. Sir, she did not talk about proper pork, sea cat or conch, but she brings white rum, a good Bajan product. Do you have a problem with Bajan products? Sir, they are so foreign in their mentality that they can only criticise local products, and cannot talk about the price of whiskey, but they are going to criticise white rum, that is made in Barbados.

Sir, I am saying that ...

Hon. Miss. H. E. THOMPSON: On a point of order. Sir, I am not criticising Barbadian products, I am criticising the pricing policies of the Honourable Member for St. Lucy.

Mr. D. St.E. KELLMAN: Say, because I sell white rum cheaper than anybody else, the Honourable Member is criticising it. Yet, she said she is not criticising local products. Sir, I understand what the Honourable Member wants to do. They understand where I am coming from.

Sir, we have to be very careful, as a small developing country, and I want to send out this warning from early. I do not like where the oil bids have started. I think they are too low. The reason why I am saying that is...

Asides.

Mr. DEPUTY SPEAKER: Honourable Member, please address the Chair.

Mr. D. St.E. KELLMAN: Sir, we have to ensure that those persons who are coming here to look after our 17 000 square metres are serious about producing and refining oil, and ensure that a country like Barbados gets what it deserves. Sir, they are international players who will come

here, find oil, tap the wells and say they did not find oil. The Minister is behaving as if she does not understand how it occurs. There are countries and players that will be jealous, and they are players who will ensure, because they do not want an over supply of oil. Even if we were to find oil in abundance, they will tap it, keep it there and pretend that they did not find it, to ensure that the price of oil on the world remains at this level.

Asides.

Hon. Miss. H. E. THOMPSON: On a point of order. Sir, two things arose out of the Honourable Member's comments that are misleading. The minimum bid can be worked out at about \$400 000 X 2, that is a minimum bid. We are saying to the industry that you cannot bid lower than that. That is a minimum bid, like at any auction or tendering process, setting a minimum threshold.

Sir, secondly, when the surveys are completed, before drilling operations can start, the companies indicate that a commercial quantity of oil has been found, and permission must be sought to produce it. A licence has to be granted for that. There is a high penalty, and I am sorry that I do not have that part of the legislation in front of me, if a company were to drill or produce without a licence or permission, the penalty is extremely high. Sir, that is not likely to happen. The argument is as analogous to the Honourable Member as saying to R.L. Seale & Company, that the white rum bottles come down here, but they were empty.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Mr. D. St.E. KELLMAN: Sir, we have to be careful, and we have to understand international politics.

Asides.

Mr. D. St.E. KELLMAN: We have to understand that even people come here and they find oil, and if we are successful as country, they are other international players who will also find other ways of ensuring that we do not keep all the reserves for ourselves. For example, there are countries that will create conflict between two neighbouring territories, to ensure that we spend the money in arms, so that they can get some. We have to be very careful and frank, and be realistic about these things.

Asides.

Mr. D. St.E. KELLMAN: Sir, the problem is, these people do not study international politics. They do not understand what is happening in the world. Sir, check and see that every country, especially small developing countries, as soon as they get new wells, strife is created

and arms are set to them, so that they can use their new sources to pay for the arms, to keep them poor. You can talk what you like. You can behave. You are the Government. I am the Opposition. We do not have to worry. If we give you free advice and you want to ignore it, ignore it. Sir, one thing for sure, soon when we take over, we will not ignore the advice

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House 144, Sequence 33, 4.10 p.m.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, we have to be very careful, as a small developing country. Sir, the reason that the other side does not want to appreciate this argument, is they are aware that they were very unfair to the Democratic Labour Party in the 1980s.

Sir, instead of them backing the Government in the 1980s, when international companies wanted to ensure that we would not continue to develop at the pace we were developing, when we had sea island cotton, which was a very good marketable product - Sir, we were not guessing that because we had the product in our hands-but international politics played out and we saw a situation that, instead of us being able to develop the product that the product was sabotage by international players. I am asking this Government to learn from the 80s and do not use the excuse to say that I did not know. Sir, you cannot use the excuse because the evidence is there and I am reminding you of the evidence today.

Sir, what we also have to watch is the decision by international players to offload certain segments and sections of their businesses on the local markets. I listen very well when people are speaking and I am hearing that oil sooner or later will not be important. This is a very serious statement.

Asides.

Mr. D. St.E. KELLMAN: Yes. Mr. Deputy Speaker, it was also said that it had a limited life. All of that was said in here today. I have it here in my notes.

Asides.

Hon. Dame B.A. MILLER: Mr. Deputy Speaker, on a point of order. The Honourable Member is on a gallop. It was not said in here that oil was not important. What was said in here was that it is a finite resource and there is a vast difference between the two, please.

Mr. DEPUTY SPEAKER: Proceed. Honourable Member.

Mr. D. St.E. KELLMAN: Thank you. Why, Mr. Deputy Speaker, would those persons who are pushing renewable energy do everything in their capacity to sabotage oil?

Sir, we as a country also have to be very careful how in one breath we are saying that we are pushing renewable energy and at the same time, we are giving the impression that we are now so interested in oil. Sir, we are sending double standards. I want to know what to tell the residents in Josey Hill, whether the renewable energy is important or the oil. Sir, if the oil is important, I am saying to close the renewable energy project in Josey Hill right now, so that my constituents would not have to worry about the environmental impact.

Asides.

Mr. D. St.E. KELLMAN: Well, not based on what I am hearing in here today. Therefore, if it is not important, then there is no need to interfere with that peaceful village called Jose Hill. Those people are aware of the importance of that fresh air coming off the sea.

Asides.

Mr. DEPUTY SPEAKER: Honourable Member, please address the Chair. I have given you quite a lot of latitude. Please Proceed.

Mr. D. St.E. KELLMAN: Thank you, Sir. We need to need to know whether we are pushing a double policy and both are important. We also need to know whether we are pushing this oil policy or we are pushing renewable energy. Sir, if we are pushing renewable energy, I want to know, and if we are pushing oil, I will tell my people in Josey Hill there is no need to give up their rights.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, we in Barbados behave as if we are not part of the world, and what is happening in the Middle East and South America is not important and will not impact on us. This is foolishness.

Mr. Deputy Speaker, the important thing is that if we were to find oil tomorrow in large amounts, things will change and the international pressures will come down on us. Sir, we should never fool ourselves that people will allow us to just go and get rich overnight, and they will not seek to get some of that money.

I want people to understand that arms is also an industry. It might not be one for us, but people will give a reason and create a reason why arms should be sold. It also means that people would create a relationship with countries close to us to ensure that they do not have a good relationship with us. Sir, They will even go further, and try to push the two countries to war, just to get some of that money.

Therefore, do not fool anybody that matters like these are easy. We have learnt it since the 1980s, and we are now teaching you about it and how to look for the international players and how they behave. Do not believe that they are saints. Chavez did not come into the Caribbean by accident, offering soft loans and telling people not to produce, that he would give soft loans. Sir, we have been a country and region of producers and people do not come to change that by accident. They come to change that for a reason.

Mr. Deputy Speaker, we have to understand that this oil business, once we start to find oil, we will not be any different to Nigeria or any other player, because the sharks will come in. Sir, we cannot find blue peter sharks in the sea now but as soon as we find oil, you would be surprised how many blue peter sharks there will be, because they will get their piece. Sir, those who cannot understand that I am very sorry for them.

Sir, I have heard a lot today about a fishing agreement and people are behaving as if we need to have a fishing agreement in Barbados. I have heard one person making the point that the Tobagonians are the ones complaining. Yet, we are giving Barbadians the impression that the Barbadians are the ones who need the fishing agreement. I want this House to know, Sir, that for the last fishing season, the Tobagonians were fishing in our territorial waters, and the Government should know this, and the Government should have levelled with the people of Barbados and inform them of what was occurring.

Sir, the Government could not level with the people of Barbados for the simple reason, the impression was given that we were about a fishing agreement, when we knew full well we were about protecting oil reserves, and there was nothing to be ashamed of. Every place in the world would have been happy to tell its people that they are interested in protecting their reserves, whether they are fish reserves or oil reserves, but we kept it as if it was some big secret and nobody knew that we were protecting our oil reserves and fish reserves. If you did not know it, you know now.

The impression that was given is that we cannot trust politicians because they say one thing 18 months ago and now today, they are prepared to say something else. Sir, any good Government would level with its people, and that

is exactly what we sought to do 18 months ago, that is to level with the people of Barbados and to let them know that there is a possibility that there might be the fifth industry and there was a need to protect the fifth industry.

Sir, if Barbadians knew that we were protecting the fifth industry, Barbadians would not have quarrelled about that \$12 million that was spent. The impression was given that the \$12 million was spent over flying fish. Sir, you know once you are about talking poor people, people believe that you should not look after their interest. Sir, when they hear that the \$12 million was spent over oil, they know that poor people cannot deal with oil, so everybody is happy.

Mr. Deputy Speaker, we have to be realistic and we have to very careful where we are going on this particular matter. We, on this side, are happy that there is a possibility of finding oil in our territorial waters. I also want to say that this Government knew for many years - the late Sir Harold St. John has always made the point, and it was mentioned again in this House today - that we have oil reserves. The question would be that if we knew we had those oil reserves, why did we close Mobil.

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Mr. D. St.E. KELLMAN: Sir, one would have thought that the Government of the day, instead of closing Mobil, would have bought it and relocated it somewhere else. Sir, if we had the flow coming and the capacity, then there is evidence that we needed the refinery.

Sir, the training process could have also been going on all like now until we found oil reserves, and we would not now have to talk about training people because we would have trained Barbadians, so that when we tap into that oil we would have trained Barbadians to look after our oil reserves.

Mr. Speaker, it was a sad day for this country when the refinery was closed for the simple reason that we gave up the opportunity to train Barbadians to deal with oil refineries, et cetera. Sir, if we had done the training we would be in the best position now that we have high hopes of finding oil.

Asides.

Mr. D. St.E. KELLMAN: I am now hearing, Mr. Deputy Speaker, that Mobil did not train any. The point we are making is not about Mobil training anybody, but about the Government taking over the refinery and using the Government's capacity to train Barbadians for the future.

Sir, I am hearing now that it is Mobil that must be blamed for that, but it is the Government of the day that must take the blame for that. Sir, this closing down thing seems to be a trait.

I thank you, Mr. Deputy Speaker.

Hon. N. A. LYNCH: Mr. Deputy Speaker, I will take my time and philosophically re-ground the debate. We have been taken on an excursion by the Opposition today, who does not in any way seem to understand or connect with all of the philosophical realities of why we are at this juncture in our development.

Mr. Speaker, let me begin first of all by offering compliments and congratulations to the Minister responsible for Energy for having brought us to this point. Sir, I believe that this is an awesome period in our developmental existence. Sir, let me put on record how personally proud I am to be a part of this exercise and to be in this Legislature at this time.

Mr. Deputy Speaker, I believe that there are a few periods in our history that are going to come to be remembered as important as this to our socioeconomic development, particularly if we do find hydrocarbon deposits that we can truly exploit. Sir, even without discovering anything or discovering substantial quantities of hydrocarbon deposits, I believe that the historical relevance of this particular exercise will put us in a totally different developmental light and that other geopolitical reasons as they relates to the CARICOM region, which I would expand upon later on, and they contribution to the integrated process in the region will clearly be high on the agenda because of this particular initiative that we are embarked on today.

Sir, there have been much complaints in the past about our over dependence on a few economic earning sectors. As a matter of fact, the Opposition is the largest and the loudest voice on this issue. Sir, I say this not disparagingly, but when the Honourable Member for St. Michael North West sat on the other side of the aisle as the Leader of the Opposition, he repeatedly spoke about putting our eggs literally in one or two baskets and about the need for diversifying the economy of Barbados to make us less dependent on certain productive sectors, particularly the tourism sector.

Mr. Speaker, the Opposition still speaks about the underdevelopment of the other productive sectors, particularly manufacturing and agriculture, because of the over-dependence of the tourism sector, which is fickle.

Sir, we never denied that we needed to diversify our economy. Therefore, cognisant of this over dependence on one industry, we are now embarked on pioneering that fifth

productive sector that we should have had a long time ago. Mr. Deputy Speaker, I am appalled that any Opposition member would come here today with these 'poorakey' submissions that they have made to the debate and try to pooh-poo this particular initiative that speaks so much to our development. This is the first time, Mr. Deputy Speaker, in maybe two and a half decades that we are truly seeking to take specific steps in law to encourage and to create a new sector.

Mr. Speaker, people talked about being scientists, I am not a scientist, I am a legislator. I do not need to know about the seismic data, about what is happening underneath or about the plates or any of that, that is not for me, that is for the technicians.

Sir, recently a bridge collapsed in Minnesota and the media tried to pillory the Major of the City and the Governor of the State relative to the collapse of the bridge. Mr. Speaker, one of them said that no politician ever built a bridge and that no politician inspected the bridge either, that a year ago the bridge was inspected by civil engineers and was passed as safe.

Sir, all of the data that has been presented to me in the fora that I have been in - particularly in light of what has happened now with the arbitral process and the issues relating to the continental shelf and our boundaries, between ourselves and the Trinidad jurisdiction - suggest that there is a high probability that there are hydrocarbon deposits in our waters, and that there should be exploited at this time.

Sir, until such time as the technicians are proved wrong, I am satisfied with the information I got. I do not need all the information that the Honourable Member for St. Philip West wants, or he is going to blow a fuse and all this kind of thing, because his head gasket blow already. Sir, I am not interested in that type of information because I might not even understand it.

Asides.

Hon. N. A. LYNCH: I sat in a forum in which the people explained to me what it is exactly they were doing and the probability that there are hydrocarbon deposits that can be exploited, and therefore we should go after them.

Mr. Deputy Speaker, I believe that the Opposition Members should really hitch their wagon onto this horse now. Mr. Deputy Speaker, I would have thought that all of these honourable gentlemen would have been fully supportive of this effort and just as emotional as anybody on this side, because it is a wonderful opportunity. They have said that this is only electioneering, and election as a platform itself. Mr. Deputy Speaker, that is absolute and total rubbish.

Mr. D. St.E. KELLMAN: On a point of order. Mr. Deputy Speaker, I am not aware that you would allow that behaviour in here, Sir.

Mr. DEPUTY SPEAKER: Honourable Member, you have to withdraw that.

Hon. N. A. LYNCH: Sir, I take your point, I withdraw it. Sir, it is nonsense that has been spoken.

Asides.

Hon. N. A. LYNCH: Sir, nonsense is very parliamentary.

They are the proponents of this issue of electioneering and trying to make people believe that some windfall is coming. Sir, we went through that already. They bankrupt the economy. They know what that is about.

Mr. Speaker, I know how they would feel or how I would feel if I were in Opposition and a Government was pioneering an effort like this that could in the future bring substantial socioeconomic benefits to a State.

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4.30 p.m.

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Hon. N. A. LYNCH: I would be frightened like them too because this is the last nail in their electoral coffin. Therefore, for those who want to criticise and talk about whether or not Cricket World Cup, 2007, worked, Mr. Deputy Speaker, let me say this: Mr. Deputy Speaker, the Governor of the Central Bank has just given her report for the first six months of the year. The Governor of the Central Bank has made it abundantly clear in the Central Bank report that:

“Nonetheless, the external current account balance improved as the country benefited from high travel credits during the review period. The out turn, coupled with the strong performance of the external capital and financial accounts, led to BDS\$262.7 million increase in the net international reserves of the monetary authorities, during the period, January to June, 2007.”

Mr. Deputy Speaker, it is the largest first-half increase in the international reserves, since 2000.

Asides.

Mr. D. St.E. KELLMAN: On a point of order. Mr. Deputy Speaker, the Honourable Member is misleading this Honourable House by giving the impression that the

\$262 million was the expected amount. What the Honourable Member is not saying is that he was telling the whole country we were going to get a \$1 billion in reserves, but that it has only come in at \$262 million instead.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Hon. N. A. LYNCH: Mr. Deputy Speaker, to make it even worse, during the period there was no borrowing.

Asides.

Hon. N. A. LYNCH: These are the travel credits that have been noted, so we could say whatever we like.

Asides.

Hon. N. A. LYNCH: Mr. Deputy Speaker, I do not know how one could be so partisan to a subject. As I said before, I am a legislator and therefore we need to enshrine in the law those initiatives that both protect our citizens and enhance their potential for developmental growth.

Mr. Deputy Speaker, the legislation is intended in all of its aspects, not only to protect the people and the environment of Barbados but to ensure competitive terms and conditions that will certainly stimulate professional exploration campaigns. Sir, the philosophy of the legislation is clear - and the lawyers could be left to go into all of the intricacies of the law - but I know what was presented to me has certainly assured me that the emphasis here would be on the protection of our people and the environment in and around them, particularly in the waters in and around Barbados. Secondly, that there are substantial opportunities here for economic advancement.

Mr. Deputy Speaker, tourism was mentioned. As a matter of fact, in responding to the Minister, the Honourable Member for St. Michael South Central spoke about the issue of a country being dependent on tourism. The Honourable Member spoke of pristine waters, beaches, and issues relative to the protection of the environment.

I want to say that as Minister responsible for tourism, I feel most assured that the legislation creates the perfect platform for the protection of our waters and for the continued development of our tourism sector, without any deleterious impact.

Mr. Deputy Speaker, I will say that tourism itself would gain, even from the preliminary actions of exploiting or seeking to exploit what are our potential hydrocarbon reserves. Sir, with regards to how a tourism industry works, clearly by the influx of people that would come here to do the oil and gas exploration, the level of inputs into the

sector itself must benefit the tourism sector. Sir, a tourism sector does not exist in a vacuum, it must exist with all of the productive sectors that we have in Barbados. These sectors all complement the rest of the tourism sector. Therefore, it is not only about issues of environmental protection, it is about issues of having an industry that is complementary to tourism, and I believe this particular industry would do so in that regard.

Mr. Deputy Speaker, I am satisfied that the law will protect our marine environment enough to avoid any disruption to the sector. But let us imagine if hydrocarbon deposits are discovered and exploited, then let us think about the vast potential for earning for Barbados as a whole.

Sir, for the life of me, I cannot understand how an industry that is going to impact so much on our foreign exchange earning capacity could be spoken of in the way in which the Opposition spoke of it today. Sir, not only are we to gain from the foreign exchange that could be gained from the particular sector but let us think about the import substitution of which we would be able to take advantage.

Mr. Deputy Speaker, last year we spent approximately \$475 million on petroleum products. Let us imagine the potential for us to be able not to have to put that amount back into running the economy. This is not even taking into account all of the other initiatives that have been put in place, to look at sources of renewable energy from which Barbados could gain.

Mr. Deputy Speaker, I believe that without even considering all that could be done, the vast ability and potential for this industry to make Barbadians self-sufficient in energy sources, it is worthy of the exploitation, worthy of the initiative, and is worthy of the objectives that we are seeking to put forward. Furthermore, there is the potential for linkages within the spectrum for energy itself.

There is the matter of ethanol production and what we are going to be doing to convert our sugar industry into a true sugar cane industry. This enhances the potential for matters we have discussed, relative to other issues, for example, natural gas. It is my understanding that there would be a high probability there would be natural gas found as well. That, in itself, speaks of our dealing with natural gas and to the potential for natural gas. It also brings into a wider perspective the issues relating to what we are seeking to do with the pipeline from Trinidad and Tobago.

Sir, the other issue that must be taken into account is the probability, in my estimation, of the concept or the probability of a unionisation agreement with a country like Trinidad and Tobago, a country that already has a very well-developed oil and gas industry. Sir, for the longest

time, some Barbadians and the Opposition, have been talking about the issue relating to Trinidad and Tobago. They have been talking about what Trinidad and Tobago is investing in Barbados and about the fact that what we seemingly are not doing in terms of investing in that country. I say, Sir, that through an agreement like this, the probability exists that we now have an opportunity to be better linked to a country which has a very well-developed oil and gas sector, and that this would enhance the relationship between Barbados and Trinidad and Tobago, if that were to arise.

Sir, if and when we do discover these deposits and we could exploit them, we would have this awesome opportunity of investing more in that country, than we are presently doing. Furthermore, in relation to the objective of being self-sufficient in energy, I suspect those who are following the news around the world would know about the Russian exploration, about the planting of the flag in the Antarctic and about issues of their in relationship to Canada.

Sir, why would people go to those lengths to ensure that they control their own energy sources? Therefore, why would Barbados, a small developing country with such vast potentials at our doorstep, not seek to do the same? We do not have the hostile environment that they have, we have hurricanes, et cetera, but when we think about it, this is the first time, in my understanding, that because of the melting of the polar caps, it is now the right time to do this type of exploration. Sir, here we are, sitting for the first time in our history, or having relative access to these deposits therefore, in relation to the issue of controlling our own energy sources, why should we not do it?

Mr. Deputy Speaker, I believe there are no quick fixes, nor is there any windfall cure for all of the economic ills our country might be facing, in some regards. There are certainly no guarantees but I believe we would be shirking our duties as Barbadians, as legislators, as a Government to Barbadians and to generations yet unborn, if we do not take this very important step. I think that history would look very unkindly upon us, if we did not do what we have to do. H:No.144 (35)4.40 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Hon. N A. LYNCH: Mr. Speaker, I believe that a step like this is new and progressive and that it is why it is so difficult for the Opposition to fathom and to come to grips with. Sir, I am not running away from all the other issues that were talked about by other members on this side. The reason why the Opposition would be against a move like this, wanting all this scientific data and carrying us on these excursions is because they are well-aware that

if this initiative is successful, that it really puts an end to their election campaign that they have been frolicking with for the last year and a half.

Mr. Speaker, this Opposition once was the Government too. Sir, the Honourable Member for St. Lucy should be in his chair because he would like people to forget all the things that happened in Barbados, when they had opportunities to do things like this because this initiative shows the stark difference between this administration and the Opposition. Initiatives like this would be difficult for them to get. Sir, we lived in a Barbados in which we supposedly were being prosperous and every other person in the world was going to work, another day; another dollar but in Barbados we were going to work another day; another ninety-two cents under the Democratic Labour Party.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House because he has forgotten that in 1975, that a Democratic Labour Party Government showed the country the importance of sugar by taking control of the output of the sugar industry, marketing it and getting the highest level of return.

Hon. N A. LYNCH: Mr. Speaker, we know what has happened with the Democratic Labour Party. Sir, there are aspects of the legislation, in which I think Barbadians would be more than interested. There are issues that speak to royalties, fees and taxation, which I think allow Barbadians to share in this particular initiative in the broadest way. There is the issue of data ownership and confidentiality as well as issues of health, safety and the environment, which are totally relevant to what we are doing. There are issues of local content, land access and the arbitration and penalties process. Sir, more than ever I think that Barbadians need to be assured in this legislation, that they would have an opportunity not only to be protected and to share in the risk but also to share in the rewards if they are rewards coming from this particular industry.

Mr. Speaker, I am happy to be a part of this exercise and to be found in this Chamber at this time, when this Government is making such a progressive step on behalf of all the people of Barbados.

MR. DEPUTY SPEAKER: The Honourable Member for Christ Church East Central.

Mr. R.D. JONES: Mr. Deputy Speaker, I am sure that I did not hear the last speaker in his concluding remarks correctly. He was making a reference to the finding of oil and gas, which would put an end to the election changes of the Democratic Labour Party, and he was using that to counter the argument, which was being

put forward by the Honourable Member from St. Michael South Central. If, in fact, he is disagreeing with the claim of the Honourable Member from St. Michael South Central that this in itself is an accelerated agenda, relative to an election cycle, then his statement actually confirms what the Honourable Member from St. Michael South Central is saying. I would assume that he made the statement deliberately to support the Honourable Member for St. Michael South Central.

Sir, we are really here to look at legislation, which is placed before this House to consider the offshore petroleum activity of the Government and people of Barbados. One sometimes gets tangled-up in the argument that when a Government speaks that a Government speaks of themselves first as individual members or collectively and sidelines the people of Barbados, who should really be involved in the process. If we are to carry to any logical conclusion what is here before us, it means that the people of Barbados have to be, in some way, involved in the process. One, they have to be told of the process as is being done now, I assume. They have to be led to understand what would accrue from the process and not necessarily the grandiose positions, which are being stated but the likelihood that in an exploratory way, we would want to find both oil and gas in our territorial waters. Sir, that is not a position about which the Democratic Labour Party can in any way be vexed, Sir, we have grown accustomed to the hyperbole of the Honourable Member for St. James South. One gets the impression that these things are already satisfied; that we are repeating the bounty of the black gold and that all of us can somehow get jobs in great numbers; that our coffers would be filled to the brim and overflowing; that in keeping with the generosity of the people of Barbados that we would reach out to our neighbours and that we would reduce the debt of all the countries within the OECS, relative to the massive windfall that would accrue from these kinds of gestures.

Sir, let us, as the Honourable Member for St. Michael South said, seek to ground this debate in what can be called practical terms. There is nothing wrong in any country seeking to exploit its natural resources. I do not think on this side we would quarrel with that and I do not believe that the Honourable Members on the other side would ever suggest that we are opposed to any sovereign state exploiting its natural resources, whatever those natural resources are the hydrocarbon natural resources, fossil fuel based as they are, if there is gold or diamond at Chalky Mount, if there are sand deposits or onshore deposits of oil or gas or whatsoever natural resource it is, it is almost the motivation for the existence of a people, to extract the resources, which have been placed by God.

Mr. Deputy Speaker, any Government has to create the kind of framework, which would allow for the exploitation of those resources, either by the Government

itself as an agency or by private capital for the exploitation of those resources.

Mr. Deputy Speaker, what we do not want, especially in this instance is the creation in the minds of Barbadians, notwithstanding the available data, which we do not have on this side and which, was clearly explained by the Honourable Member for St. Philip West. Sir, sometimes one gets the point that we are strangers in this Honourable House, that somehow the Honourable Members, who constitute the governing side can keep all this information to themselves and the information cannot be shared with the people of Barbados, represented in this instance by six Honourable Members on this side and all the other players and the public of Barbados.

Mr. Deputy Speaker, I have made the point over and over and I will continue to make it, that if we operate in secrecy then, what we get, we have to take. Sir, everybody knows that we are talking about these 27 bid blocks, and the 70 square kilometres that we are looking to exploit and 16 different multinational oil corporations that are looking to bid on the territorial waters of Barbados. Sir, those are understandable part so the whole situation.

H144/16:50

Sequence 36

Friday, August 10, 2007

Mr. R.D. JONES: ...but to be critical of the call for the sharing of information with part of Parliament, part of the governing institution of Barbados is wrong, because the entire Parliament is part of the governing institution of the State of the country, and sometime we have to encounter the information that is available. It has to be available because the Honourable Minister, has posited her two-and-a-half-hour speech on that available information. Sir, I am speaking about the Honourable Member for St. Philip West, and the criticism being harped upon him, by the Honourable Member for St. Michael South, that he is a legislator. Are legislators not to be scientific? Are legislators not to have some kind of legal knowledge? If, in fact, legislators are not to have any kind of legal knowledge, there is no need for lawyers in this Honourable Chamber. We could be all school teachers. We could be all educators. We could be all pharmacists, and pharmacists are scientists in their own right and way. Sir, we have to ground what we are saying in that kind of philosophical basis. Sir, there is nothing wrong, as I have said, in seeking to exploit our resources.

Sir, I am trying to see myself as the ordinary Barbadian, over the five months, when the activity became even more frenzy, as the Honourable Member for St. James South, was able to speak to the people of Barbados through

either the media, or what other forum available to the Honourable Member, speaking in her own style as to what will happen, with the bounty that we most likely can and will receive, from our offshore oil fields or whatever they are.

Sir, the Minister has, in fact, created in the minds of Barbadians the impression that it is there already. There are lakes of crude oil, I use the word lakes. There, are lakes of natural gas, and all we are doing is waiting because Barbados does not have the technology to go into 5 000 feet of water to bring it to the surface. Sir, I am speaking about the impression that has been created. There is also another side to that coin. If, in fact, that we have lakes of crude oil that can be successfully extracted to benefit the country of Barbados in a Pentecostal tone, I would say hallelujah, Amen, let us jump and dance in the streets of this country, because the burden in the debt which this country currently has, can be ameliorated as a result of more foreign exchange and money pouring into the coffers of Barbados, which, by extension, would impact on the social services of this country; which would impact on those persons with private capital making more, which would impact on greater entrepreneurial activity among the masses in Barbados; which would allow the Honourable Member for St. James Central to own more property; which would impact on me as well. I am not going to leave myself out. Sir, if there is, in fact, that bounty, that bounty must impact on every citizen of Barbados, either directly or indirectly. So, there cannot be any quarrel at all, if, in fact, it exists.

Sir, with our best intentions, we cannot know, regardless of what seismic data, geological surveys and all of the other terms we can use, we cannot know for a fact, a definitive fact, what truly exists out there. Therefore, we must temper our verbalisation of this issue, a little more. Sir, they are persons in Barbados who might be saying that there are probably barrels of oil just waiting to be taken, and to be sold at US\$60 or US\$70 a barrel, or whatever the price is. Sir, that is all we are saying here.

Sir, sometimes we can be wreckless in our verbalising of these issues, creating impressions that are dangerous in the minds of people. We do not need to go there. The Democratic Labour Party supports the extraction of our natural resources. It supports any legitimate endeavour to improve the economy of Barbados. If, in fact, we are to have a major, what I call, a fifth industry, then so be it. There is nothing wrong with that, so wait. Hopefully, that fifth industry would not impact substantially on reducing the other four areas.

Sir, I heard the Honourable Minister of Tourism, and sometimes I am aghast at some of the words which emanates from his mouth, when he says...

Asides.

Mr. R.D. JONES: Sir, the Honourable Member for St. James Central seems to be well aware of his other ways as well, or wants to know about them. I would not get into that any further.

Sir, the point must be made, that we have to ensure that persons understand what the Parliament wants, and what the people of Barbados would want to achieve from these endeavours. The point I was making before the earlier diversion, when the Honourable Minister of Tourism said that he does not see any impact of this new sector, on the sector that he would suggest, that he manages well.

Hon. N.A. LYNCH: On a point of order. Sir, I never said that it would have no impact on the sector. That is not true. The Honourable Member is misleading the Honourable House, as he usually does. I never said that.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Mr. R.D. JONES: Sir, therefore, one can conclude that the Honourable Minister of Tourism is saying that there will be no impact.

Hon. N.A. LYNCH: On a point of order. That is nonsense. I never said that it will have no impact upon the development of the sector. If the Honourable Member would stop writing on the Blog, the foolishness that he writes, he would know.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Mr. R.D. JONES: The Honourable Member seems to be misinterpreting me, because he is not listening. If he has objected to the initial statement, which I made, he is therefore saying, on the reverse, that there will be some impact. That is what he is saying.

Asides.

Mr. R.D. JONES: The oil industry is a nasty industry. Of course I am an effective blogger. I will deal with the Honourable Member tonight. I have pictures of you as well. I did not want to put them up before elections, but I am going to put them up now.

Asides.

Mr. R.D. JONES: Your nakedness.

Sir, the oil industry is a dirty industry.

17.00 p.m.

Sequence 37

Friday, August 10, 2007

House 144, Sequence 38, 5.00 p.m.

Mr. R.D. JONES: Mr. Deputy Speaker, the oil industry is a dirty industry. Yet, it generates billions, upon billions, upon billions of dollars across the world. It generates riches for persons that you would not believe. There are countries which now wobble...and I heard the Honourable Member for St. James Central, maybe for the first time since he was asked to leave the Democratic Labour Party, making the sensible point that these oil giants are bigger than most States in the world, and bigger than most sovereign entities in the world.

Asides.

Mr. R.D. JONES: It was a major point. It almost caused him to collapse. His brain became emptied.

Asides.

Mr. DEPUTY SPEAKER: Proceed. Honourable Member.

Mr. R.D. JONES: Mr. Deputy Speaker, thank you. The point I was making is that the Honourable Member for St. James South was making the point that they are going to do all of these things within a legislative framework, which will protect Barbados from the vagaries of these giant companies. She did go on, nevertheless, to make the point that the amount of money which they generate within an hour, is more than what Barbados needs over a month, two months or three months to run this country. Sir, I am talking about one company.

Sir, when one looks at a Shell in 2006 generating US\$2.8 million or US\$2.9 million every hour, and then had a profit in 2006 of over US\$300 billion - because nowadays the currency of this realm, Barbados is in US dollars - this is a frightening amount of money and that money comes from what used to be referred to as the black gold. I do not know what it is called now because the price has gone up quite appreciably.

The point we are making is that even though we venture into those relationships in a legitimate way, but because of the immense power that they possess, we do not know what the future portends, and what the future will hold in these relationships.

The people in Nigeria are raging some of the most vicious wars, in relation to the destruction of their land. Sir, here in Barbados, we have people living in the constituency of Christ Church East, who themselves have been raging a

war, not with the guns, speed boats, UZIES and the self-propelled rockets but with their words, against the contamination of 200 acres of the land, which they used to farm to provide for themselves and their families.

Sir, to this date, maybe 12 years of struggle in the wilderness to get this major transnational company that makes so much profits out of the extraction of the earth, will not speak in a definitive way, that is by some recompense, to these people for the challenges they had to undergo, relative to the leakage of some 300 000 gallons of aviation fuel in their area.

Sir, I recognise the intervention of a company in Barbados called, Sol. That is good. That is positive and I have no quarrel whatsoever, but one has to ask what has been the voice of the Government, relative to the suffering of these people and the derogation of their land. Sir, we need to hear that as well because more than likely, this company will be one of those which might have several of the blocks maybe, the flying fish block, the Bajan Cherry block, the road tennis block, Bottom Bay block or the Sugar Cane variety B43262 block.

Hon. R.R. FARLEY: Mr. Deputy Speaker, on a point of order. The Honourable Member is misleading the House and he is literally playing to the gallery, in a most undesirable way, but that is another story for another time.

This Honourable Member for Christ Church East, Sir, has raised on the Floor of this Parliament, and if the Honourable Member for Christ Church East Central was here more often he would have heard that I have spoken in this House. I have spoken in Economic Policy Statement debates several years ago and on several other occasions, in relation to environmental debates, and I have urged the settlement of this matter by Shell.

I have even indicated, Sir, that it is ridiculous that a large multinational, which has made substantial profits from its operations in Barbados, should find it difficult to be able to settle with some local farmers. Therefore, the Honourable Member should have heard but in case he did not, he can ask for Hansard, the record of this Parliament, Sir, and he would have heard the voice of the Government on this matter.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Mr. R.D. JONES: Mr. Deputy Speaker, the question is really, what does the Minister, who has the responsibility for the environment and also energy proposes to do about this situation. I do not have to defend the work of the chief spokesman for the Government, the Honourable Member for Christ Church East. He has to defend what he has done or what he did not do, since he is the Government.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is misleading the House by attributing to the Member for Christ Church, as the Chief spokesman for the Government. I am not aware that he is the Honourable Member for St. Michael North East, who happens to be the Leader of this House. I think that the Honourable Member should withdraw those remarks.

Mr. DEPUTY SPEAKER: Point taken. Proceed, Honourable Member.

Mr. R.D. JONES: Mr. Deputy Speaker, up to March 26, 2007 - the Honourable Member for Christ Church East might be aware of this - Shell wrote to the farmers in that particular area we are speaking about, asking for permission, since they were commissioning their pipelines in that area, to sink test holes to test the quality of the water and all the other scientific stuff.

I do not want to spend any long time on this but part of our responsibility as a Parliament is to stand up right here in this House, for the disadvantaged, those whose voices might not as be as strident out there in the public space, against those companies that are so powerful. Therefore, the call must again go out to the Minister of the Environment to put some strength to her voice, the Minister of Agriculture, maybe, the Parliamentary representative, relative to these farmers of the 200 acres, who are still struggling, to bring some final resolution and solution to their agony, pain and frustration of being denied the legitimate use of their property because of the contamination there at Gibbons.

House 144, Sequence 38, 17:10:14

Friday, August 10, 2007

Mr. R. D. JONES: Mr. Deputy Speaker, we have to consider the wider environmental impact of what is happening right around the shores of Barbados. Sir, when we consider the schematic as found on the side of the Ministry of Energy and the Environment, we have to urge all of those companies involved in extracting the oil or gas or the oil and gas that the kind of safety concerns which are put in place must be strictly adhered to because at the end of the day this 166 square miles rock would want to still see the beaches maintained with the colour that all of us who were born here have seen for centuries or decades.

Mr. Deputy Speaker, we do not want to have situations where pollution desecrates our beaches. We still want to be able to greet persons from other climes who come to our shores to rest from the hurried nature of their lives.

Mr. Deputy Speaker, we must not be concerned only with the billions of dollars which would flow into our

coffers, if that would be so, because the word if was eventually introduced into our argument today. Mr. Speaker, there is nothing wrong with caution as one goes forward into new opportunities.

Mr. Deputy Speaker, the point made by the Honourable Member for St. Michael South Central of using available technology from these many players to assist the Barbados National Oil Company Limited in seeking to extract even more from the inland resources which we have... Mr. Deputy Speaker, 1 000 barrels a day is a substantial drop from previous extractions. Mr. Deputy Speaker, one would want to see that entity returned to a certain level of profitability relative to land production of more crude oil.

Mr. Deputy Speaker, this side hopes that could happen, therefore the Honourable Member's contribution should not be pooh-poohed because there is always need for help. Mr. Speaker, we have not developed the technology. We have to utilise the technology of others but we have Woodbourne and other areas of Barbados that can be tapped and that can be used for the benefit of the people of Barbados.

Mr. Deputy Speaker, I will not at all go into the point of the fishing agreement and the feelings of Barbadians. Mr. Deputy Speaker, when we went to the arbitral tribunal, we were talking of getting a fishing agreement when in fact it was understood by many persons, even though the fish was placed at the forefront...

Mr. Deputy Speaker, this side did not fault with that, this side believes that every State has a right to protect its 200 miles Exclusive Economic Zone and other areas beyond. Therefore, this is not a quarrel with that generally. What there might be some concern about is that if you walk out of this House into the streets today and you ask persons what was the Government talking about over two-and-a-half years ago they would say to you a fishing agreement with the twin island republic of Trinidad and Tobago, because that is how it came through. Mr. Deputy Speaker, we are now clearer today that it is not only a matter of securing fishing rights, but a matter of looking at all of those assets which are part of our maritime space relative to Barbados.

Mr. Deputy Speaker, all I would urge the Honourable Minister to do is to temper her own enthusiasm relative to this matter. Sir, one still would want to compliment all of these technical persons within the Ministry of Energy and the Environment for the work which they have done in ensuring that the Minister would be able to fly across the various capitals of the world, aided or assisted by them to bring the message relative to the potential offshore oil and gas sector, as the Minister would

honestly confess that she is not a technical person relative to these matters.

I thank you.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I did not intend to speak in this debate. I want to compliment the Honourable Member for St. Michael South Central, the Honourable Member for St. Philip West, the Honourable Member for St. Lucy and the Honourable Member for Christ Church East Central for their presentations on the behalf of the Opposition.

Mr. Deputy Speaker, I want to begin by saying that we on this side accept that there needs to be a policy regime in place which would seek to put Barbados in a position, working with others, to exploit its natural resources. Mr. Deputy Speaker, we have no problem with that, except to say, as the Honourable Member for St. Philip West, I believe it was, has pointed out, that there has been an absence of information provided by the Government and an absence of a national discussion about the direction the Minister is taking in this regard.

Mr. Deputy Speaker, it is not enough only to speak to the potential speculators. There has to be some conversation with the people of Barbados as to whether this is the particular development model that they want to pursue. Sir, there has generally been an absence of that conversation, therefore, one is not surprised at the manner in which these pieces of legislation have come to the House, because of the fact that Honourable Members of the Opposition were told they had to come quickly before the House rose, not that they would facilitate anything unusual.

Mr. Deputy Speaker, when the International Business Companies legislation was passed in Barbados, that sector did not take off immediately. The very first offshore legislation in this country was passed by the Democratic Labour Party in the early 1960s, not by the Barbados Labour Party. Sir, it took a long time after that legislation was passed for it to take off because we were creating a product and therefore attracting people to that essentially manmade and designed product.

Sir, it was the same with the Foreign Sales Corporation legislation. We were trying to attract people who were doing business elsewhere to Barbados, so we were creating an investment vehicle and trying to attract people to it, that is why you pass the legislation first.

We did not pass any agricultural legislation before we had agriculture. Our ancestors were practising agriculture a long time before there was any legislation in place. Tourism was being practised in Barbados centuries before the late Wynter Crawford brought the earliest tourism legislation to this Parliament. It is the same with

manufacturing, added to that, was an incentive structure similar to the legislation which is before this House. There was also a structure to facilitate the regulation of the sector, because if you leave it to man alone, particularly in relation to the exploitation of natural resources, an element of greed and unfair competition will set in. Therefore, we understand the need for legislation as well.

House 144 Sequence 39

5.20 p.m.

Friday, August 10, 2007

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I do not believe that the legislation is necessarily ready for passage now because I do not think we are at the stage where we could confidently say, as the Honourable Member for St. Philip West has said, as other Honourable Members have said, as Honourable Members on that side have said, as technicians and persons with experience have said, that Barbados would ever be able to effectively exploit those resources. Therefore, until that is the case, putting in place this legislative superstructure, has been identified by some people as overkill, which has been inspired by a coming election. I think the Honourable Member for St. Michael South confirmed that.

Asides.

Mr. D. J. H. THOMPSON: But even if the Honourable Member for St. Michael South did not confirm that, in as much as he would have like to, today's newspapers - and I cannot quote from them, I can only quote from my notes. Sir, I can only quote the official policy position of the Barbados Labour Party... Sir, I do not know why the Minister got upset when Honourable Members on this side were talking. The writer said that if we found oil, it would wipe out our national debt and it would make unemployment a thing of the past. This was said by the Barbados Labour Party's official spokesman.

Asides.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I have never called him a degenerate, I have never called him a flotsam, and jetsam, or a wash-in. That has never come from my lips, neither will it ever flow from my lips. There are others on that side, who once said that of him but it was not me.

Asides.

Mr. D. J. H. THOMPSON: The writer said that if we found oil, it would make the Singapore's model look like child's play. Therefore, if on the very day on which we are

debating this legislation, the true intent of the Barbados Labour Party is revealed by that...

Mr. Deputy Speaker, I was even offended by what the writer was saying about what the Honourable Member for St. Michael North East. The writer said that she had to convince her Cabinet colleagues.

Asides.

Mr. D. J. H. THOMPSON: I am quoting from my notes.

Mr. DEPUTY SPEAKER: You have to make it a document of the House.

Mr. D. J. H. THOMPSON: My notes?

Mr. DEPUTY SPEAKER: Are you not quoting from some document?

Mr. D. J. H. THOMPSON: No, Sir. I said what they said, and I am reading my notes to confirm what I read it was that they said, or I can quote from my memory, if you prefer that?

Asides.

Mr. DEPUTY SPEAKER: Instead of reading something, you can quote from memory.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, I will not read from my notes. The Honourable Member for St. Michael North East had to convince her Cabinet or her colleagues of her intention to engage the Government of Trinidad and Tobago, as if none of them over there was really willing to engage the Government of Trinidad and Tobago, until the Honourable Member for St. Michael North East, who it was said we accused of doing nothing, could have convinced the entire Cabinet of Barbados, including the Honourable Member for St. Peter, who is supposed to be the champion of sovereignty and small nations and all of that. Sir, according to the official position of the Barbados Labour Party, the Honourable Member for St. Michael North East had to convince every one of those persons.

Mr. Deputy Speaker, let us imagine the Honourable Member for the City of Bridgetown, in a situation where the Honourable Member is coming back from an overseas conference, where the Honourable Member would have talked about the rights of small nations, et cetera, and then having to be convinced by the Honourable Member for St. Michael North East, that she should engage the Government of Trinidad and Tobago in relation to this issue.

Mr. Deputy Speaker, therefore, the true intentions of the Government were revealed in that column. I read it and have digested it and therefore when I came to today's debate, I had made notes, at a Parliamentary Group Meeting, of the kind of debate I thought we should have. I must say that despite the currents that cross their minds, there are some people who can stick to that particular exercise. Sir, I am not one of those persons because I am not a hypocrite. Therefore, if the true intentions of the Government do not inspire me to enjoin them at the level where the Honourable Member for St. James Central and others have called for, this so-called non-partisan level, where we rise to the occasion and work with the Government.

Asides.

Mr. D. J. H. THOMPSON: No, you usually do. The only thing I would accuse the Honourable Member for St. James Central of doing, is walking around for the past three weeks, telling everybody how he has single-handedly drafted this legislation and that the Minister does nothing and knows nothing about it. That is the only thing I would accuse the Honourable Member for St. James Central of doing. I am putting him on his guard, in case he did not know it, but I am not going to accuse him today of asking for partisanship.

Asides.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, we agreed there is need for a policy and we have said why we need it. There is need for laws to regulate the industry but there is also the need to identify the industry to be regulated. Sir, only the Honourable Member for St. Michael South, out of 272 000 Barbadians, could find it possible to say that even if we do not find oil, that this legislation would put us in a different developmental stage. Therefore, by passing the legislation, even if we did not find oil, we suddenly would have moved to a different developmental stage. Sir, I say these things confuse me.

Asides.

Mr. D. J. H. THOMPSON: Mr. Deputy Speaker, there is the need for a policy. We agreed there is need for legislation and we on this side understand the need of a Government, in its third term in office, to feed the people bread and circuses. This Government has no choice because it has to keep the flagging administration going. Therefore, this Government now has to shift the gold post.

Sir, in relation Cricket World Cup,2007, we held the hands of the Minister of Tourism on that. We heard this economy was going to benefit from billions of dollars of new investment, as well as tourism receipts during Cricket World Cup,2007. We heard that thousands of people from

India, Pakistan and from all over the world were going to visit our country. We heard that Barbadians vendors, taxi drivers, fishermen, soldiers, sailors, candlestick makers, et cetera, would all benefit significantly from Cricket World Cup,2007.

Asides.

Mr. D. J. H. THOMPSON: No, I put my own flavour. If you want to go that route, "sharkey" and everybody. It was said that nobody in Barbados would be left behind in relation to Cricket World Cup,2007. And we hitched our wagon. Sir, from the outset the Opposition said that it was hitching its wagon to the star, which the Honourable Member for St. Michael South asked us to hitched our wagon. Sir, the only boast we could hear now is that the security arrangements were excellent.

Mr. Deputy Speaker, I went to the opening of the CARICOM conference and not a single Caribbean Leader could have said that his country's economy was transformed, or that he had received significant tourism receipts. Sir, nothing like that was said. The Prime Minister of St. Vincent and the Grenadines said that it has shown that we can enter into regional security arrangements successfully. That is all the legacy of Cricket World Cup,2007, will be. And, therefore, a Government that has to come out of that exercise, that credibility deficit, arising out of Cricket World Cup,2007, would try to cause us to hitch out wagons onto the prospect of finding oil. Why not? If people are gullible enough to believe that, without any evidence on which to base those assumptions, they would try it. Sir, I am saying this is what this exercise today is about.

Mr. Deputy Speaker, I agreed with the presiding officer, it is not about Barbadians fishermen and it was never about Barbadian fishermen. Therefore, we do not have to debate the plight of the Barbadian fishermen, who, just a few years ago, were being locked up in Trinidadian jails; whose boats were being taken away from them and whose catches were being confiscated.

5.30 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Mr. D.J.H. THOMPSON: We are hearing that it does not happen now but it is not because of any agreement nor because we found oil, it is because the fish are no longer, apparently, going to Tobago, but the Government takes credit for that, they warmed the waters, diverted the Gulf Stream and ensured that the fish no longer went to Tobago but came to Barbados instead. Sir, that is the kind of

nonsense that some people, not in this Chamber, would spout in support of the issue.

Sir, I am saying that this was never about the fishermen and the hurry 'mek up' crew that was sent down to Tobago in the last week to go and suddenly sit down - they were not doing that for the past year - and pretend that it is still about the fishermen, so that this debate would not be characterised...

Hon. Miss M.A. MOTTLEY: Mr. Speaker, on a point of order. The discussions first took place in January of this year when myself and the Minister of State in Foreign Affairs, the Honourable Member for St. James Central, met with the Attorney-General and Minister of Foreign Affairs of Trinidad and Tobago. There were then subsequent discussions at the level of Prime Minister Arthur, the Honourable Member for St. Peter, and the Prime Minister of Trinidad and Tobago and then there was a subsequent meeting between and Prime Minister Manning and myself, and then these people went down last week. This process has been going on for the full eight months of this year.

Mr. D.J.H. THOMPSON: Mr. Speaker, it has been going on longer than that. It has been going on for years.

Asides.

Mr. D.J.H. THOMPSON: I said the hurry, 'mek up' crew that was sent down last week in anticipation of this debate, but the Honourable Member for St. Michael North East, of all the members in, here would know that it is unlikely that in the current political configuration in Trinidad that the current Government, as presently constituted, under the PNN, is going to come to any arrangement in relation to fishing in the waters of Tobago. Sir, they do not want to say that, they are going to go to Trinidad and Tobago, waste the taxpayers' money. They have wasted \$12 million already and will now waste another few millions flying back between here and Trinidad to feed the people bread and circuses and to give the impression that they are really dealing with a fishing agreement, when in fact, all they are doing is throwing a few administrative palliative at the public of Barbados. Sir, I am saying shame and condemnation on the Government.

Mr. Deputy Speaker, that has put paid to the issue of the fisherman, all the issues between Barbados and Trinidad and Tobago are not over either because, despite what the Honourable Members on that side are saying, the Minister would have to give us the firm assurance in here that despite the decision of the tribunal and despite the passage of this legislation that Barbados faces no further challenges in relation to the Government of Trinidad and the exploitation of oil within, what is on the basis of the

decision of the tribunal, our economic zone. Sir, I want to hear that from the mouth of the Minister.

Mr. Deputy Speaker, we do not need to make a big issue out of this legislation. The Minister said that it is the most unique legislation that it is de novo, but any cursory look at legislation in other oil producing countries are similar kinds of legislation. There is nothing that the Honourable Member for St. James Central has drafted, according to him, in this legislation that gives Barbadians any more protection than people even in countries where the exploitation by multinationals corporations is at his highest. There are some countries in the world, which has the toughest legislation but the most exploitation, so legislation along does not achieve it. Sir, the concern that was raised in here about the ability of Barbados to police its own land-based environment... Sir, I left parliamentary group meeting yesterday and I only drove from Mapps, St. Philip to Codrington College this morning. The Honourable Member for the City, despite her grumbings, like to visit St. John regularly.

Hon. Dame BILLIE MILLER: Mr. Speaker, on a point of order. I keep telling the Honourable Member for St. John not to pick at me all the time. I tell him not to do it because I would lash him back. Sir, I am no frequent visitor to St. John. I am a frequent visitor to the City of Bridgetown.

Mr. D.J.H. THOMPSON: Whatever, for the time being. Sir, just this morning, in that short space of time I saw rubbish pile up, things that are dangerous to our environment like old computers, fridges and stoves. On Saturday, the remains of the pigs that people use for pudding and souse are strewn across the road. Sir, this is in front of Codrington College, which is a landmark, national site. Sir, if you go there today you would see the pile of rubbish. Sir, the Honourable Member for the City says I am supposed to do something about.

Mr. Deputy Speaker, let us forget St. John now and come to the City because the Minister would tell me that we could eat off the streets in the City, like you could eat off the floors in the hospital, but we have problems policing our land-based environment. The point that the Honourable Member from St. Michael South Central makes is that despite the passage of legislation, we do not have a large coast guard; we do not have an emergency response unit or the kind of environmental clean up arrangements that could be moved into position in 24 hours or even 48 hours. Therefore, what kinds of guarantees can the Government give us that this legislation can be supported by the kinds of mechanisms that would ensure that our coast in Barbados and our marine life are not affected by the development of the offshore exploitation of gas and oil.

Mr. Speaker, another point which was raised, which is very important relates to the powers of the Minister. This Government has gone to the extreme in relation to recent legislation. Sir, other countries in the Westminster model are moving in a direction, where there is more consultation, where there are other bodies, including parliamentary bodies, that can have a say and influence the outcome of decisions in relation to matters of this sort. We have gone the route, once again, as we did in some of our offshore legislation in the past and in other pieces of legislation, where it is not necessary to repose all of the decision-making powers in the hands of a Minister. Sir, I am saying that this is an undesirable development and, just as we pledge in the Budget Reply to make some changes to our Town & Country Planning arrangements, a Democratic Labour Party Government would ensure that no Minister can have this amount of power in his or her hands in relation to legislation for...

Asides.

Mr. D.J.H. THOMPSON: Sir, that is what the law said, it has nothing to do with a Minister.

H144/17:40

Sequence 41

Sequence 41

Friday, August 10, 2007

Mr. D.J.H. THOMPSON: It has nothing to do with a minister. It has something to do with the powers of a Government to do that. I am saying that no minister should have the power. The same way you are awarding contracts, as Minister of Health, to people to polyclinics, you should not have had it then, and I am saying that no minister, now, should have the power, especially when you are giving it to your friends.

Asides.

Mr. D.J.H. THOMPSON: We should have taken it away investigated it, and called back Duffus to find out exactly what really went on, but we did not do that. I am saying that no minister should have the power, which is vested in the minister, in this legislation which is before the Honourable House today. That is what I am talking about.

Sir, we have had a whole day of debate, not characterised by any statements, that buttressed the position of the Honourable Member for St. James South, when the Government was fighting for a quorum to listen to her presentation, it was then followed by a series of speeches, which gave no credence to what the Minister said in her presentation earlier in the morning. It was just a tirade of

criticism against the Opposition, because we were not saying what the Government wanted us to say. Sir, it has nothing to do with us. The Government has the numbers.

Sir, according to the Honourable Member for St. Michael South, they also have all the intellect, because she said on this side, we do not like to discuss intellectual issues, we are not interested in that. So they also have all the intellect, and they have the way, according to them, of public opinion, according to the position of the Honourable Member for St. Michael South. It has nothing to do with the Opposition.

Sir, if you believe that it is necessary to pass legislation on a whim, certainly not on sufficient evidence, that at this time the legislation will become necessary, that is your business, and we wasted some parliamentary time on it, but that is how our system works. It would not be the first Government in the world to pass legislation covering an area of activity that never took place in the country. Those of you who watched the Last King of Scotland, the story of the late Adi Amin, would know that he passed legislation, a lot of it, to cover a lot of areas of activity that would never take place in Uganda, even if you moved it from Africa and put it somewhere else, but he went ahead and passed the legislation, because it looked good, he felt it would have attracted investors to the country, and it is not unheard of. Therefore, in that regard, the Government is the Government, and is entitled to do what it needs to do. It has nothing to do, at the end of the day, with the Opposition. We will raise our concerns, they are environment. They relate to the power of the minister. They relate to the timing of the legislation. They relate to the fact that we are preceding, in relation to this matter, the same way as we proceeded, in relation to the World Cup. We hope that Barbadians will not be let down, particularly the thousands, who the Honourable Member for St. James Central said are employed in the energy sector in Barbados, during his presentation. We therefore hope that the fisherman of Barbados will finally find some caring individual in the Government, who will ensure that their cause, once again, has priority.

Sir, we do not believe that finding oil will wipe out the Barbados national debt, because there are countries that have oil that still have high levels of national indebtedness. We do not believe that it make unemployment a thing of the past. We do not believe that it would make the Singapore model look like child's play. We strongly believe that it would be desirable if Barbados can have a more balanced economy, if we can exploit more of our natural resources, provide jobs and earn foreign exchange, and contribute more meaningfully to the development of our country. We do not think that there is much that has been said today, that would lead us to believe that is imminent.

Thank you, Mr. Deputy Speaker.

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

Hon. Miss. H. E. THOMPSON: Madam Deputy Speaker, this has been an extremely interesting day, moreso for what has not happened on the other side of the divide in the room. There were a number of issues that were raised, to which I would wish to respond. Sir, we gave the Opposition adequate time to review the legislation but did not see a commensurate amount of work as having been done and demonstrated by the quality of the responses, to which we were treated.

Sir, if this is, a new industry or not, it is, in fact, a new sector and a new frontier of economic activity for Barbados. We produced 1 000 barrels of oil, and some associated natural gas. We consume 8 000 barrels. You cannot classify a production of 1/8 of your national consumption as an industry. The legislation framework also addresses the development of an offshore sector which does not now exist. Insofar, as it does so, what we are dealing with is something new, different and groundbreaking. I do not share the view that it will wipe out our national debt.

Sir, I think that the approach of the Opposition has today been extremely clever. They have gone for massive overstatement in an attempt to make light of what the Government is doing. It is, in fact, the approach of the Barbados Free Press. For its principal writer, the Honourable Member for Christ Church East, kindly note that the information is not secret, it is on a website, www.energy.gov.bb. You can write about it in the Barbados Free Press.

Mr. R.D. JONES: On a point of order. Mr. Deputy Speaker, the Honourable Member is misleading the Honourable House because this Honourable Member for Christ Church East Central, has never had any connection whatsoever with the Barbados Free Press. I would therefore want the all Honourable Members to desist from saying that. That is an entity which I have no control over.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Hon. Miss. H. E. THOMPSON: Sir, if the Honourable Member now does not wish to...

Asides.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member for St. James South.

Hon. Miss. H. E. THOMPSON: If the Honourable Member for Christ Church East Central.

Hon. K.D. SYMMONDS: Sir, I am on a point of order. The Honourable Member for Christ Church East Central cannot have it both ways. He put himself on the records of this Chamber today at approximately 5 o'clock as saying that he had pictures of "my nakedness", and that he was posting them on that website tonight. That is what he said, Sir. I do not know what titillates him about that, or where he was peeping at me, but that is what he said.

Asides.

Hon. K.D. SYMMONDS: Sir, that is why I never back him.

Asides.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member for St. James South.

Hon. Miss. H. E. THOMPSON: Sir, I would encourage the Honourable Member for St. James Central not only never to back him, but do not bend over to pick up anything when he is near. That would be even more dangerous.

Asides.

Hon. Miss. H. E. THOMPSON: Sir, there were three issues raised by the Honourable Member for St. John, in closure. They dealt with the timing of the legislation, the power of the Minister and the environmental concerns.

I have indicated already the existence of Marine Pollution Control legislation. I have indicated already the provisions within the ambit of the legislation to deal with marine degradation. I have not said is, that are also working on a set of regulations, which will accompany the legislation, as part of the general framework for regulation and control. Further, it is a specific criteria for qualification, to participate in the programme that the entities which are involved, should have strong environmental backgrounds.

17.50 p.m.

Sequence 42

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House 144, Sequence 43, 5.50 p.m.

Hon. Ms. H.E. THOMPSON: In relation to the Gibbons farmers, Sir, I know that the Ministry of Agriculture has been engaging with them. They asked for a

meeting with me and I accommodated them with the meeting. Sir, following that, they met with the Chief Town Planner, the Environmental Protection Department and the Barbados Water Authority, in relation to addressing some of their concerns and dealing with issues that they raised and which, prior to then, I had not been involved.

Sir, regarding the timing of the legislation, there is no nexus, though it may turn out to be propitious, the timing of the legislation and the timing of the election. The God Almighty knows whether there is oil in the seabed to be found and God Almighty knows what will be the date of the election.

Sir, subsequent to the award of licences or the signature of contracts, there is going to be some lapse in time before any drilling will be done. Sir, what we feel as a Government is that if we are to march a country toward developed country status, in an environment where oil is excelling for its highest ever in history, where the demand for oil is at its highest, where drilling for oil is at its most intense and where the technology now exists to find and recover hydrocarbon reserves from the deep offshore, those four elements are what is driving the timing of the programme.

It is not an election timing. It is a timing that has to do with the dynamics of the international marketplace and industry at this time. It has nothing to do with politics. It is that the Government recognises, given the climate that currently exists, if we are to realise the potential of the industry, the timing is now and has to be now. Sir, whether an election is called this week, next months, six months or a year from now, this process has to go ahead expeditiously, because of the confluence of the international circumstances, which make this the best historical and economic time to exploit the opportunity.

Sir, it is interesting that the Democratic Labour Party would want to cast it in those terms because that is, perhaps, how they see themselves behaving. It was not this administration that ever said that we were going to call an election after World Cup, that was put out by the journalist and by the DEMS, led by Harold Hoyte and Albert Branford and then by the Democratic Labour Party. It was never part of our philosophy, nor is it part of the philosophy now to link this process to elections. The Prime Minister will call an election, when he determines that the time is best. Sir, this process will go on.

Sir, it pains me today to see the posturing of the Democratic Labour Party, which really was bad-minded. Sir, I will withdraw that, if it is unparliamentary.

Asides.

Hon. Ms. H.E. THOMPSON: They were ungenerous and uncharitable in their approach. You could see that they really did not wish us well, because they know the benefits that will enure, perhaps to the political party that has the foresight to bring it but, I think that is unkind, not to us as a political institution, but to the people of Barbados. Sir, whether we are the Government or not, the people of Barbados will benefit from this exercise and future Governments, however they are constituted, will benefit from this. Therefore, it is uncharitable and ungenerous to wish that it does not proceed well, simply because you feel that we may derive some financial or political benefit from it, Sir.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member is misleading the House by giving the public the impression that the Members on this side are against the finding of oil in Barbados.

Sir, the Members on this side have been on record as saying that we will be happy and we even forewarned the Government that they should do everything to ensure that international politics and international players do not sabotage the oil findings of Barbados.

I cannot see how statements like these could come from this side, and then it could be put in the public that this side is against the finding of oil, when we are protecting all the rights of the citizens of Barbados by ensuring that people do not find oil, tap it and then behave as if they have not found oil.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Hon. Ms. H.E. THOMPSON: The Honourable Member for St. Philip West, said that you have to bring the document for me to see, and he carried on. Sir, you know that he speaks, very distressing. The seismic data is not an x-ray that he could read it, no matter how much scientist he is, Sir, my background is law. I have therefore relied on geologists and people who have the technical capability to advise as to whether or not, there is a likelihood of oil found in our water.

Sir, my assessment is that whether it is shark oil, whale blubber oil, cod liver oil, real-real oil, or even lard oil, the point is that people who are experienced in the sector, who have access to considerable resources have a sufficient belief that there is oil in Barbadian waters so that they have been willing to attend the road shows, and send people to Barbados to buy seismic data. Sir, the basic data package starts at US\$180 000, and Sir, you cannot buy only one. Therefore, by the time you have bought all the data packages, you would have spent perhaps close to \$1 million, just to access data.

These people are serious businessmen and investors. They do not waste money, so they are not coming to Barbados and expending that kind of effort on money, unless they were assured that there was a potential investment here for them that has a yield for their shareholders.

Finally, on the three matters raised by the Honourable Member for St. John, who said that he is unwilling to invest power in a Minister. This administration has no such fear. The authority to make the decisions had to reside with somebody. I am not going to say that the decisions are any better made by a permanent secretary, a chief technical officer than by a Minister, that those persons have any higher integrity than a person who is a Minister and a politician. I am sorry but I am not of the school that believes that because you are a politician then you are lacking in integrity. I do not believe or accept that.

Sir, if the Honourable Member for St. John knows, based on his own experience when his Party was saying not to approve casino licences that he, as Minister of Finance was signing to approve them at certain developments in Barbados. Sir, he knows, having been the Minister responsible for the development of Royal Westmoreland when, in fact, gated communities had come to an end in Barbados, that he reestablished gated communities in Barbados in the place of Royal Westmoreland.

Sir, it was that Minister, the Honourable Member for St. John who has taken actions as a Minister, which have run counter to the principles and policies of his Party, and counter to what would be expected of him by the taxpayers of this country. Therefore, the distrust that he has of ministerial conduct is rooted in personal experience. Sir, that is the problem but I have no such difficulty with myself because as a Minister, I have been faithful to the oaths that I have taken, and to the principles by which my parents have raised me.

Therefore, as Minister, I can take the decisions. I will take the decisions. I have nothing to fear and I will not be compromised by any company, no matter how much money they have to offer. The process up to this point has been open, transparent and fair.

House 144, Sequence 43, 18:00:14

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Hon. Miss. H. E. THOMPSON: In fact, part of the difficulty which the Honourable Member for St. John has is that he remembers his own relationship with the oil industry in Barbados. Sir, it was he who allowed Exxon Mobil an exclusive package with Barbados which gave them a guaranteed 15 per cent after tax profit, against all of the advice of the civil servants of the day, the Chief Project

Analysis and the Chief Accountant, all of whom said that should not happen. Sir, the Honourable Member for St. John as Minister of Finance took a decision that Mobil was to be put in a position which no other company in the country enjoys.

Sir, across the world where companies were receiving 10 per cent after tax profit or other investments, in little Barbados, at a time when our economy was in deep crisis and people were suffering and salaries were being cut, he was assuring Exxon Mobil of a 15 per cent return.

Mr. Speaker, it was at that time when he also issued an edict that the Barbados National Oil Company Limited, which we have developed, was to be sold to a Trinidadian company called Rice. Sir, there was no discussion at that time about letting there be any public dialogue, and there was never any issue raised about scrutiny and accountability, it was all at the signature of his pen and all contrary to the interest of the people of Barbados.

Sir, he fears himself because he well knows that trust should never be placed in him when he is put in positions of responsibilities. Sir, that is not by accident but by his own historical conduct.

Mr. Speaker, Exxon Mobil is a sound company, it is technically strong. Sir, they have an excellent reputation and we would be happy to do business with them if they meet the criteria. Sir, this Government told them very early, and I say it publicly with their representatives present, that there would be no private or exclusive secret relationships, they have to go to public tender like everybody else, they have to meet the criteria just like everybody else and they have to line up and be part of a process that is open, that is transparent, that is objective and that can withstand public scrutiny. Mr. Speaker, the secret deals with Exxon Mobil are over, as with any other oil company in Barbados.

Mr. Speaker, I have every confidence that every Minister of the Barbados Labour Party Administration will do the same, so the powers can reside with a Minister on this side.

Mr. D. St.E. KELLMAN: On a point of order. I believe that the Minister is misleading the House or she needs to reconfigure what was said because the impression can be taken that there was an attempt by an outside entity to influence the Ministry of Energy and the Environment. Mr. Speaker, I do not think that is really what the Minister meant to go out, but the mere fact that I was able to pick it up, I believe that the public has also picked it up.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Hon. Miss. H. E. THOMPSON: It is also a fact that during the time the Honourable Member for St. John was Minister of Finance, oil was selling at US\$13 per barrel and the tax take was 89.53 cents per litre. That is what Barbadians were paying in the times of the greatest economic stricture. Today, the price of oil is US\$78 per barrel and we are paying 30 cents per litre in tax. At US\$13 per barrel under that Administration, gas was selling at \$1.54, diesel at \$1.29 and kerosene at 55 cents per litre. Fourteen years later, with the price of oil having more than quadrupled and selling on the international market at US\$78 per barrel, we are selling gas at \$2.15, diesel at \$1.46 and kerosene at \$1.37 per litre.

Mr. Deputy Speaker, you could therefore see which of the two Administrations has developed a better oil and energy framework from which the public can benefit. Mr. Deputy Speaker, the facts are clear, therefore, all of the parading and the grandstanding today was exactly that, full of sound and fury but signifying nothing. There was no substance to it at all.

Mr. Deputy Speaker, the Honourable Member for St. Michael South Central raised the issue of integrity legislation. Sir, he really has more to fear about integrity legislation than anybody else in here because he would have to give account of who was in charge when he got the contract for the work at the National Stadium, and he would also have to face issues of charges at the level of Olympic committees about bribery and corruption.

Sir, the debate today went to some terrible and very unfortunate lows as the Honourable Members on the other side sought to suggest that what we are doing here is some grave wrong and not creating a new policy framework and so on.

Mr. Deputy Speaker, there was also the issue of the refineries. Sir, I found that one very interesting. First of all, they were saying there was no oil and that there may never be any oil, yet they were telling us that they did not hear anything about the building of a refinery. Mr. Deputy Speaker, that is analogous to your child who when he or she is two years old and starts walking about, you say Oh my goodness, I am a diabetic let me buy a prosthesis just in case when he or she is 40 he or she gets diabetes and is going to need it. Mr. Deputy Speaker, that is totally ridiculous.

Mr. Deputy Speaker, you have to develop the industry first. Mr. Deputy Speaker, when I speak about developing the industry, essentially what I am saying is that there has to be a determination as to whether there are finds of oil that reached a commercial quantity, because you could find oil or gas that are not in the quantities that would give an economic return that would make the enterprise commercial. Hence, we are setting up the platform and the

foundation on which the industry would be built up, but the refinery would be the roof, it goes on last. Mr. Deputy Speaker, it is not what you put on the foundation stage, and we are now at the foundation stage. Therefore, the suggestion of a refinery, though it may be useful down the road, is not an issue that we would have to confront today.

Mr. Deputy Speaker, the Honourable Member for St. Michael South Central spent so much time attacking me personally, and that was sad. Sir, it was clear that even though they had time, the Honourable Members on the other side clearly did not prepare.

Mr. Deputy Speaker, one very useful question was asked about natural gas and should we have a pipeline if in fact we are developing our own industry. Mr. Deputy Speaker, the answer is this. Our natural gas resources on land are running low, and they are finite. Unless there can be new finds of oil and gas onshore, we have to have some plan for the development and the supply of gas to the country.

Mr. Deputy Speaker, we have determined that should be by pipeline. If we find commercial quantities of gas, there is absolutely nothing stopping us from selling that gas to our neighbour in the north, the United States of America, which is one of the largest consumers of energy in the world and which pays top dollars for the gas. In fact, Trinidad has moved from being a significant producer of oil in some instances to producing larger quantities of natural gas, and they are getting top dollar for the gas which they are selling to the United States of America.

House 144 Sequence 44

6.10 p.m.

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Hon. Miss H. E. THOMPSON: Therefore, if we were to find gas, we would sell it to the United States of America or to anybody else who would buy it. Sir, China, for instance, is now setting up strategic linkages with Africa, exactly for that reason. China is securing the supply of oil and gas to an economy that is growing at a very rapid rate and for which the demand is extremely high.

There is no conflict between the principles advocated in the National Energy Policy, which speak to increase natural gas usage, to the development of renewable energy technologies and to the exploitation of hydrocarbon reserves. We could develop our renewable energy technologies; we could determine what percentage of the economy would be fuelled by renewable energy resources; determine what percentage would be fuelled by natural gas; we could determine what percentage would be fuelled by other hydrocarbons; and we could determine

how much we would be exporting and what revenues and foreign exchange we would earn from the sale of the product outside of Barbados. Sir, there is no conflict, the fact that we are working at both does not mean that we have failed to talk or to think the process through.

Mr. Deputy Speaker, the Honourable Members on the other side said that the legislation was flawed but they never really said in what way was it flawed, neither have they made any suggestions to correct it. Sir, it is not in our interest to have a correction, if there is a flaw, it would be in the interest of the taxpayers, for the Opposition to have indicated what, in fact, that flaw was, so that in the taxpayers best interest there could have been a correction.

Mr. Deputy Speaker, I think I have dealt with the majority of the issues raised. I have sought to explain some issues which might have appeared to others listening, to have some nugget of substance associated with it but in fact, did not. We have to speak further this evening on the tax regime and I would want to lay the tax regime out when that legislation comes.

Mr. Deputy Speaker, I would want to say that whether or not the Honourable Members on the other side accept it, this has been a historic debate. It does attempt to craft the future. Members of the media have asked me what sort of monies I expect to be generated from the process and I have said to them, I do not know. Sir, I do not want to overstate it. What we have started is a process that could lead first to discovery and subsequently to development of the product and development of the country. Sir, we could not get to the issue of development unless we first came here to start the process of the creation of the platform on which the industry would stand. That is what we have done today and I would wish to thank all Honourable Members who have involved themselves in the debate and who have worked in this process.

Mr. Deputy Speaker, I wish to close by thanking all civil servants across the various ministries, who have advised on this matter, whose advice have been taken and who have worked hard over a long period - not over an election cycle - to bring Barbados to the point where we could look in the face of a new economic opportunity and reach out and grasp it. Sir, in that context, I am much obliged to all who have helped us to take hold of the opportunity.

Mr. Deputy Speaker, I beg to move that this Bill be read a second time.

Hon. R. R. FARLEY: Mr. Speaker, I beg to second that, Sir.

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

On the separate motion of Hon. Miss H. E. THOMPSON, seconded by R. R. FARLEY, the House resolved itself into Committee on the Bill. Mr. R. D. MARSHALL in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is now in Committee. The Honourable Member for St. James South.

Part 1, Clauses 1 - 5, inclusive, were called and passed.

Hon. Miss H. E. THOMPSON: Mr. Chairman, with the House's permission, I ask that we make some amendments to Clauses 2 and 4, now that we are looking at Clauses 1 to 5.

(a) In the definition of "block" in paragraph (a), delete the words, "along the east axis (easting) and along the north axis (northing)."

(b) In the definition of "continental shelf" delete all the words appearing after the word "established" and substitute the following:

"In accordance with international law."

Mr. Speaker, I am advised that the amendments have been circulated and that Honourable Members are all aware of the changes. In this regard, I will not go through them seriatim, simply to say that Clause 1 to 5, as amended, do now stand part.

Part II, Clauses 6 - 9, inclusive, were called and passed.

Part III, Clauses 10 - 13, inclusive, were called and passed.

Part IV, Clauses 14 - 19, inclusive, as amended, were called and passed.

6.20 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Part 5, Clauses 20 - 29 were called and passed.

Part 6, as amended, Clauses 30 - 36 were called and passed.

Part 7, Clauses 37 - 41 were called and passed.

Part 8, Clauses 42 was called and passed.

Part 9, as amended, Clauses 43 - 45 were called and passed.

Part 10, as amended, Clauses 46 - 51 were called and passed.

Part 11, as amended, Clauses 52 - 60 were called and passed.

The Schedule became the Schedule to the Bill.

On the motion of Hon. Miss H.E. THOMPSON, seconded by Hon. R.R. FARLEY, Mr. Chairman reported to His Honour, the DEPUTY SPEAKER, the passing of one Bill in Committee with amendments and Mr. DEPUTY SPEAKER resumed the Chair and reported accordingly.

On the separate motion of Hon. Miss H.E. THOMPSON, seconded by Hon. R.R. FARLEY, the Bill was read a third time, passed and cited as the Offshore Petroleum Act, 2007.

RECOMMITTAL

PAPERS

Hon. J.X. WALCOTT: Mr. Speaker, I am commanded to lay the following:

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

1. Defence (Pension) Regulation, 2007.

GOVERNMENT NOTICES

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

1. Defence (Amendment) Bill, 2007.
2. Resolution to approve the lease to the Bush Hall Development Council, Inc. of a parcel of land, the property of the Crown at Bush Hall, St. Michael, for the purpose of facilitating the development of a day care centre for children and senior citizens.

FIRST READING OF BILLS

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

1. Defence (Amendment) Bill, 2007.
2. Offshore Petroleum (Taxation) Bill, 2007.

Hon. R.R. FARLEY: I beg to second that, Sir.

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

GOVERNMENT BUSINESS (resumed)

ORDER NO. 15 – RESOLUTION TO APPROVE IN ACCORDANCE WITH SECTION 5 – OF THE CROWN LANDS (VESTING AND DISPOSAL) ACT, CAP. 225, THE LEASE TO THE BUSH HALL DEVELOPMENT COUNCIL, INC. – OF A PARCEL OF LAND, THE PROPERTY OF THE CROWN, – SITUATE AT BUSH HALL IN THE PARISH OF SAINT MICHAEL, – IN THIS ISLAND FOR THE PURPOSE OF THE DEVELOPMENT – OF DAY CARE CENTRE FOR CHILDREN AND SENIOR CITIZENS.

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

Hon. R. R. FARLEY: Mr. Deputy Speaker, I rise to move this Resolution to lease a parcel of Crown lands measuring some 1813.4 square metres, which is roughly 20 000 square feet, about one half of an acre of land at Bush Hall for the Bush Hall Development Council. This project is one which is well-deserving of public support, that public support is being given through the lease of this land at concessional terms, a rate of \$100 a year for a period of 25 years, in order for this public-spirited group to provide day care facilities for children and senior citizens.

H144/18:30

Sequence 46

Friday, August 10, 2007

Hon. R.R. FARLEY: ..for this public spirited group to provide their care facilities for children and senior citizens. Indeed, such efforts, which revolve around the spirit of volunteerism, an enduring tradition in Barbados, expressed in different ways over the years, but still very much at the core of Barbados' social culture, is much to be applauded.

Sir, indeed, notwithstanding the excellent work of government departments, and the provision of care for children and senior citizens, it really has been the Barbadian tradition for communities to look after their own in this regard. This form of modern institution really takes its root in the spirit which used to be seen in villages. Sir, grand mothers or persons who were retired, or housewives, who were looking after their households, serving as the place where children were kept. Sir, when you were going to town, you knew that you could leave your children at Miss Jones, Miss Smith, or Mary down the street, where senior citizens were living alone, or where other persons in

the house went out to do a day's work, they was someone in the village to keep an eye on them, provide them with a meal and look in on them. Sir, with the enlargement of our communities and the influx of strangers in some communities, new institutions had to be created in order to provide these services.

Sir, I want to say how pleased I am, as Minister of Housing and Lands, to be able to provide support to this group. The Honourable Member for St. Michael North East is more familiar with them, and I trust that she would speak more fully about this project.

Sir, I want to say that the Government commits itself where land is available or where such other property is available, to providing this kind of support. Certainly, it allows for the individuals to volunteer their effort, time and even money, in areas of their choice. In terms of providing social services, it really is a much better model than merely for the Government to collect taxes, an attempt to create a bureaucracy to deliver services. Sir, essential, that may be, it is not necessarily the ideal way.

Sir, I want to wish the Bush Hall Community Council well in this effort to provide day care for children and seniors. I look forward to this area, which is located at the corner of Bush Hall Yard Gap Road and the Bush Hall main road. It is an area on which there is already a play park and another type of community centre, the Community Resource Centre. Sir, to place this facility for children and seniors makes that area, on the corner of Bush Hall, very much a public space, providing recreation for children, a community technology programme, sports and games. The Road Tennis Centre is also there. It is within easy access of the bus services. It is right at the meeting point of Western Bush Hall, Eastern Bush Hall, Bank Hall and Waterford. Indeed, I believe that we will all be proud, as a Parliament, of the facilities which would soon be created there for the benefit, especially for the people of the Bush Hall community in its widest manifestation. I am sure that Bush Hall, being a generous community that it is, that persons beyond the narrow geographic description of the area would be more than welcome to partake of its services.

Sir, this Parliament is being asked to approve this lease, the basis terms of which is a national rent of \$100 a year, for a twenty-five-year period. The Council would be responsible for all the outgoings, the development cost of any buildings, taxes, insurance and other usual outgoings. I would urge the Parliament to support this group, which has as its stated objective, the eradication of poverty in the Bush Hall and wider community, and the creation of more self-sufficient persons through the medium of training. Sir, no better place to concentrate terms of focus, than on our children and seniors. Sir, I trust, too, that this facility and

others like it will be a mechanism for more inter-generational exchange.

Sir, today, the extended family is not necessarily the common place structure in every household. They are some children who grow up in nuclear households, not having the opportunity to interact with their elders. They are also households in which seniors are living alone, or one or two seniors who get an opportunity to interact with children. Such a facility, and facilities like it, provide for an exchange of views, of generational perspectives, a transfer of morals, values, and culture from our seniors to our juniors, as well as creating opportunities for meaningful and gainful interactions, resulting in richer and fuller lives, both for these younger children and the seniors.

Sir, I beg to move that this Resolution, in accordance with section 5 of the Crown Lands (Vested and Disposal) Act, do now pass.

Mr. DEPUTY SPEAKER: The Honourable Member for St. Michael North East.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, in seconding this Resolution, I cannot help but reflect that patience is a virtue. I have awaited this Resolution for some time, and I want to start by thanking the Honourable Minister for ensuring that we have brought it here safely, and to say that this will allow the Bush Hall Development Council to fulfill an ambition for which we have been raising funds for some time. They themselves, but I, through separate processes. Sir, really and truly, it is a vision that we first shared and worked on six years ago, that we would want to be able to supplement the other public buildings, in that neighbourhood with a day care centre that allowed for the inter-generational mix, that the Honourable Minister just referred to.

Indeed, I feel very strongly that part and parcel of maintaining social stability and equilibrium, in this country depends on the extent to which we can bring people together, of different backgrounds, races, ages and genders, to be able to mix and appreciate that we have far more in common than we have that separates us.

Sir, there is an additional benefit in respect of those in relation to inter-generational mixing. That is, elderly persons, senior citizens, will have the opportunity to be able to pass on and to imbue these young children with a sense of value, perspective and belonging, but at the same time, the interaction with the younger children, hopefully, will continue to stimulate the older persons, to recognise that the fact that they are retired, does not mean they no longer have a valid contribution to make to their community and society. Sir, there is an additional point. When you have a community day care facility, as well, it is hoped that we will be able to pioneer the utilisation of a

contribution of kind and time. What do I mean by that? They are people who have children or elderly parents who may not be working, and therefore may not have the money to pay when the week comes, but does not mean that they have no responsibilities, or they do not have to go to town, the doctor or do other things, they are there fighting up, because they is no one to take care of either the children or elderly persons.

Sir, we want to develop a model, and I, certainly, will be working with the Bush Hall Development Council to assist them in this respect, that persons who cannot afford to pay in cash are still able to make a contribution in kind, via their time, such that they may utilise the services of the day care centre.

18.40 p.m.

Sequence 47

Friday, August 10, 2007

House 144, Sequence 48, 6.40 p.m.

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, as I said, this matter has been the subject of planning for some six years. The Fund-raising activities have certainly been going along over the last five years. It is mainly through the Linden Grove Foundation that the fund-raising has been taking place.

The permission of the Town Planning Department has already been received for the building which is to go there. The plans, as I recall, Mr. Deputy Speaker, will have the day care facility on the ground floor that will facilitate both the elderly and the younger persons.

It will have a homework room to be able to facilitate homework by secondary school students and primary school parents whose parents may not necessarily be home in time to supervise them.

Mr. Deputy Speaker, upstairs, and this is the key to the sustainability of the project, there is provision for an open-spaced auditorium with a stage, such that churches, calypso tents, community groups, bands, fashion shows, people wanting to stage events can rent upstairs. The money which then comes in from the economic utilisation of that space upstairs will help maintain the building, beyond having to receive a financial subvention from the Government or anyone else.

I believe that Government's contribution will have to be requested in relation to the training of the persons who work in the day care centre. Sir, while it is a community grouping, we recognise that the persons working in the community day care centre must adhere to the best

standards, which are required by the various regulatory entities, be it the Child Care Board or the National Assistance Board, in relation to the taking care of older or younger persons.

It is that kind of assistance - and I am putting the Minister of Social Transformation on notice - that once we reach that point, the Bush Hall Development Council has signalled to me that they would wish training from the Government agencies, such that the employees whom they have, will be capable of performing at the highest standards in taking care of these people.

Sir, I have seen a design of the building. It is going to be a combination of wall and wood. They are hoping to build the building relying on the labour, primarily from the community, but requesting additional assistance outside of the community, where specialised skills are not available from the 4 000 or more people living between the Stadium and Accommodation Road and across the road to Waterford.

Mr. Deputy Speaker, we have had signals from some of the suppliers that they will assist with some of the materials. The truth is, that if you were to listen carefully to the quantity surveyor, the Bush Hall Development Council would have stopped doing work on this a long time ago because they reckoned that the building would cost them \$850 000 to \$950 000, depending on when they build.

I know that they have in hand, close to \$150 000 and they will start with faith. They hope that faith, combined with their hard work and sacrifice will allow them to be able to reach the finish line, to complete the building and make sure that they provide services to the good people of that community, who for the most part, have not ever been the beneficiary of dedicated support services such as that.

Those of you who know the Community Centre, which was built there in 1991, will know it is very small. Indeed, while we are grateful for the Honourable Member for St. Michael South East agreeing to put the Community Technology Lab in there, the size of the building meant that you could only have eight computers. Therefore, you could only service a limited amount from that community. This expansion of the building from the traditional community centre with the mill wall, will now allow us to be able to have more varied community activities.

There is one other project that I promised to work with them on, and that is trying to develop the bleachers for the road tennis courts that we have put down. Indeed, we have some breachers but we want to be able to have covering and the building of additional bleachers, because that, in a sense, has become the home for road tennis, in Barbados, I dare say, and not just St. Michael. Certainly, I

believe that where people are prepared to help themselves, the Government has an obligation to meet them halfway.

Mr. Deputy Speaker, I look forward to the persons in the Bush Hall Development Council, Mr. Cadogan, Mr. Derrick Odle, Mr. David Philips, Ms. Ifill and others, pulling their weight and helping to make this dream a reality. Sir, in the same way that Pinelands has stood as a beacon to the community of the Pine, and other groups have done well for their community, we believe that this group could make a significant difference, not just to the lives of young people, but to the elderly citizens of Bush Hall and to bring about a model for day care centres that, hopefully, if successful, could be replicated elsewhere in this country.

Sir, this is only one of them. I do not make a lot of noise but I had to fight up as a Member of Parliament, when it comes to certain community facilities in this country. I have determined that the best way to achieve them sometimes is to work with the people to achieve them, and not to rely on Government for everything. Sir, in the advice given to us by the older people of this country, a little with content is great gain.

Mr. Deputy Speaker, I look forward and remind the Minister of Housing that the Government has indicated that the people of Jackson are to help refurbish the community centre that was formerly Howard's Supermarket. The Government will acquire the land but we will work with the members of the community to develop shops at the bottom and a community centre at the top.

Asides.

Hon. Miss M.A. MOTTLEY: Formerly, Rio Grande but there used to be Howard's there too, at the roundabout. The building has been derelict for some time. The residents of Jackson had to rely a very small room, because that is all you could call it, in Browns Gap on the other side of the road in Jackson.

The Honourable Member for St. Thomas and myself, along with certain residents in the area, have committed to being able to make a difference and to have that on the ground for the people of Jackson and Arthur Seat, in the course of the next two years.

Mr. Deputy Speaker, I am obliged to the Honourable Member for Christ Church East, as the Minister of Housing. I thank the Honourable Member for St. James South for the work she would have done along the way as well to help us get there, and the Honourable Member for St. George North, who would also have been the one who started the process with me. I say to them that I look forward when the building is finished to being able to

invite all of those persons who have helped us to get there, along with the Bush Hall Development Council.

For example, there are entertainers in Barbados who have helped with the fund-raising for the last five years, along with a number of businesses and services providers. I believe that history should record all of their names appropriately on the side of that building, such that the residents and people of Bush Hall know that they have not walked this road alone.

I am obliged to you, Sir.

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

Mr. Deputy Speaker, we in the Opposition do not have

a problem with this particular issue. As you know, Sir, we said for many years now that the Government needed to change its whole outlook on the way it went about dealing with community projects.

As you know, it has been said, and it will be found in Hansard, that we have always felt that if the Government understood groups, they would save substantial amounts of money, and that the money budgeted on a yearly basis will be able to supply a lot more, if they had followed the North Stars approach.

I am glad to see that the Government has finally recognised the contribution of North Stars by copying this approach. I hope that sooner, rather than later, we will see the necessary land acquisition before this House, so that North Stars too, and I, could be as grateful as the Deputy Prime Minister and the Minister of Housing and Lands, in carrying out and expanding a Government project.

Sir, I want to make the point that when community groups do work on lands that belong to the Government the Government should not be frustrating those community groups. I find it rather difficult that North Stars could be waiting for over 10 years for the Government to add to their own assets. The Government is finding it rather difficult to complement the work of a community group that has demonstrated, without a shadow of doubt, that it is capable of not only building a community project but taking it to the level where that community project can even be an international project.

House 144, Sequence 48, 18:50:14

Friday, August 10, 2007

Mr. D. St.E. KELLMAN: Sir, I hope that the Minister of Housing and Lands and all the other Ministers

before him would understand that they have frustrated the efforts of the North Stars Community Group. Sir, I know that this Minister is a man of action and I know that he would correct all the problems that were before and ensure that there would not be any criticism from this side that this Minister is playing politics with North Stars and that the necessary land acquisitions would come before this House, so that we too could clearly say that it is not a piecemeal approach and that Government now has a policy and an understanding of North Stars' approach.

Mr. Deputy Speaker, I would also want the Minister to know that the North Stars' approach has been copied by the Lord's Sports Club and that he should ensure that Lord's Sports Club and North Stars get what they require.

Sir, what I am calling for today is not a piecemeal approach. I want to see a policy of Government willing to work with community groups to help Government. Sir, many people believe that the community groups are begging Government. All the community groups are doing is offering Government an opportunity to better utilise their funds and to expand their funds because they normally provide the labour and they go out and seek materials and so on to reduce the Government's bill.

Mr. Deputy Speaker, I cannot understand why it is so hard to get this Government to understand this North Stars' policy and to embrace it and take it right across Barbados. Mr. Speaker, I remember when we had the Kendal Hill Project. Sir, at that time, I told Government that it was wrong to spend \$800 000 to provide labour and materials that they could have cut that bill tremendously if they had adopted the North Stars' approach.

This evening, Sir, all I am asking is that Government recognise that the communities in Barbados are prepared to help and instead of continuing their piecemeal approach to things to have a holistic policy and let us get on with the business of the people of Barbados.

Hon. T. A. PRESCOD: Mr. Deputy Speaker, as Minister of Social Transformation I want first of all to give support to the Resolution before this Chamber and secondly to assure the Honourable Member for St. Michael North East, that I welcome this very sacred union, which I certainly support, between the State and the non-governmental organisations.

Sir, there is commonality in the mission of the non-governmental organisations in the form of the Bush Hall Development Council and the mission of the policy of the Ministry of Social Transformation as it relates to people's development in general. Sir, there is no discrimination in the form of development. It embraces the general development of children, the elderly and those who are not that senior.

Mr. Deputy Speaker, what you witness coming out of the Ministry as part of its policy and reflected in its programmes is that inter-generational link that I heard the Honourable Member spoke so eloquently about.

Mr. Deputy Speaker, what is also commendable is not only the efforts of establishing the inter-generational links, because we quite understand that in some of these densely populated areas there are a number of social issues that we have to respond to as a Government. Mr. Deputy Speaker, after programmes of assessment of the community itself, we recognised that there is effective demand within the community for programmes of the type that were mentioned.

Mr. Deputy Speaker, I can assure you that the Ministry of Social Transformation would work in collaboration with the non-governmental organisations movement in trying to ensure that we reach the same common objectives in transforming the lives of people more so than the structural development within the society itself because the development of that human capacity is very much needed especially in communities like Bush Hall.

Mr. Deputy Speaker, the other aspect of it is fundamental to the role that individuals in the community play in contributing to the body of finance that is required to put such a structure in place, not only access to finance through donors in the form of the corporate sector but where individuals in the community feel that it is a necessity for them also to contribute to the pool of funds in order to put a structure in place, so that they could have an institution that can respond to their needs. Mr. Deputy Speaker, that also is commendable, and is a policy and an approach that ought to be replicated in some of the other communities across Barbados.

Mr. Deputy Speaker, some of the programmes that would be introduced in that centre would be things like the information technology programme. Sir, the Ministry of Social Transformation, through the Community Development Department, will make those programmes available in that community as soon as the construction is finished.

Mr. Deputy Speaker, I want to also assure the Honourable Member that we would also be tackling the concerns of the people in Friendship with these programmes. Sir, I want to assure her that the support would be there from the Ministry of Social Transformation because we consider it to be part of our duty.

Mr. Deputy Speaker, I will work as well with that non-governmental organisation to ensure that we have the required remedial educational programmes that can assist that community in building the required capacity to help

persons to reach that level in society that they can offer themselves within the present job market that is available by opening up their options as a consequence of enhancing the human capacity within the community.

Mr. Deputy Speaker, what you are likely to see coming out of that community is a sense of vertical mobility as a consequence of the new skills that will be imparted to the community. Other areas like giving vent to the creative talents through cultural programmes and so on would be put in place within that community.

Sir, that is why I call it a sacred union because the full burden of cost would not fall on the State because the people themselves and their parliamentary representative would coordinate the required activities to pool the funds in order to finance the construction in the area. Sir, what the State is putting into this is just the element of real property. Sir, that sacred union between the State and the non-governmental organisations would enable us to serve the needs and the demands of the communities.

Mr. Deputy Speaker, as a consequence of the limitation at present, I just want to add those few important points to the discussion. Sir, I also want to assure the Honourable Member for St. Lucy and the Honourable Member for St. Thomas that the ministry would reach out, because we are very elastic in our policy and we want it to be national, that those programmes which would be given to the Bush Hall area would also be given to the people in Bridgefield and areas of St. Lucy very much within the near future.

Sir, I give my full support to the Resolution.

Hon. R. R. FARLEY: Mr. Deputy Speaker, I want to thank Honourable Members for their comments all supportive, and I beg to move that this Resolution as amended do now pass.

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

The question that the Resolution as amended do now pass was put and resolved in the affirmative without division.

House 144 Sequence 49

7.00 p.m.

Friday, August 10, 2007

MR. Speaker resumed the Chair.

ORDER NO. 8

RESOLUTION in ACCORDANCE WITH THE LAND ACQUISITION ACT, TO APPROVE THE VESTING OF LANDS IN THE NATIONAL HOUSING CORPORATION OF PARCELS OF LAND, THE PROPERTY OF THE CROWN SITUATE AT BARBAREES HILL, IN THE PARISH OF SAINT MICHAEL IN THIS ISLAND, FOR THE PURPOSE OF HOUSING DEVELOPMENT, TO FACILITATE THE RELOCATION OF PERSONS WHO RESIDE IN THE ENVIRONS OF THE SEWAGE TREATMENT PLANT.

MR. SPEAKER: The Honourable Member for Christ Church East.

Hon. R. R. FARLEY: Mr. Speaker, this matter has been the subject of much Parliamentary consideration at various stages. We are now at the stage where this land, which has been acquired by the Crown, some time ago, for the express purpose of providing for a new community for those families to be relocated from the environs of the Emmerton area, near to the Bridgetown Sewage Treatment Plant. At that time, the Government would have indicated what its plans were for the development of the site.

It is now required that the vesting of this Crown's land be made in the National Housing Corporation, since it is that corporation which is already in place, which is providing the new homes and which will be the vehicle through which those persons, who would be relocated, would have the opportunity to own their lands or to enter into a formal arrangement, should that be the desired option.

Mr. Speaker, I can say to you that I am very pleased with the progress which is being made on the project. The project which commenced only in July, has made tremendous progress. Already, we are 25 per cent completed. Indeed, of the 53 housing solutions being provided, which consist of some 30 single detached houses and 23 terrace units, there is at least one which is virtually completed. Sir, troweled plastic is already applied to this house, windows are in, plumbing is in and cupboards are in. There are two buildings containing 19 terrace units, one of which already has the first floor cast and going up towards the top floor. The other one is preparing to cast the first floor.

The foundations and floor slabs for 18 houses have been cast and the walls have been built up. Wall-to-roof levels are in place for 12 additional houses. There are five houses for which the roofs are already completed. Apart from those five completed, there are several that have troweled plastic in progress. Sir, we are pressing on very quickly. There are also excavation work in progress for the construction of the foundation being done for the remaining individual 29 houses.

Mr. Speaker, I want to say that in terms of execution, we have decided that we want to have the work done at the fastest possible rate, and that just as it was done on the other side of the road, with the relocation of the Pickwick Gap residents, we have used a number of contractors working alongside each other, in discrete areas of the compound, in order to move the project along.

Mr. Speaker, on this project, there are five contractors and all of them are mobilised and working very quickly on the ground. Those five contractors are: Steve's Building Works, Kero Construction, H&J Construction, Gatt Construction and Ajax Construction. The overall cost of the project is some \$8.3 million.

A decision has been taken to do a number of things. You would notice that construction has started but that road works are not completed. That was a deliberate consideration taken by the project managers. I appreciate the permission given by the Town Planning Department, where many projects are delayed, where in many cases, one is required to complete the road works, including the curbs and paving, before submitting the designs for the building and getting permission to do so. Therefore, one would see many projects where road infrastructure would go in, where nothing is happening for some time because they are waiting for permission for the building designs to be approved and then for construction to start. During the construction period, the roads are damaged and then would have to be patched up and repaired at the end. They have allowed us to start the heavy construction work, without putting the top surface of the roads in place. When the heaviest aspects of the construction work are completed, we will do the finishes to the houses and to the roads. Those finishes to the roads would also be done after the installation of natural gas, which was not originally included in the project but we have made a decision, on the urging of the Honourable Member for the City of Bridgetown, to put the natural gas infrastructure in place, where it could be attached to every unit. This would be done at the cost of the project, not at the cost of the National Petroleum Corporation. We are already in conversation with Cable and Wireless, in terms of providing telephone services. We have already paid the Barbados Light & Power Co. Ltd., for the provision of electricity services. We have already paid the Barbados Water Authority for the installation of water.

Mr. Speaker, I want to say I am very pleased with the tremendous progress that has been made. The project is on course for completion within the project time. That official end of project date is January 31, 2008, but I would be tempted, given the fact that we are ahead of schedule, to say that we could complete the project before that terminal date.

Sir, let us remember that even though we are six or seven weeks into the project, we have a few houses that are almost completed. Therefore, that January 2008, date relates not only to the completion of all of the houses but to the landscape, road works, taking down all signage and having all contractors away from the sites. Sir, we certainly will have most of the houses completed long before that end of project date.

Mr. Speaker, that is an update on the progress of the project. What we are doing now, by way of this Resolution, is vesting the land in the National Housing Corporation, so that even as we have done with the construction of the project, the National Housing Corporation could begin to enter into arrangements with the relocating residents, in terms of rental arrangements and purchase of land. Sir, what has not been said is that this project not only provides opportunities for families to be further away from the discomfort, which sometimes can be caused by the Bridgetown Sewerage Treatment Plant but that it provides them with the opportunities for permanence and security of tenure in relation to the land.

Sir, of the 53 persons being relocated, only eight of them have any formal relationship with the owners of the land. The Crown owns the land there but there were only eight persons who had formal rental accounts. Their presence was known and acknowledged over the years and therefore, there was a form of rental relationship. It was just one that was not regularised and one that would have put them in a condition, such as would allow them to leverage the wealth in their homes for their benefit. This project would, therefore, put them in a position where they are able to purchase their lots or where they could enter into formal rental arrangements with the Crown and therefore, would be in a much secured position. They would be able to leverage their wealth greater.

7.10 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Hon. R. R. FARLEY: Sir, by giving the House that update, I ask the House its support for this Resolution for vesting this property of the Crown in the National Housing Corporation for the completion of this Emmerton to Barabees Hill relocation.

I beg to move that this Resolution do now pass.

MR. SPEAKER: The Honourable Member for the City of Bridgetown.

Hon. Dame BILLIE MILLER: Mr. Speaker, I rise to second the Resolution. I have to say that this is the best

thing that could have happened. I am really very happy that this project is at this place in its development. Sir, like so many other projects in the City of Bridgetown, I am pleased that, in some respects, it is ahead of scheduled, that, clearly, it is well-managed and I am particularly pleased that in respect of utilities, which can sometimes delay projects, that all of these things are coming together to bring a good and pleasing completion to the project.

It would be hard to find words enough to say thanks to the Honourable Member for Christ Church East, the Minister of Housing. His predecessors would have helped to bring this to this point but he has brought an energy to process. Sir, this was many years in the making but, some times, you get to a point in time where people fall back in exhaustion but that is not what happened here, people were energised and went forward to bring the project where it is. It is the best ever presentation that I have ever heard in all my years in this Chamber of a stage report of a project and that it would be happening in the constituency of the City of Bridgetown for the benefit of constituencies in the City of Bridgetown is a worthy matter.

Mr. Speaker, I want to say tonight that my heart is full; that I am delighted and I also want to say to the Honourable Minister that I will be monitoring and tracking very carefully until the day of completion. I know that people are very pleased about the way in which the project was going and they are now more in a stage of anticipation of entering into a home, which would be theirs in a way that where they live formerly was never, ever going to be theirs. Sir, I now wait to encourage the completion of it but I am delighted and would urge all my colleagues to support this Resolution, which would vest the land so that, in due course, people would come to ownership, perhaps in a way they never thought would happen to them.

Mr. Speaker, I am much obliged.

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

Mr. D. St.E. KELLMAN: Mr. Speaker, I would like to concur with what was said and to say that we have no intention of frustrating the Government on this particular matter because we believe those persons have been waiting for a long time. It is good to see that the eight renters have been looked after and that this Minister has brought some synergies to this particular issue and has corrected the problem of squatting in this particular area and hope that he would be able to correct the problems all over Barbados.

Hon. R. R. FARLEY: Mr. Speaker, I beg to move that this Resolution do now pass.

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

ORDER NO. 14 – OFFSHORE PETROLEUM (TAXATION) BILL, 2007

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

Hon. Miss H.E. THOMPSON: Thank you very much, Mr. Speaker. This is the second piece of legislation that we lay today, which will complete the process of the legislative framework for the offshore energy sector. This particular piece of legislation relates to the tax regime. We have had to establish a new tax structure for what would be a new area of endeavour. There has been much debate, therefore, I only propose to move the House quickly through the broad terms.

Sir, there are two principal methodologies, a production sharing contract or royalty tax regime. Barbados has opted to use a royalty tax regime with royalty taxes levied on the gross production, which guarantees the State an income and which has the benefit - because you have fixed terms contracts, set terms and conditions - of having a lower level of administration, negotiation and general supervision and policing than the production sharing contract has. We believe that with Barbados being a frontier jurisdiction, in the deep offshore, without a history of proven hydrocarbons and an insufficiency of administrative capacity at this time, that the royalty tax regime is the best process to use. We hope, over time, to invest in and build capacity in the Ministry. Sir, we are preparing documentation for the Ministry of Civil Service to allow them to give us new posts that would boost our residency skills in-house.

Mr. Speaker, there would be a number of revenue streams specifically, a 25 per cent maximum ownership on each block, a biddable signature bonus. Sir, signature bonuses can be fixed or they can, in fact, be biddable. Some countries use a biddable process and, in fact, there are certain companies that tend to bid very high for the signature bonus. Sir, a signature bonus is a lump sum or bonus paid to the Government at the time of signature of the contract. These sums would have to be declared on December 3rd and paid to the Government of Barbados in January 2008. The countries, which used signature bonuses are Chad, China, Qatar and Russia. They used fixed biddable bonuses, fixed Signature bonus. Sir, negotiable signature bonuses are used by Argentina, Cameroon, Congo, Indonesia, Gabon and Oman and biddable Signature bonuses are used in Angola, Brazil, Egypt, Equatorial Guinea, Libya, Nigeria, Trinidad & Tobago and now Barbados.

Mr. Speaker, we believe this is the best approach and since it is an open and competitive bid, would allow us to get the largest possible sum rather than using a fixed or negotiated process. In fact, it is in the negotiated biddable bonus that there is scope for corruption and meddling. We

have spoken about the Petroleum Heritage Stabilisation Fund. The licencing fees are US\$1 000 for reconnaissance, US\$2 500 for exploration and US\$5 000 for production. The training fees are US\$200 000 per block; the sale of data sets would be another revenue stream and US\$180 000 per minimum set; coastal marine, environmental and research funds are fixed at US\$50 000 per block and US\$100 000 for exploration and US\$100 000 per block on production.

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Hon. Miss. H. E. THOMPSON: Sir, the royalty tax is 3 per cent of gross production; the petroleum income tax 25 per cent of gross revenues less operating and exploration costs; an after tax profit of 30 per cent on the net revenue, which is triggered when the oil price reaches US\$60 per barrel, and gas reaches US\$6 per million cubic foot. These taxes exist. They are not optional. This is the full regime of taxes that will be applied.

Sir, there is a dividend withholding tax on distributive profits, 5 per cent for treaty countries and 15 per cent for non-treaty countries; the Commissioning Fund, of which I spoke earlier; the retention fee, in the event you retained an area to continue further appraisal. or in the event of a gas discovery, of US\$10 000; rental fees of US\$5 per square kilometer, in years 1 and 2; US\$10, years 3 and 4; US\$15 in years 5 and 6; US\$20, years 5 and 8; and a production area fee of US\$25 000. There will be a requirement for ring fencing. In other words, each production area is seen as an independent and dispar area, around which the tax structure applies, in order that companies will not take production areas which have been low-producing, with losses, and set them off against areas that are high-producing and doing well. Sir, it really is a mechanism which protects the tax man. Sir, there is also a requirement where negotiations between companies for the sale of oil into the future, where the Commission of Inland Revenue collects taxes at the highest price, whether that price is at the time of negotiation or at the time of sale.

Sir, every provision has been made, to ensure that the people of Barbados benefit from a tax regime, which allows a high revenue stream. Sir, as is the case with most investment, concessions are made, not on VAT, because you have to prepare a Value Added Tax register to pay Value Added Tax, on certain types of heavy-duty equipment, not available in Barbados, and which of necessity must be imported. Taxes are payable on each production licence and each block, so that in each case you multiply the sums by twenty-four, for the twenty-four bid blocks, assuming that all are taken.

Sir, I spoke of the Decommissioning Fund earlier in the day, and I will not repeat that. I also spoke of the fact that we will establish a new investment vehicle by way of a company to hold the Government's shares and those for persons who have an interest in investing.

Sir, basically, in a nutshell, because the day has been long, and I get the sense that the House is anxious to move on. Sir, that in a nutshell is the tax structure which will be used. Sir, we had several meetings of the Sub-Committee, at which the Commission of the Inland Revenue attended, and helped to guide the tax structure.

We also looked at other countries, whether they were frontier jurisdictions or mature oil producing jurisdictions, to see what kind of tax structures existed, to determine what was the optimum standard, which Barbados should set, and what, in fact, represents best practices for the generation of our revenues, or revenues that would inure to our benefit.

Sir, essentially, the tax structure starts at around 37 per cent, and I think at the highest level, moves as high as 55 per cent. So the level of tax on the industry is higher than the existing level of any corporation or economic activity in Barbados. It is the highest tax structure that will be used, commencing at 37 per cent, when corporation taxes, I think, are in the region of 20 to 25 per cent, and moving upwards to 50-55 per cent, is really quite a wide and high band. Sir, we are satisfied that this tax structure, along with all of the mechanisms, of which I spoke this morning, at the level of financing, social, economic, environmental and social capital protection, together form a grid work of protection for Barbados, which we are now enshrining in law, and which gives the greatest possible economic and social opportunity to the Government and people of Barbados, allows us appropriate social growth, and ensures that the coffers of the Commission of Inland Revenue are kept solid and heavy. Sir, all of this, depends on the fact that we are hoping for the development of a commercial and viable industry in Barbados.

Sir, that is the core of the legislation. Sir, I tried to be concise. In fact, colleagues on both sides have urged, given the fact that we had a very extensive debate.

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

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

Mr. D. St.E. KELLMAN: Mr. Speaker, we have no intention to be long on this particular matter, because we have no intention to attempt anticipate the production and tax levels of this particular procedure. Sir, just to say that we will have some time in the future, seeing that we are

being very futuristic here today, to deal with this matter. We have no intention of prolonging the House on this matter.

Mr. SPEAKER: Honourable Member for St. James South, please wind up.

Hon. Miss. H. E. THOMPSON: I beg to move that this Bill be now read a second time.

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

On the motion of Hon. Miss. H. E. THOMPSON, seconded by Hon. R.R. FARLEY, the House resolved into Committee on this Bill, Mr. R.D. MARSHALL in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is now in Committee.

Part I, Clauses 1 to 3 inclusive were called and passed.

Part II, Clauses 4 and 5 were called and passed.

Part III, Clause 6 was called and passed.

Part IV, Clause 7 and 8 were called and passed.

19.30 p.m.

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House 144, Sequence 53, 7.30 p.m.

Part V clauses 9 to 20 inclusive were called and passed. Part VI clauses 21 to 23 inclusive were called and passed.

Part VII clauses 24 and 25 were called and passed.

Part VIII clauses 26 and 27 were called and passed.

Part IX clauses 28 to 31 inclusive were called and passed.

The Schedule became the Schedule to the Bill.

On the motion of Hon. Ms. H.E. THOMPSON, Mr. CHAIRMAN reported to His Honour, the SPEAKER, the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Hon. Ms. H.E. THOMPSON, seconded by Hon. R.R. FARLEY, the Bill was read a third time and passed and cited as the Offshore Petroleum (Taxation) Act, 2007.

ORDER NO. 11 – THE LOCAL LOANS (AMENDMENT) – BILL, 2007

Mr. SPEAKER: The Honourable Member for St. Michael North West.

Hon. C.A. MASCOLL: Mr. Speaker, I rise to present this Bill to increase the local loans limit at the Central Bank from \$2.75 billion to \$3.5 billion this year. These loans include Treasury Notes and Debentures that the Central Bank would issue, on behalf of the Government of Barbados. It is believed that in light of the increasing activity in the economy, deposits and the like, that the required reserve ratios at the commercial banks, which stipulate that the commercial bank would hold 8 per cent of deposits, in the form of debentures and the ability of the commercial banks and other institutions to purchase Treasury Notes, would offer the Central Bank a lot more flexibility in the coming months and that to date, the limit is within a mere \$38 million of the existing limit.

Sir, to that extent, the Central Bank is expecting that by the end of September this year, there will be a maturity of debentures, which will be rolled over but more important, the Central Bank is anticipated there will be even greater requirement for the purchase of Debentures and Treasury Notes in the foreseeable future.

As a consequence, Mr. Speaker, it is a simple amendment of the Local Loans Act the will facilitate the action on the part of the Central Bank, on behalf of the Government.

Mr. Speaker, I therefore beg that this Bill be read a second time.

Hon. R.R. FARLEY: I beg to second that, Sir.

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

Mr. D. St.E. KELLMAN: Mr. Speaker, I am very glad to see that the Minister of State in the Ministry of Finance is being proactive and not reactive. In other words, I think the Minister is ensuring that instead of the Government having to print money, that they put the necessary legislative facilities in place to ensure that they are able to go on the local market to get the required cash.

Sir, the Minister is also saying to this House that if we do not do this today, the Government will actually have to print money, and he is ensuring that it does not occur.

We, recognising the seriousness of this matter and understanding the discussion that went on in the 90s, we would not want to put the Government in this particular position. Therefore, we are quite prepared to accommodate the Government on this matter, so that we would not accuse them of what they have accused us of, previously.

I thank you, Sir.

Mr. SPEAKER: Could the Minister respond, please?

Hon. C.A. MASCOLL: Mr. Speaker, I wish to assure the Honourable Member for St. Lucy that the limit at the Central Bank for the printing of money is, as he knows, 10 per cent of the estimated revenue of Government in any given fiscal year. Sir, earlier this week when I saw the last daily report, the actual Ways and Means amount was way below the expected limit for this fiscal year.

Sir, the concern or the issue which the Honourable Member for St. Lucy raised about the Government having to print money is therefore, understandable, but not because the Government is in anyway close to the existing limit, or the limit for this fiscal year, but more important, because it is true that it is best to allow persons to have opportunity to invest in long term paper. Therefore, to that extent, increasing the limit would provide the Central Bank with that flexibility to be able to put more Debentures or Treasury Notes on the market.

Mr. Speaker, also in respect to that, once you have seen the sort of accumulation in foreign reserves that we have seen for the year, then what would happen to the economy is that becomes a source of liquidity, a source of additional deposits in the system that will go to the total deposits of the commercial banking system, and increase the overall base upon which the required reserved are calculated.

Mr. Speaker, it is a fact but, perhaps, it has not been clearly explained this year, that the performance of the economy beyond June, in excess of \$300 million have been accumulated in foreign reserves, without any recourse to borrowings. More important, Mr. Speaker, the recent Central Bank review indicated that the economy continued to grow, and it was driven by what we call the non-tradeable sector, which is normally expected to eat reserves.

House 144, Sequence 53, 19:40:14

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Hon. C. A. MASCOLL: Mr. Speaker, there is something very strange happening in the economy, but strange to the extent that it is very good, that you could have a situation where the non-tradable sector continues to

dominate the growth in the economy, and that the foreign reserves continue to accumulate at the rate that they are accumulating at.

Mr. Speaker, contrary to what has been said about the Cricket World Cup, there was an accumulation of reserves during the month of April of \$100 million. More important, as was read earlier in another debate by the Honourable Member for St. Michael South, the Honourable Minister of Tourism, our winter period has been extended as a result because it was said earlier that some people might not have had their vacations in the first quarter of the year.

Mr. Speaker, what we have seen in Barbados for this year is that there has been a continued increase in our foreign reserves during the month of August, which is not normally the case in Barbados. I am suggesting therefore that perhaps that is why the Opposition no longer responds or even seek to respond to the reviews of the Central Bank Governor. I think that they have more or less forfeited their rights to react to the economic...

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House by giving the impression that this present Opposition has been critical of the Governor of the Central Bank. The Honourable Member is forgetting that he is not on this side anymore because that criticism came from him, not from us.

Mr. SPEAKER: That is not a point of order, please.

Hon. C. A. MASCOLL: Mr. Speaker, it is late in the day, but suffice to say that it is particularly recognisable that the Opposition now does not even give an alternative view of the performance of the economy because it seems to be in a position where it is unable to do such. In light of all that, Mr. Speaker, I do now beg that this Bill be read a second time.

Hon. R. R. FARLEY: I beg to second that.

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

COMMITTEE

Mr. CHAIRMAN: This House is in Committee.

Clauses 1 - 2 inclusive were called and passed.

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

On the Separate motion of Hon. C. A. MASCOLL, seconded by Hon. R. R. FARLEY, the Bill was read a third time and passed and cited as the Local Loans (Amendment) Act, 2007.

ORDER NO. 13 – DEFENCE (AMENDMENT) BILL, 2007

Rev. J. J. S. ATHERLEY: Mr. Speaker, this is a seemingly small amendment but a rather important amendment and a very important piece of action, which we anticipate this House would take, which is in keeping with much of what we have done today. Sir, I think that this has been a very eventful day in the history and life of this Parliament in terms of debate and action taken. Mr. Speaker, this small amendment seeks to facilitate Government's intention to provide for the provision of a pension scheme and pension benefits for members of the Barbados Defence Force. Specifically, the amendment seeks to adjust the qualifying period with respect to what is considered full service from 22 years to 25 years, and relates to Section 21 of the Defence Act, Cap. 159.

Mr. Speaker, like you, we are very much appreciative of the valuable role which the Barbados Defence Force would have played in the life of this country and indeed in this region since the penning of the infamous "Boots" back in the late 1970s or early 1980s.

Sir, we have come a long way and we have come to appreciate that there is a vital role which the Barbados Defence Force has come to play in our lives and in the lives of the people of this region on an everyday basis, certainly with respect to events of natural disaster or pending natural disasters. In the aftermath of such events and in times of emergency, they have come to the assistance of some of our brothers and sisters in the Caribbean. They continue to serve us well not only in their normal day-to-day duties, but with respect to those exercises and duties which they are called upon with frequency to carry out alongside the Royal Barbados Police Force, in a context where the democracy which we have built and the quality of life which we have been able to build come under threat at the hands and minds of those who are bent on illegitimate activity, especially with respect to drug trafficking, arms dealings and arms running, especially in a context where we have a vulnerable and exposed coastline.

Mr. Speaker, they perform these duties arduously. Therefore, against that backdrop, we as a Parliament would want to underscore our appreciation for the role of the Barbados Defence Force in this day and at this time. Lamentably, Sir, the provision of a pension benefit scheme has not been attached to the operations of the Barbados Defence Force since its inception. That has been perhaps reflective of the inability of both administrations until this point.

I would want however to make the distinction that the Government of Barbados, this current Barbados Labour Party Administration, has been, since 1998, seeking to put such a scheme in place because we recognise the importance of such a step.

Mr. Speaker, understandably, members of the Barbados Defence Force would have expressed clearly their concerns over the provision of such a scheme. Mr. Speaker, one would further understand that there would likely have been some negative impact in terms of morale being experienced by the rank and file of the Barbados Defence Force together with the administration of the Force, in light of the fact that this was not provided.

House 144 Sequence 54

7.50 p.m.

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Rev. the Hon. J. J. S. ATHERLEY: Mr. Speaker, this Government seeks, at this time, to bring a change, to put an end to that unfortunate state of affairs by providing for the Pensions Benefit Scheme, to be made available to members of the Barbados Defence Force, once they have qualified.

Mr. Speaker, since 1998, much consultation has gone on around the subject among the rank and file, at the leadership level of the Defence Force and at the level of the consultants, those who are involved in the actuarial sciences and projections. Ultimately, there was a Working Group put in place, to ensure that there were proper proposals put, which would satisfy the interest of all. Sir, happily, we have now come to that point.

MR. SPEAKER: Honourable Member, are you that happy?

Asides.

Rev. the Hon. J. J. S. ATHERLEY: It is being projected that in terms of the actuarial liability, we are speaking about, if we talk of an inception date of April 1, 2004, we would be talking about \$112 million, which is no small sum or small benefit. There is an initiative payment of \$15 million, taking an inception date of April 1, 2004. It is anticipated that the cost to Government would reflect itself at the level of 59 per cent of pensionable salaries for the next 30 years, and then at 30 per cent for the next 30 years thereafter. Therefore, we are talking about a considerable benefit being projected, to be paid to persons who have merited this type of scheme.

Mr. Speaker, as I intimated earlier, the intention is to allow for a situation where we move that qualifying period of full service from 22 years to that of 25 years, so that the

pension may be paid to persons who would retire at age 45. Of course, serving in the Barbados Defence Force, the nature of the service being rendered there would suggest that there be a complement of the Force, which is vigorous and to some extent, energetic and youthful. Therefore, the early retirement age, is unlike that in the political arena, where person may go on to ages 60, 65 and in some case, 70.

Mr. Speaker, it is intended they would be provided a terminal grant for those who would have served at least three years. That three year period is the criterion that would have to be satisfied, in terms of service, if one is to be considered for a terminal grant.

Mr. Speaker, the question is, who benefits. Sir, it has to be made clear that members of the Reserved Force are not, at this time, included in the provisions of the scheme. Therefore, we are talking about current serving members of the regular Force or former serving members of the regular Force. Benefits would accrue to such persons who qualify as I have just indicated, at the point of retirement. Also, there is a provision if one would want to leave the Force before reaching the retirement age but who would have qualified for the threshold of a three-year qualifying bar for consideration of a terminal grant. There is also a provision in the event that one dies before completing one's period of service to the Defence Force, which would allow one to qualify at age 45.

Mr. Speaker, it should be made clear that the scheme is a contributory defined benefit scheme. It is harmonised and synchronised with that of the National Insurance Scheme and is, therefore, intended to supplement the benefits provided for under the National Insurance Scheme. Government, of course, will be contributing to the scheme but members of the Force will be required as well to make a contribution to the Pensions Benefit Scheme, at a level of 2.5 per cent of pensionable salary, as that relates to below the ceiling of the National Insurance Scheme benefits and at the level of 7.5 per cent, as that relates to a ceiling above that of the National Insurance benefit.

Mr. Speaker, in summary, a pension is to be paid to those who qualify at age 45; a terminal grant of three years is one of the considerations and provisions; 15 years continuous recommendable service is the basis upon which one qualifies for full pension at age 45; increases to the benefit are to be made in keeping with what obtains with respect to movement, relative to other Government pensioners.

Mr. Speaker, there is a benefit package for spouses of the members of the Barbados Defence Force, those who die before the age of retirement. There is a cash benefit, which is equal to the member's final annual pensionable salary. There is also a compensation package to be paid to

beneficiaries, spouses of those who would have lost their lives in the line of duty. This would be in keeping with what this Government did in relation to that of the Royal Barbados Police Force. That is a compensation package of five times the amount of the annual salary of the member who would have died during his line of duty.

Mr. Speaker, I would want to say that there is a portability benefit attached here. In the past, it has been the practice where members would have left the Barbados Defence Force and gone into the general public service. This scheme now allows portability of pension and the period of years is calculated by means of a formula, which gives the equivalent of one Barbados Defence Force year to 1.33 years of the general public service year.

Mr. Speaker, those perhaps are the most pivotal and significant provisions of the scheme which Government seeks to provide for members and officers of the Barbados Defence Force. Sir, with those words, happily I would want to move that this Bill be read a second time.

Mr. D. St.E. KELLMAN: Mr. Speaker, once again, the Opposition has no intention of stopping the way of Government. These soldiers have been waiting for a long time for this Bill to be passed and we will not stay in its way, so that Government could accuse us of being the reason for the delay. Sir, we will accommodate Government on this particular issue, so long as there is no reason to believe that any soldiers would be disenfranchised, we are prepared to accommodate Government on this issue.

Mr. Speaker, we take no responsibility if there is any delay. We are fully accommodating Government on this matter, to ensure that these soldiers are well looked after and protected.

Mr. Speaker, I thank you.

Mr. R. D. MARSHALL: Mr. Speaker, I fully support this Bill before this House, as it is long in coming. The Barbados Defence Force has made an invaluable contribution to this nation and it is very fitting that they too should benefit in their retirement years.

Mr. Speaker, I heard the Minister, who proposed the Bill, speaking of certain benefits but there are a few issues which I would want to mention.

Mr. Speaker, first, I want to congratulate the Minister. He did say that in relation to the contributory plan, the members of the Defence Force are asked to make a contribution, as well as a contribution made from the Consolidated Fund on their behalf. There is also a committee set up for administering that fund. Sir, let me say to this Honourable House that the fund is for the

members of the plan and not for the benefit of the administrators of the plan. Sir, in saying that, there are a number of questions I would want to ask.

8.00 p.m.

Tuesday, August 10, 2007

(EDITED 05/09)

Mr. R.D. MARSHALL: Sir, in saying that, there are a few things that I want to ask. Sir, Regulation 12 says that every officer and soldier, who has been in the Force for 36 months or more, may be granted on retirement a pension. Sir, a person who does not remain in the Plan for three years, is not entitled and that makes sense but what happens to contributions that the person made to the Plan because they cannot go back to the Consolidated Fund. It says that if you leave the Plan under three years that your contribution should then go to the members who remain in the plan and not to say in a blanket way that you are not entitled to anything from the plan.

Sir, if the plan calls for a 10 per cent contribution but the person put in 5 per cent, which is matched by the Consolidated Fund, that happens to the 5 per cent, which the persons have contributed for 36 months. Sir, in a traditional pension plan, you are entitled to your contribution plus any interest that would have accumulated on the plan.

Mr. Speaker, I see that you are compensated for your past service. At Regulation 20C, it speaks about full service between November 23, 1978, and November 10th, 1979 and I see there is some kind of benefit there. I want to ask about a disability claim. The plan offers, besides a pension plan, some kind of disability, so that if you become sick or something happens in the line of duty that you are compensated. Sir, I support that. Sir, there is also mention of a widows' and children's benefit, a survivor's benefit and I also support that.

Mr. Speaker, there is one thing I would like to question. The members of the Defence Force, who would be the beneficiaries of this plan should also question it. Sir, Part 5(21) says that payment of the plan shall cease at the time of the death of the pensioner. Sir, in a contributory plan or a traditional plan, if one contributes to a plan, the person retires and the person is drawing a benefit, the traditional plan would say that the pension is payable for life or for a certain period of time. Sir, if and when you retire from work, you start to draw your plan and you live for one year and you were to die one year after receiving payments from the plan, according to this, every thing ceases, after you have contributed to your pension, and your family receives nothing.

Sir, the Honourable Member for St. James Central is saying that it should go to the estate but in most traditional plans, if you draw from the plan for one year and you die, another nine years would be paid to the survivors, who are your survivors. For example, if you live for five years, you draw pension for five years and you were to die, another five years would be paid to your family; if you live for nine years and die, one year would be paid to the family, so that payment of ten years must come out of the plan. Sir, if you live for 20 years, you are to receive payment for 20 years or as long as you live, and you will draw a pension from the Government.

Mr. D. St.E. KELLMAN: Mr. Speaker, on a point of order. The Honourable Member is giving the impression that this might not be funded and vested. Sir, if something is funded and vested, clearly, the members would be entitled after death.

Mr. R.D. MARSHALL: The vesting portion only starts when you contribute to a pension plan, the length of time you put into the plan before the contribution that was paid on your behalf...

Aside.

Mr. R.D. MARSHALL: Sir, Part 5(21) says that payment of the plan shall cease on the death of the pensioner and I am asking the Minister what happens if the member retires from work, draws his pension for a year and then dies. Sir, it says here that everything ceases in the plan. I am saying that you should have a clause, as in the traditional pension plan, which states that it a period payment of for ten years and which also says that you receive your payment benefit for as long as you live. If you live for 30 years, the pension is paid to you but what happens if you only live for one year.

Mr. Speaker, I want the Minister to look at this again for the benefit of the persons who are drawing out of this plan because it is at the time of your retirement that you want money. Sir, when you stop working, you stop earning but you do not stop spending, you need income and you are on a reduced pension of two-third of your highest salary and you are prone to sickness and illnesses and you go on your knees begging.

Mr. Speaker, I would like the Minister and administrator to come back here with an amendment to this Plan because I think it is a valid point to protect those persons and their families.

Mr. Speaker, I am obliged to you, Sir.

Rev. J.J.S. ATHERLEY: Mr. Speaker, I appreciate very much the valuable contribution from the Honourable Member for St. Michael West Central to the issue and,

perhaps, there is some validity to the point he is raising. He brings his expertise in the field to the issue and this is a point which could be revisited. It has been a long day and members have expressed some interest in getting out of here and, Sir, with that, I want to move that this Bill be read a second time.

HON. R.R. FARLEY: I beg to second that, Sir.

H144/20:10

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Friday, August 10, 2007

Mr. SPEAKER: Honourable Minister, you seemed to thinking before you ask that I leave the Chair.

Rev.J.J.S. ATHERLEY: No, Mr. Speaker. I was waiting for you to recognise me.

Mr. SPEAKER: The Honourable Member has brought a point. I think this is what we are here for. The Bill does not make any provision at all for persons, family, wife or what have you. Did you say that you will look at it another time, Sir?

Rev.J.J.S. ATHERLEY: Clearly, this before us the Government wants to bring today, but it could be revisited later, if necessary.

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

On the motion of Rev.J.J.S. ATHERLEY, seconded by Hon. R.R. FARLEY, the House resolved into Committee on this Bill, Mr. R.D. MARSHALL in the Chair.

COMMITTEE

Mr. CHAIRMAN: This House is now in Committee.

Clauses 1 to 3 inclusive were called and passed.

The Schedule became the Schedule to the Bill.

On the motion of Rev.J.J.S. ATHERLEY, seconded by Hon. R.R. FARLEY, Mr. Chairman reported to His Honour the SPEAKER, the passing of one Bill in Committee and Mr. SPEAKER resumed the Chair and reported accordingly.

On the separate motions of Rev.J.J.S. ATHERLEY, seconded by Hon. R.R. FARLEY, the Bill was read a third time, passed and cited as the Defence (Amendment) Act, 2007.

ADJOURNMENT

Hon. R.R. FARLEY: Mr. Speaker, this brings us to the end of the Government's Business for today's sitting. It also brings us to the point where this Honourable House of Assembly needs to take a break, in order that the members of staff who work so hard and well to keep systems going, to take their statutory holidays.

Sir, I want to take this opportunity to thank you, Sir, first of all, and the officers of Parliament, the Deputy Speaker, Chairman of Committees, Clerks, Hansard Reporters, Marshalls, administrative staff and accounts, members of the Royal Barbados Police Force, who provide us with security, caterers, persons working so well with the Caribbean Broadcasting Corporation, through the services of 100.7, that allows thousands of persons across geographic locations in Barbados who listen to us. I am often quite surprised at the number of persons who sometime stop me and offer a comment on things that were said in the House. That innovation has been a tremendous shot in the arm for democracy. Sir, even though our rules require that we take no note of any persons other than those Honourable Members before us, our voices are cast across, not only Barbados, but they are persons who on the world wide web listen to parliamentary debates, during the course of the day, when they are in their offices, wherever the Barbadian diaspora may be found.

Sir, I want to thank all those persons who have made the last several weeks, since our return from a brief recess at Easter, an enjoyable uneventful one. I believe, the fact, we have had such a long and spirited day, suggest that were it not for the fact that the staff, who provided support for this Parliament, needed to have their holidays, Honourable Members may be inclined to continue right through the summer period, but we are not able to do that, mainly, on our own strength and our own talents.

Sir, as I close, I want to wish each and every Honourable Member of this House of Assembly a very pleasant summer. As Honourable Members of Parliament, we are not really on holiday. The work of a Member of Parliament is never done. We are available to tour constituents at all times and in diverse places, and for many and various purposes. Sir, not being in Parliament does give us an opportunity to even undertake additional tasks, primarily within the constituencies. I am sure we will see one another as we crisscross in our various private and public advocations.

Mr. Speaker, I want to wish you and all of the Officers of the Honourable House, the very best over the summer holidays, and look forward with great anticipation to our return to this Honourable House of Assembly on October 2, 2007, at 10.00 a.m.

I beg to move that this House be adjourned until October 2, 2007, at 10.00 a.m., and wish all associated with this Parliament all of the very best for the remainder of this summer recess.

Mr. D. St.E. KELLMAN: Sir, on rising to second this motion of adjournment, I wish to thank you, members at the table, all members of staff of Parliament, including the ancillary staff, members of the security forces, members of the Press, whether here or elsewhere, and those persons who take time out, who we cannot see, who might be regarded as visitors. Sir, as we enter our summer recess, we want to wish everyone an enjoyable break from Parliament until October 2, 2007, or whenever it will be, and ensure that this spirit we have started will continue...

H144 2020 p.m.

Sequence 57

Friday, August 10, 2007

House 144, Sequence 58, 8:20, p.m.

Mr. D. St.E. KELLMAN: ...and we will be able to protect the democracy of Barbados and to ensure that if we do get a vacation, it will be enjoyable or it will be hardworking.

Sir, with those few words, I want thank everyone for providing the atmosphere that they have been able to create for us, in this Chamber. I also want to thank you and staff and everyone else for the time we have been here and the treatment meted out to us.

Mr. SPEAKER: Honourable Members, I would like on behalf of the Officers of Parliament and the members of staff to convey thanks to you for being a very cooperative Parliament. I wish that you would have some rest during the night in your holidays and, I hope, that you would get out and do some walking. I feel we will all be walking during this vacation.

The Question that the House be adjourned until Tuesday, October 2, 2007 at 10.00 a.m. was put and resolved in the affirmative with division and Mr. SPEAKER adjourned the House accordingly.

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EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while preparing this report from the edited transcript. The text has not been altered except where stated.

Q1. Masthead. The session is not stated in the source, so no session line is printed.

Q2. Order No. 15, take-slips House 144, Sequences 47–48, about 6.40 p.m.. The opening of a passage in Hon. Miss M. A. Mottley's speech ('as I said, this matter has been the subject of planning for six year...') was typed twice either side of the take-slips. The fuller copy after the slips is printed and the first copy (about 45 words) has been left out. Please confirm.

Q3. Order No. 14, Committee, take-slips House 144, Sequences 52–53, about 7.30 p.m.. The line 'Part V, Clauses 9 to 20 inclusive were called and passed' was typed twice either side of the take-slips; the first copy (about 10 words) has been left out and the second, which continues with Part VI, is printed. Please confirm.

Q4. Order No. 9, Offshore Petroleum Bill, 2007. The source records the question on the second reading as put and agreed to immediately after the Minister's opening speech, before the suspension, and again at the end of the debate. Both are printed as in the source.

Q5. Take-slips. Several take-slips are dated 'Tuesday, August 10, 2007', while others and the masthead give Friday, August 10, 2007. One slip reads 'H1444 19.30 p.m.', presumably House 144. Printed as in the source.

Q6. Editorial markers. The source carries the note '(EDITED 05/09)' at a number of points, printed as headings, and once as the whole of a speech by Hon. K. D. Symmonds. These appear to be editors' working notes. Printed as in the source.

Q7. Order No. 15, speech label. Mr. D. St. E. Kellman's opening remarks on the Bush Hall Resolution ('we in the Opposition do not have a problem with this particular issue...') are printed under the label 'Mr. DEPUTY SPEAKER', following the call 'The Honourable Member for St. Lucy.'; his label appears only at the next take-slip. Printed as in the source.

Q8. Order No. 15, close of debate. Hon. R. R. Farley moves that the Resolution 'as amended' do pass, but no amendment is recorded in the debate. Printed as in the source.

Q9. After Order No. 9, Recommittal and Papers. A heading 'RECOMMITTAL' stands with nothing under it, and Hon. J. X. Walcott's 'I am commanded to lay the following:' is followed by no list. In the reply on Order No. 9 the Minister addresses 'Madam Deputy Speaker'. Printed as in the source.

Q10. Adjournment. The closing note reads 'resolved in the affirmative with division', but no division is recorded; 'without division' may be meant. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Friday, 10th August, 2007 at 10.15 a.m., with His Honour I. A. Roett, the Speaker, in the Chair; prayers were led by Rev. Canon Ivan Harewood. The Minutes of Tuesday, 31st July were confirmed. Hon. R. C. Eastmond laid the Annual Reports of the Sanitation Service Authority for 2003 to 2006, gave notice of the National Art Gallery Bill, 2007 and the Local Loans (Amendment) Bill, 2007, and moved their first readings. Standing Orders were suspended.

Under Order No. 9, Hon. Miss H. E. Thompson, the Member for St. James South, moved the second reading of the Offshore Petroleum Bill, 2007, the first of two Bills establishing an offshore energy sector. She said the Tobago Trough ran through Barbados waters, described bidding for blocks, a surrender requirement, State participation of 25 per cent, licence fees of US\$1 000 for reconnaissance, US\$2 500 for exploration and US\$5 000 for production, signature bonuses, and a future Fund for the revenue. After the suspension, Mr. R. L. Sealy, for the Opposition, argued that the Government had to be kept grounded, recalled the promise to close Mangrove Pond in 1995, questioned the powers given to one Minister and raised the fishermen and the arbitral award; the Minister and the Speaker intervened several times.

Hon. Miss M. A. Mottley, the Member for St. Michael North East, supported the Bill, defending the \$12 million spent on the arbitral process as the price of securing the reserves and describing talks with Trinidad and Tobago; Mr. Sealy raised several points of order. Dr. D. C. Estwick asked the Government for evidence of the reserves. Hon. K. D. Symmonds said a 70 000 square kilometre area would be opened to bidding for the first time, and that security of supply, not haste, drove the measure. Mr. D. St. E. Kellman, the Member for St. Lucy, spoke on international politics and the closure of Mobil, with points of order from the Minister and Hon. Dame

Billie Miller. Hon. N. A. Lynch and Mr. R. D. Jones, the Member for Christ Church East Central, exchanged points of order over the environmental impact on tourism. Mr. D. J. H. Thompson, the Member for St. John, said the legislation was not ready because no one could say Barbados would be able to exploit the resources, and called it overkill inspired by a coming election.

In reply the Minister dealt with the timing of the legislation, the powers of the Minister and the environment, and said there was no conflict between the National Energy Policy's support for natural gas and renewable energy and the exploitation of hydrocarbons. In Committee, with Mr. R. D. Marshall in the Chair, she moved amendments to the definitions of 'block' and 'continental shelf', and the Bill passed with amendments as the Offshore Petroleum Act, 2007. Hon. Miss M. A. Mottley then laid the Defence (Pension) Regulation, 2007, gave notice of the Defence (Amendment) Bill, 2007 and the Bush Hall Resolution, and moved first readings.

Under Order No. 15, Hon. R. R. Farley moved the Resolution to lease about 1 813.4 square metres of Crown land at Bush Hall, St. Michael to the Bush Hall Development Council, Inc. for a day care centre for children and senior citizens. Miss Mottley spoke of six years of planning and fund-raising through the Linden Grove Foundation; Mr. Kellman urged a policy of working

with community groups such as North Stars; and Hon. T. A. Prescod, Minister of Social Transformation, supported it. The Resolution was agreed to. Under Order No. 8, Mr. Farley moved the vesting in the National Housing Corporation of Crown land at Barbarees Hill for the relocation of families, reporting five contractors at work, 18 houses at slab stage and completion due in January 2008; Dame Billie Miller seconded and the Resolution passed.

The Offshore Petroleum (Taxation) Bill, 2007 (Order No. 14) set a royalty of 3 per cent of gross production, a petroleum income tax of 25 per cent and a further levy triggered at US\$60 a barrel; Mr. Kellman said the Opposition would not delay it, and it passed. Hon. C. A. Mascoll moved the Local Loans (Amendment) Bill, 2007, raising the limit from \$2.75 billion to \$3.5 billion, and replied to Mr. Kellman on Central Bank lending; it passed. Rev. the Hon. J. J. S. Atherley moved the Defence (Amendment) Bill, 2007, providing a pension scheme for the Barbados Defence Force, with an actuarial liability of \$112 million from an inception date of 1st April, 2004; Mr. Kellman and Mr. R. D. Marshall supported it, Mr. Marshall asking about payments after a pensioner's death, and it passed. On the adjournment Mr. Farley, Mr. Kellman and the Speaker thanked the staff before the summer recess, and the House was adjourned until Tuesday, 2nd October, 2007 at 10.00 a.m.