
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, January 23, 2007

Pursuant to the adjournment, the House of Assembly met at 10.00 a.m. on Tuesday, January 23, 2007.

PRESENT

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

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

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

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

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

Hon. Dame B. A. MILLER, D.A., B.C.H., (Senior Minister, Minister of Foreign Affairs and Foreign Trade)

Hon. G. W. PAYNE, LL.B. (Hons.)

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

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

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

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

Hon. H. F. LASHLEY, (Minister of Social Transformation)

Hon. R. St. C. TOPPIN, LL.B. (Hons.)

Mr. D. St. E. KELLMAN

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

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

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

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

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

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

of Energy and Public Utilities)

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

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

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

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

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

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

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

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

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

Prayers were taken by Reverend Canon Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, January 16, 2007.

Hon. R. R. FARLEY: Mr. Speaker, I beg to move that the Minutes for the Honourable the House of Assembly for its meeting of Tuesday, January 16, 2007, which Minutes have been circulated, be taken as read.

Hon. A.P. WOOD: I beg to second that, Sir.

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

PAPERS

Hon. Miss H.E. THOMPSON: Mr. Speaker, I am commanded to lay the following:

1. The Draft Barbados National Energy Policy Draft Document.

FIRST READING OF BILLS

Hon. R. R. FARLEY: Mr. Speaker, I beg to move that the following Bills be read the first time:

1. Representation of the People (Amendment) Bill, 2007.

Hon. A.P. WOOD: I beg to second that, Sir.

ORDERS OF THE DAY

SUSPENSION OF STANDING ORDERS

Hon. R. R. FARLEY: Mr. Speaker, I beg to move that Standing Orders Nos. 6, 16, 18, 20, 42(5), 43 and 44, be suspended for the rest of this day's Sitting.

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

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

GOVERNMENT BUSINESS

ORDER NO. 12 – RESOLUTION TO RECOGNIZE THE DRAFT BARBADOS – NATIONAL ENERGY POLICY AND TO REQUEST THE GOVERNMENT – TO IMPLEMENT THIS POLICY IN THE SHORTEST POSSIBLE TIME.

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

H121/10:20

Sequence 52

Tuesday, January 23, 2007

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

Miss. H. E. THOMPSON: Mr. Speaker, man's development is and has been predicated on the development of access to the supply of energy historically and today. That is an imperative that has not changed, so,

energy is at the basis of the quality of life and socioeconomic conditions across the world.

Sir, less than a year ago, the Ministries of Energy and the Environment were linked under one umbrella, and in the first speech, that I made on the new portfolio in April 2006, I gave a commitment at that time, that having been appointed to the portfolio, I felt that Barbados, as a matter of policy, needed to have a national energy policy, which would undergird and act as a platform for national development, the quality of life all citizens and certainly, would form the basis of development planning into the future. Sir, I committed at that time to having the policy completed before the end of the year. It is, therefore, with some degree of satisfaction that this morning I laid in the Honourable Chamber, the Barbados National Energy Policy, in draft, which I now commend to this Honourable Chamber.

Mr. Speaker, I very much hope that it is a matter, even though we may not agree on all aspects of the policy, of such tremendous national importance that we could speak on both sides of the Honourable House, with some degree of consensus on what is an issue of importance.

Sir, it would be remiss of me, before I get into the details, if I did not pause to express gratitude to those persons who assisted in the development of the policy, and the team that was led by Dr. Hugh Sealy, in the process of ensuring that the broad vision, which I sought to develop, when I met with them, and the general remit, which they were given, were observed. It was a cross-disciplinary team from throughout the Ministry, and involved input from other Government agencies. I am deeply grateful to them, for the kind of effort that it took in the time they were given, to produce a substantive policy, of some quality, and which, I think, is only one of three energy policies in the Caribbean. Already, with the announcement, last week or week before, that the policy was ready in draft, a number of other Caribbean islands have been calling and asking if they could have copies, so that they could seek to use it as a template or to look at how Barbados has addressed the issues.

Sir, it is interesting to note that only this morning the international news carried a story that, President Bush, in the State of the Union Address, tonight, will start to talk about the issue of energy, but we are little ahead here in Barbados. Our draft energy policy is ready.

Sir, I want to make it clear that the draft policy, which we will debate, is exactly that. It is a draft. There is a process that must now go on from here, specifically to ensure that the final product is reflective of the input and recommendation of stakeholders, from the public and private sectors and amongst average Barbadians. In this regard, the very first person to receive a copy of the Draft

Nastional Energy Policy, so intent am I in trying to build consensus and broad vision, was the Leader of the Opposition, the Honourable Member for St. John.

Sir, I felt that it was right, given the importance of this matter, that he should in fact have the first copy of the policy document. Sir, Honourable Members of Cabinet, of course, also have copies. Sir, copies will also go to stakeholders in industry and the Chamber of Commerce. There is a long distribution list to whom the policy will be disseminated for comment, so that their contributions can inform the final policy outcome. I believe that we have also sent copies of the policy document to all the libraries, or at least the main libraries, as well as to the media houses in Barbados. It is our intention, as well, to have a town meeting to make the information available to the widest possible cross-section of persons.

Mr. Speaker, initially, in the post-Independence period, our development as a country was hinged on the development and investment in our human capital, public health, and education. Increasingly, however, it is becoming apparent, not only in Barbados, but very much an international trend, that issues of the environment and the way man interfaces with the globe, on which he lives, are of such tremendous concern, that all over the world there are national agendas. Sir, it is my opinion, that our further development is linked to issues that are rooted in the environment, first, the quality of the environment and its connection to quality of life, second, access to a continuous supply of fresh water; the protection of our water resources, and third, access to energy at affordable prices and security of supply.

Mr. Speaker, issues of environment will continue to dominate national discussion in Barbados. In fact, many of the issues about which people are engaged - air quality and the impact on buildings - the level of pollution and congestion on the roads - have to do either with our physical environment or our ambient environment. Therefore, whether we regard it or not, the environment dominates national discussion in various ways, even though it may not be called or labelled an environmental discussion or debate.

Mr. Speaker, the McKinsey Report, which is one of the reports and agencies, that tracks international trends and speaks to a wide range of issues, including social, economic and management issues, identified environment as one of the most important international issues affecting the world, and identified it as an issue that will dominate international debates worldwide throughout 2006. Sir, when they produced, at the end of 2006, a review of what hsf happened in relation to their predictions, and looked to what would happen in 2007, they again identified environment as one of the more important issues of international concern.

10.30 a.m.

Sequence 53

Tuesday, January 23, 2007

House 121, Sequence 54, 10.30 a.m.

Hon. Ms. H.E. THOMPSON: Today, we live in an environment where we have witnessed unprecedented high oil prices, at the international level. In a matter of months, prices went from US\$30 to US\$75 per barrel, a sum never before reached. Sir, those persons who believe that the drop in prices in recent times is the beginning of a trend that will continue, and would take prices back to US\$30 per barrel, might as well start believing in Santa Clause.

Sir, the OPEC countries have made it clear that they are not going to allow production to remain so high, as to sustain the low prices. It is the usual theory of supply and demand, where demand is high and supply is low, the price tends to be high. Sir, this is exactly what OPEC is doing.

In fact, the Saudia Arabian representative on OPEC made it clear that the position of OPEC - Saudia Arabia, in particular - is that oil prices should be whatever the world can afford, plus 10 percent. Pursuant to that perception of where energy prices should be pitched, OPEC has already cut back on international production, to maintain the price at a high level. Therefore, prices are not going back to US\$30 per barrel, even though there has been some trend downward.

Sir, something may change in the world, that causes them to be driven down, in a way that we do not now anticipate. Certainly, in the immediate future, if all of the drivers and factors that influence the pricing policy, internationally, remain constant, and the status quo remains, energy prices are going to remain high.

Sir, what really are those drivers or factors which influence international prices? There is first of all, as the Bible says it, war and rumours of war influence energy prices, particularly in the middle east, which is a major source of supply.

There is a fact too, that prior to September of last year, when there was a large Chevrons find in the Gulf of Mexico, oil stocks internationally were dwindling, because there had been no new oil finds for a considerable amount of time. In fact, the Chevrons find in the Gulf of Mexico is one of those that is either in such deep water or in such inhospitable conditions, that it is difficult and expensive to extract the oil. Sir, a deep shore drilling rig, rents for as much as US\$5 million per day. This is just to do the extraction of the oil, before you even get it to the point of

refining it. This is the cost of the pump for the drill rig, to pull it out of the water.

Sir, there are too other geopolitical considerations. When I spoke of inhospitable areas and hard to extract resources, I should have mentioned in that context, the oils available in the Tar Sands of Canada, which again are not easily extractable, although they are a ready source of oil.

There have been natural disasters affecting storage and supply capacity, particularly in the United States of America, which is, per capita, the largest consumer of oil in the world. High demand is being driven by the expansion of countries with large populations, like India and China.

Sir, China is undergoing an economic boom and many are predicting that China is the world's next super power, with 1.3 billion people. Sir, each Chinese uses about less than a quarter of what each American uses per day, in terms of oil. Sir, when you look at the size of the population, the vastness of the country, and the extent to which their population and economic growth needs are dependent, like the rest of us, to the access to oil, then one can see why high demand by the Chinese would be driving up prices.

In fact, for those of us who are watching international events, it should not be a surprise to see that the Chinese leader visited President Chavez in Venezuela. Sir, they were not just sitting down to Spanish treats, oil was at the back of that discussion and visit, because the Chinese have to get their hands on steady and large volumes of oil. Sir, they are negotiating with all who can assist in fulfilling the supply to their demand.

There is also, a shortage of refinery capacity, because there were no new large resources or reserves of oil found, no new refineries had been built, so that refinery capacity was limited. Sir, these are the considerations that are influencing the international price of oil. As a result in Barbados arising out of our own socioeconomic growth - and I have already given in this House and I will not trouble the House to repeat the statistics today - an increase in cars, a construction boom, growth in certain aspects of the manufacturing sector, have all affected our own national consumption. Sir, together with Barbadian growth and increasing international oil prices, our fuel import bill moved in 2000 from \$100 million to \$450 million at the end of 2004. I apologise that I do not have the 2005 figure yet for the House. This is the growth trend in the import bill, arising directly out of oil.

Sir, if one listens to the news, all over the world people are complaining about the consequences of the rise in oil prices, not only for transportation, but the impact on food and on every aspect of the economy. Therefore, high

oil prices are a major contributor to inflation both nationally and internationally.

Sir, Government has sought to blunt the impact of high oil prices on the economy by restraining from passing on to the public, the increases that have taken place at the international level. Therefore, the price to the consumer for kerosene, gas and diesel have been kept down. Sir, kerosene, because that is still the fuel of the poor, gasoline because it is what individuals use in their cars, and diesel because it is the fuel used in industry and the public transportation sector.

House 121, Sequence 54, 10:40:15

Tuesday, January 23, 2007

Hon. Miss. H. E. THOMPSON: Mr. Speaker, in trying to hold these prices to the absolute minimum, Government has also maintained the fuel adjustment component of the consumer's electricity bill because that is an adjustable or movable component of your bill based on the energy prices.

Mr. Speaker, persons asked why it is that when international prices started to trend downward that we did not immediately drop the price in Barbados. Mr. Speaker, that was so because we had not passed on the full brunt of the increases to the public. Therefore, when the first shift downward appeared in the international prices, we were not in a position to pass that on to the public. However, once the prices dropped below a certain level we were able to pass that on to the public. Therefore, in October and December we dropped the price of fuel in Barbados, so that the average car - and I know that people would now get on the call-in programmes to quarrel about whether the figure I am going to give is accurate or not - would have used at least \$20 less per month in fuel.

Mr. Speaker, other prices, like your electricity bill, would also have dropped. The diesel available to the industrial sector and to the public transport sector would have also remained lower or would have gone down helping people to achieve economies of scale and savings in their production capacity and in their production chain. Mr. Speaker, that is where we were prior to the completion of the Policy.

I want, Sir, to give you and the Chamber the exact figures, so just bear with me please while I turn the pages, it should have been marked. Mr. Speaker, prior to the completion of the Energy Policy, Government also sought to put in place provisions for the security of supply through the construction of a terminal which has a storage capacity of 80 000 barrels of gasoline or 33 days supply; 70 000 barrels of diesel or 35 days supply; 80 000 barrels of jet fuel or 24 days supply; and 70 000 barrels of crude oil.

Mr. Speaker, all of this represents an attempt to ensure that our storage capacity is high and that in the event of a disaster of some sort, we would have a buffer so that we will not be thrown onto the international markets 'butting about' looking for supply without having some degree of cushion or security for the population, private sector, public sector, enterprise and the average citizen. Mr. Speaker, this was an important move at the level of policy.

Sir, I have tried not to speak in partisan political terms but to draft a platform for discussion of a national development agenda that is of importance to all Barbadians. Therefore, it is against this background that we come to the basic tenets of the policy. There are certain elements anchoring Barbados' National Energy Policy.

Sir, from time to time I am going to crave your indulgence as I seek to access various papers that are here on file so that I can give fresh and up-to-date statistics. I am in fact missing one paper that I am going to need to share with you.

Mr. Speaker, I will list the basic tenets of the Policy and try to explain them as I go along. The first basic tenet of the Policy is the optimisation of existing resources. I am going to speak to these in two ways. First, Barbados, I think, first discovered that we had some oil reserves back in the 1950s.

Asides.

Hon. Miss. H. E. THOMPSON: Mr. Speaker, my history on this is clearly not as strong as it should be, I am told that it is at the end of the last century. I am being advised that British Petroleum then had some interest in Barbados' oil supply.

Mr. Speaker, we did not start to exploit oil or oil reserves commercially until far more recently than that. Given the international prices and the importance of oil, we believe that it is critical for us to ensure that we develop our energy resources, hence increase exploration. Not only will we seek to make both the upstream, or commercial delivery of the product, and the downstream, or the exploration activities and production activities, efficient and effective, but we are under a duty, and the Government is mandated by the Policy, to pursue other areas than Woodbourne for the exploration and exploitation of energy resources. Therefore, put in the most basic way, the first thing that the Policy mandates is efficiency and effectiveness in the management of the existing resources. Second, it mandates a step-up search for additional resources, first of all, onshore.

Mr. Speaker, we know that there has to be other oil onshore Barbados. I am told that geologically because of our coral stone structure, the technology available to take

soundings to determine whether oil is present is not as effective on coral stone and limestone subbases, as it is in other media, but the technology is available and the search has to take place.

Mr. Speaker, there will be an increased search onshore for oil using available seismic data as well as commissioning for the search of new seismic data to make the necessary assessments and to look for prospectivity of supply and so on.

Secondly, I see that Dame Patricia is in the Chamber and if my former teacher were here she would correct me and say that one cannot say secondly, that I should have said second.

Asides.

Hon. Miss. H. E. THOMPSON: If I were able to see her, she would say to me that one should not say secondly, popular though it is. Mr. Speaker, I cannot be deflecting into a debate on English, but I will continue in English to enunciate what are the tenets of the Policy.

Mr. Speaker, the second level of search in which Barbados needs to become engaged is in an offshore drilling programme.

House 121 Sequence 55

10.50 a.m.

Tuesday, January 23, 2007

Hon. Miss H. E. THOMPSON: Mr. Speaker, three years ago, a company name Conoco, one of the international recognised companies, came to Barbados and drilled a well off the West Coast, which is known at the international market as the Sandy Lane well.

At that time, what Conoco found was a large reserve of natural gas. It showed that there had been traces of oil but that the oil could have migrated through a vein or a channel to elsewhere, so there was oil present but not in that particular well. That well found a large supply of natural gas, so we know that Barbados has a large supply of natural gas to meet our need.

Sir, other wells would have to be drilled, based on the seismic data, to determine whether or not we in fact have what volume of reserves there might be and where. However, given the fact that international prices were not as high at that time as they are now, the cost of extraction of the natural gas or the oil, and the fact that Conoco merged with another company called Phillips and they became known as Conoco/Phillips, the new directing minds of the Conoco/Phillips, as it was then constituted,

had other priorities and decided not to place drilling other exploratory wells on their plate, at the time. However, in the intervening time, the dynamics in the marketplace have been so transformed by rising prices, that what it was not economically or viable to drill three years ago, it is now incumbent on you to drill today.

Sir, the dynamics in the marketplace have been so transformed. Mr. Speaker, economists would say that is the beauty of market conditions and the dynamism of a marketplace. It is critical, therefore, that we should carry out this drilling, and in that context, Barbados has engaged a British firm called IHS, which is very experienced in these matters, to start the process of getting our bid blocs ready for public tender. I believe that in the first quarter of this year the bid blocs will be ready for tender for the offshore exploration program.

There are a number of imperatives. We have had many visits and enquiries from oil moguls, big, small, and aspiring, that we have been able to get a feel for the level of keenness, which exists on the part of these companies to come into Barbados and get into our oil industry because the seismic data yielded by Conoco look so promising.

Sir, there are a number of imperatives which we have given to such companies:

1. The program in Barbados must be developed in such a way, that they enter into a social partnership with us for the development of the people of Barbados, training and education, to ensure that we are capable of dealing with the technology and that the majority of jobs will go to Barbadians.

And we are getting ready to train a core of people to get them ready to work in an oil industry.

Mr. Speaker, I should also make the point that involvement on the part of our people will not only be as employees, but that we want to create a structure for Barbadians to take ownership in the industry, to partner with us and to invest in oil in the same way that they would have bought shares in the Barbados National Bank and other institutions and State enterprises.

2. Barbados is not prepared to drill and explore for oil offshore, at the expense of our natural or physical environment. In that context, therefore, the team or company with which we eventually contract, must have a sound track record in relation to environment protection.
3. The team or company must exhibit a degree of seriousness and have clout in the marketplace, to command a drill rig to the waters of Barbados, when it is required.

Mr. Speaker, that might sound like a small thing, but part of the international practice with these bid blocs is that companies which have no intention of exploring at all, would bid and buy blocs, seeking to speculate or to resell them on the international marketplace. We do not want any of those. We do not want anybody holding our bid blocs indefinitely until they could get the right price for them. We want a company that is serious about drilling in Barbados and which has the international presence, capital, confidence and respect, to command the necessary equipment. Sir, I say that because drill rigs for the offshore are extremely hard to get and horrendously expensive. I gave the price earlier of as much as US\$5 million per day, to operate a drill rig in the deep shore. Therefore, we are talking about companies that have to have the capital, confidence, experience and capacity to deliver, in relation to this component of the programme.

Mr. Speaker, we hope that we would find enough reserves to satisfy national need but more than that, the policy anticipates that if Barbados should have enough reserves of oil and gas, that we must go to an energy exporting economy, and that is why the investment by citizens and the buy-in partnership of fellow Barbadians is so critical. That is why developing a platform for the education and training of citizens to take the jobs in the sector is again important.

Mr. Speaker, this industry will open up a whole new set of sub-industries, such as persons who have to supply from catering services to special tools, et cetera. Therefore, there will be jobs generated for companies and individuals. There will be new capacity built in the economy by the development of a new industry and enterprise, in which we must feel that we have the confidence to go brave and succeed, in the same way that Barbados has been a pioneer internationally, in the solar water heating industry. We must not, for one moment, doubt ourselves and our capacity to deliver on this and to do it well, given the nature of our experience as pioneers and given the opportunities created by globalism for us to make our mark in the international marketplace. Mr. Speaker, as an energy exporting country, there are a number of considerations that will be important. I will not wish the public to think that we would find oil or gas and that everybody would become rich overnight, that Barbados would be a rich country and that would be the end of all our challenges. It does not quite work like that.

11.00 p.m.

Tuesday, January 23, 2007

(EDITED)

Hon. Miss H.E. THOMPSON: I would wish to caution that one of the consequences of gas and energy

finds in any substantial volume, is a consequential impact of the inflation in other sectors of the economy. We have seen this in Nigeria, in the Middle

East and in all the countries in which there have been oil finds, that there can be a greater division between rich and poor as a result of oil flowing in the economy and so the Cabinet has approved one of the strategies indicated in the policy of not going for maximum extraction of all our energy resources in the shortest possible time. Sir, if you can control your extraction rate relative to where your volumes are, you can constrain or restrain the amount of oil coming into the economy at anyone time and the resulting inflation from the overheating of the economy as a result of all the new activity.

Mr. Speaker, I am not an economist but I trust that I have articulated it sufficiently clearly that persons understand what I am, in fact, saying.

Asides.

Hon. Miss H.E. THOMPSON: My colleague and friend, these days, the Honourable Member for St. Michael North West, will frame in the true economic context. I am merely paving the way for him. Mr. Speaker, so far I have dealt with tenet No. 1, which deals with issues relative to supply and so on. The second tenet on which is the policy is predicated is that of conservation.

Mr. Speaker, over the course of the last few months as oil prices accelerated, skyrocketed and shocked everybody, nationally and internationally, many have theorised, businessmen, people from the Chamber of Commerce and people who are commentators on every thing, and know very little about few things. Sir, there are people in Barbados who speak with knowledge on everything and sometimes you wonder from where they get the background information.

Mr. Speaker, there was debate, some of it founded in technical or other reasoning and some of it fairly wild, that the Government should have allowed the international prices to flow through to the public and to the economy. Sir, Government has not and will not pursue that policy. In fact, Sir, in the new policy document even though there are established bands within which, if prices move on the international market upwards or downwards, you will see that trend reflected in oil prices in Barbados, Government retains the moral right and responsibility to citizens to have a monitoring capacity to determine what the margins of increase should or should not be and that is a right and responsibility that the policy anticipates that we will maintain.

There will not be an automatic trigger of increase prices every time the price increases on the international

market. We have determined that as a matter of policy, the Government will not allow prices to go to the extent where people cannot afford them and where quality of life is diminished and where industry is crippled because of rising fuel prices. Mr. Speaker, we would want to perpetuate and support the decision to act as a restraint on increased prices in the economy.

Mr. Speaker, even though this is the broad policy, citizens have a responsibility themselves to insure that they conserve. It is not because Government has stopped gas prices from going to \$15 per gallon at the pump and kept it at about \$8 that the citizens should waste gas. It is not because the fuel adjustment of your bill is lower that you should leave on every single light in your house. Sir, as responsible citizens, we have a duty to act responsibly, to recognise the international current against which we as a small developing state are swimming and to carry out our own effort to ensure that the boat in which we are travelling as country does not spring any leaks. Sir, it is perhaps not the best analogy, having moved from swimming to boats but I have remained in the water and I think that House understands the point I am seeking to make.

Asides.

Hon. Miss H.E. THOMPSON: Sir, the Honourable Member for St. Lucy seeks to tease me.

Mr. SPEAKER: Proceed, please.

Hon. Miss H.E. THOMPSON: Mr. Speaker, we expect, therefore, and will, as part of the broad policy, implement a number of conservation measures for various sectors of the economy. Government and the Public Sector Conservation Programme Policy Document, which is being led by the Cabinet Office is ready and will be pursued by Cabinet for implementation. Sir, a conservation programme will have to be put in place for energy, not to constrain activity but to be efficient in our use of energy. Mr. Speaker, a conservation programme will have to be put in place, the policy speaks about conservation measures, which will be used by private citizens. Mr. Speaker, conservation is the second element of the broad policy and the second tenet on which the policy is founded.

Mr. Speaker, a third tenet would be reduction of our fuel import bill as a result of the application of multiple approaches, which I will speak of, as I go through the basic policy. For principle No. 4, the policy articulates a number of carrot and stick approaches to the development of renewal energy sources and to the suppressing of activity, which is harmful to the environment and which waste energy. Sir, I will speak to the carrot and stick incentives.

Mr. Speaker, one of the carrots would be the development by the Government of renewable energy technologies and the investment of the Government in renewable energy technologies and a renewable energy industry. This incentive programme is intended to spur national effort by both public and private sector bodies in the development of an application of renewable energy technology. Sir, we have already seen that with an incentive approach back in the 1970s.

H121/11:10

Sequence 57

Tuesday, January 23, 2007

Hon. Miss. H. E. THOMPSON: Sir, the late Honourable Member for St. Thomas, former Prime Minister Tom Adams, was, perhaps, a visionary in relation to renewable energy technologies. The reality is, at a time when few people, during the energy crisis of the 1970s, were speaking in terms of a sustainable development policy predicated on renewable energy, Tom Adams was speaking about wind farms and solar energy. Sir, not only was he speaking of it, he was giving incentives to Barbadian manufacturers to help them become pioneers in this industry, so that the impost on imports for the manufacturing of solar appliances were removed and Barbadian householders, who bought solar water heaters, were given full tax rebates. That acted as a spur or catalyst to the development of a solar water heating industry in Barbados, from which we are now benefitting, because 60 per cent of the water heaters used in the Caribbean are manufactured in Barbados.

Sir, the company Aqua Sol is now building solar water heaters and exporting to Africa. We have had enquiries from people all over the world. Sir, what Barbadians have to sell in relation to solar water heating, is not only units, built in Barbados but intellectual property.

Sir, Peter Drucker, a well-known management guru, speaks about the transition in the 21st century, the transition from people labouring with their hands to labouring with their minds, and the world becoming a knowledge society, and the knowledge worker being at the apex of that development. Therefore, what Barbados has to offer in the solar water heating industry, is being the second country after Israel, in terms of the number of water heaters per capita and our pioneering effort, and our sustaining the effort to manufacture and keep the industry going, even when energy prices came back down after the peak in the 1970s, and were again at lower levels. That would be a carrot.

Sir, depending on one's perspective, one might think of the carbon emissions tax, which is to be established, as

either a carrot or a stick, but the policy speaks to the imposition of a tax on emitters, who would be given a level, by which they have to reduce their emissions. Once they met their targets, the penalties would either be decreased or removed. Mr. Speaker, depending on how one wants to see it, it is, perhaps, both a carrot and a stick. That certainly is a newrust.

Equally, the new Energy Fund, which is to be used for national development and the development of renewable energy technologies, is also a new direction in which the policy seeks to take the country.

Sir, a further tenet, would be the transitioning of Barbados, from a fossil fuel energy a renewable energy base. The policy sets a national target, which we are to meet. The target is an ambitious one, but we think realistic. In this context, we have also included in the policy something which is new, that, to develop an implementation schedule for the policy. Often in Barbados, good policies have been developed, but over time the effort has flagged, because there is no clear map or framework for the implementation of the policy, and the movement from cerebration and conceptualisation to actual implementation and development. That is the critical change which this policy, as a policy document, seeks to make.

Sir, the policy anticipates and creates synergies and linkages with other ministries, the Ministry of Agriculture, with its ethanol and fuel cane projects; the Ministry of Health, with the extraction of methane for energy, from the landfill; and the Ministry of Public Works, in examining the probability of moving the fleet of the public Transport Board from diesel to natural gas.

Mr. Speaker, in this regard, the Prime Minister has asked me to lead a Cabinet subcommittee. We have held with the technical persons from the Ministries of Energy, Public Works and the Transport Board, the first meeting and established a working committee, to see what will happen in relation to this particular element, which the Prime Minister spoke to in his Budget, last year.

Sir, the Honourable Member for St. Michael East asked me to speak on the issue of probabilities. I want to explain this. Sir, often the public feels that when you say something in Parliament, that it means by the next week you will see it. The public Transport Board fleet is large, some of the buses are aging, the technology for the shift from diesel to natural gas, is not as well-established as the technology that allows the shift from petroleum to natural gas, so, we have the appropriate technology.

We have to look at routes to determine the best routes to carry out a pilot project. We also have to look at the issue of refuelling and outfitting the appropriate buses,

so that they can be monitored. The age of the fleet and the suitability for the transfer from diesel to natural gas, also has to go through rigorous assessment before a decision is made, then, we may decide, based on the cost-benefit analysis, that it would be best to order new buses or to ensure that new buses, which are on order, should be natural gas rather than in diesel, which would have been changed.

Sir, I cannot say at this stage, how many buses, what percentage of the fleet or on what routes we will effect the change. All I am saying to this Honourable House is, that is the policy, and the process for effecting the change has already started.

Sir, I have spoken repeatedly of one of the major tenets, and I kept capturing it as I went along, that is the shift from fossil fuels to renewable energy. There is also anticipated in the policy, the use of natural gas as our principal fossil fuel. We will not make a shift completely, initially, but we will move to natural gas, because natural gas is a cheaper, cleaner and more efficient fossil fuel than petroleum. That is the basis for the reasoning.

Sir, those who are watching international events may pause and ask why not fuel cell technology, hydrogen is the way of the future. That is true, but we do not include it as part of the national shift for Barbados at this time because...

11.20 a.m.

Sequence 58

Tuesday, January 23, 2007

House 121, Sequence 59, 11.20 a.m.

Hon. Ms. H.E. THOMPSON: ...we do not feel that the technology will become so commercialised in the 20-year span that this policy document is expected to cover, as to make it applicable to Barbados.

In the meanwhile, the Chairman of the National Commission on Sustainable Development attended a conference, where there was discussion about setting up a committee of countries to deal with the issue and application of fuel cell technology. The Chairman lobbied for Barbados or a Small Island Developing State to be put on that Committee, so that the technology and the development of it, would not rest solely, as always, with the first or developed world - however one wishes to style them - but that a developing country and a Small Island Developing State, would have a foothold at the door, as this new technology develops. We are going to continue to lobby that this State - given always our leadership on the sustainable development agenda for SIDS - we should be the country leading the process.

I could not, Sir, speak any further unless I made the point that the major pin in the policy, is sustainable development. We are seeking, by way of this policy - every element of it - to ensure Barbados' social and economic development into the future, in a sustainable way and with sustainable livelihoods.

Sir, that has been part of the benefit of the marriage of energy and environment, so that even in seeking to develop an energy policy to guide Barbados, the platform on which that policy rests is the protection of the ecosystem that is Barbados' and the way and quality of life of all of her citizens. Sir, I am glad that we have been able to have this sustainable or ecological thread running throughout the policy document.

Asides.

Hon. Ms. H.E. THOMPSON: Sir, I will now discuss some of the aspects of the Paper that I know will generate some discussion, which represent not only the tenets that guide the policy but some of the more interesting changes that the policy will attempt to put in place. Sir, I will explain them at length.

First of all, it is clear that the policy has a sectoral component: the hotel industry, the retail sector, the various sectors of the economy and society, transport, manufacturing, agriculture. Sir, in developing the policy, we went back to the Barbados Labour Party's Manifesto, to look at the commitments that were given to the public of Barbados, and to give effect to them, insofar as the policy could do. Therefore, the sectoral component to the policy gives our country profile.

Sir, I think that this document is also a useful resource document because in doing the research and the preparation, the team had to find statistics, data and information, which is not ordinarily collated in any single place. Therefore, some of the information here, in terms of expenditure patterns, in terms of uses in the various sectors and in relation to energy, are completely new. This is also another important aspect of what the document has been able to accomplish.

Sir, electricity consumes 50 per cent of the fuel imported into Barbados. For this reason, it is important that we address the issue of electricity. The specific recommendations of the policy are that all distribution lines for new, commercial and residential developments, will be buried. We will move to a fuel mix of 70 per cent natural gas, 20 per cent renewable energy and 10 per cent fuel oil for use by BL&P (Barbados Light and Power), as a way of diversifying their fuel supply chain and making it more cost-effective.

We are seeking a national installed capacity of approximately 520 megawatts of electricity, which is based on a projection of a 4 per cent increase, in the consumption of electricity in Barbados based on historical patterns, and Town Planning applications and the uses likely to result, therefrom.

The country should liberalise the generation of electricity to allow independent power producers, utilising renewable energy technology, to sell electricity to the national grid, via reverse or net metering.

What does that mean? Sir, for a long time, we had one power supplier. We are saying that there can be more than one, provided it is predicated on energy generated from renewable energy. Therefore, if you, Sir, in your home determine that you would want to have your power supply generated by wind, solar power or photovoltaic, you are at liberty to do that and sell energy back into the national grid.

This represents a radical departure from what we do now, but it is not new technology. It happens elsewhere in the world, in the United States of America and Europe. Sir, for the implementation of it, we will borrow the best practice models from across the world, and amend them to suit local conditions.

It is also a result of an increasing trend for power producers to themselves be using renewable energy technologies. In Florida, Texas, many states of the United States of America, Europe and other countries of the world, power producers are producing their energy, not from fossil fuels, but from renewable energy technologies.

We want to challenge the local power producer to rise to the occasion to do the same, as the policy will mandate them to do, since we are seeking to make that shift. We would want to encourage householders with the necessary incentives, and persons in industry to also make that shift.

Sir, there are, in Barbados at the moment, companies that generate their own electricity for use in their industrial or manufacturing plants. A few do but more need to do it, and the source has to be renewable, according to the policy.

Sir, where the shift is taking place or is anticipated to take place, is that such entities will be able to sell energy back to the national grid, which does not now happen. We do not think that it would be easy to do everything. We do not think it would all be done quickly, but what the policy does, is to clearly show what we must, in fact, do. Sir, a Demand Side Management Programme to promote energy conservation by the consumer, will be implemented.

House 121, Sequence 59, 11:30:14

Tuesday, January 23, 2007

Hon. Miss. H. E. THOMPSON: Mr. Speaker, I have spoken of the renewable energy shift. Renewable energy sources shall contribute 10 per cent of the national energy by the year 2012 and 25 per cent by the year 2026. To meet these targets the following projects will be implemented.

1. The recovery and use of landfill gas at Mangrove;
2. A 30 megawatt bio-fuel plant; and
3. A 10 megawatt wind farm.

Mr. Speaker, I know that there are discussions about a proposed wind farm for St. Lucy, but none of these activities, no wind farm or no bio-fuel plant, can be established unless these things first go through a rigorous planning and screening process, unless the various technocrats across the ministries review the initiatives and the recommendations, and unless the necessary social impact assessments and impact assessments take place. Mr. Speaker, the Policy is subject to the national review initiatives and the regulations of the Town and Country Planning Department, the Environmental Protection Department and such other regulatory agencies of Government.

Mr. Speaker, I know, as I indicated, that there has been concerns about the proposed wind farm at St. Lucy, but I am making the point that there is a process which must be followed, it is not automatic.

Asides.

Hon. Miss. H. E. THOMPSON: We intend to phase out Methyl Tertiary Butyl Ether (MTBE) by the year 2010 and introduce a standard of 10 per cent ethanol additive to gasoline. All diesel used in Barbados will contain at least two per cent bio-diesel by the year 2012 and be increased to 10 per cent by the year 2025. Support would be given to individual homeowners to become independent power producers using photovoltaic technology. Agricultural lands would be used for wind farming where possible, and let me explain.

There are some farms which now have lands that are not fully utilised for agriculture, or which, given the topography of the land, are not suitable for mechanised reaping, hence the lands have gone out of agricultural production. Persons who own these lands, in some instances, have sought to put them into housing, but have not been able to get the relevant permissions from the Town and Country Planning Department. The recommendation in the Policy is that a model of wind farm will be used which will allow the wind farms to be placed on these idle lands and still allow agricultural activity outside of the footprints of the wind farm, while Government pays for the use of the land for this particular

purpose. Mr. Speaker, as I said earlier, this too has to be subjected to planning and other analyses.

Mr. Speaker, I mentioned the carbon tax and how it would work. I have spoken of the energy fund and the fact that it would go into funding renewable energy technologies. Neither of the mechanisms is yet finalised, it is just a broad policy recommendation. I have spoken about the change in the offshore sector and moving Barbados to an energy-producing or an oil-producing economy. Until such time as our own exploration efforts yield results in relation to natural gas, there have been discussions about the construction of a natural gas pipeline from Tobago to Barbados and then onto the Eastern Caribbean and up to either Martinique or Guadeloupe. These are discussions which are in progress.

Mr. Speaker, as I indicated earlier, even in the event that these discussions were to be finalised and to reach the stage of contractual arrangements, since it is our intention to go to an energy-exporting country, we would still use both sources, one for local consumption and the other for export. Mr. Speaker, that is not an expense that would become redundant later on, we do think that it would continue to bear fruit. Mr. Speaker, there have also been discussions about the possibility of barging natural gas to Barbados from Trinidad.

Mr. Speaker, there are other elements to the Policy. There was an issue I think that people may raise which has to do with the question of gas stations. For some time there had been a moratorium on the construction of new gas stations in Barbados. It is not contained in the Policy because I do not think that the location of a gas station is a broad policy issue. We are looking at that matter.

There are a number of applications before the Town and Country Planning Department for gas stations all across the island, from Bridgetown to rural Barbados. The question of whether these would be allowed and under what terms and conditions is something that we are in the process of developing. I expect that within a month or so, we will be able to make a policy statement on that. Mr. Speaker, I did not think that it was the kind of broad policy issue that should go into the Policy document, so for those who may think of this as a deficiency, I am just alerting them that we do not deal with that matter within the context of the Policy document such as it is now in draft.

Mr. Speaker, I indicated earlier the various sectors that the Policy looked at. It also develops fiscal and economic instruments and a legislative framework. I spoke about the implementation schedule. In fact, the legislative framework to carry Barbados as an energy-exporting and energy-developing economy is of extreme importance. The existing legislation we have is not modern, so therefore it does not take account of the new developments in oil. The

new imperative for operating as an oil economy, the requirements for environment protection as a basis for energy development and a new legislative framework would have to be put in place.

Mr. Speaker, for this purpose we are using companies outside of Barbados that have tremendous expertise in the area. Mr. Speaker, we must not fool ourselves, oil is big money and big risk. There are oil companies whose balance sheets look better than Barbados' as a country, they have much more capital resources than we do. Therefore, if we are going to fight in the big league, we need to be able to hire some big guns to fight at our side.

House 121 Sequence 60

11.40 a.m.

Tuesday, January 23, 2007

Hon. Miss H. E. THOMPSON: Therefore, there are going to be a number of consultants, on whose skills we have to rely, to help to get Barbados ready in the kind of way that we need to be, to be able to compete and stand toe-to-toe with these oil moguls. Sir, in that context, we have already started the process of getting the necessary consultants.

Mr. Speaker, I would wish to take the opportunity to thank the Honourable Member for St. Michael North East and former Honourable Member for Christ Church West. In fact, I would like to thank the whole team who fought the case for Barbados before the Arbitral Tribunal, in terms of the definition of our marine space and our marine territory. Sir, that fight was the precursor to giving us the territorial space for which we can make this economic investment in the offshore sector.

Mr. Speaker, as a result of that case, it cost Barbados a lot of money. We had to use an international firm, but we won. We are now in a position to have a wider territorial land space than we would have before and therefore to yield greater financial benefit as a country and as a people from our investment in the offshore sector, hence we see the linkages. You may ask at the time why is Government spending money on this, surely the water is an open place and that it does not matter. But it does matter to us, to the future of our children, to our further economic development, and to the shape of the economy and society. Hence, this arbitral tribunal decision arms us with the tool and mechanism by which we can now safely invite people into the offshore area of Barbados and have that exploration from which we can yield such tremendous financial benefit.

Mr. Speaker, the policy looks at the linkages between Barbados' energy consumption and the multilateral environment agreement to which Barbados is signatory. I made the point earlier that the discussion on environment is taking the top of the agenda internationally. In the United Kingdom, public attention has been riveted by what has become known as the Stern Report on climate change and the impact of climate change and the implication for British economy. Sir, for once, as a result of this environmental report, economists are listening to a debate to which they felt did not necessarily concern them. What the author of the report does, is to create a linkage between economy and environment and to show the inextricable nexus between the two. Therefore, this policy document speaks to our Multilateral Environmental Agreements and their impact on Barbados, as we also seek to create linkages between environment and economy, between environment and society, environment and energy, energy and society and between energy and the economy.

Mr. Speaker, it seeks to locate the policy in the context and the global and regional market, to examine issues of market diversification, to look at energy security and efficiency, to look at issues such as home energy audits, the sectoral issues, demand-side management, and creating a competitive marketplace for Barbados while still achieving environment sustainability. It addresses the issue of education and research, and I have spoken earlier of the importance of education and training in the context of the developments which we will be seeking to create, but research is also important. Japan and Singapore were able to transform themselves from developing and Third World countries, to Developed States, with clout in the international marketplace.

As we seek to achieve the Prime Minister's vision of being the smallest developed country in the world, this energy policy helps to create the basis on which we can so become competitive, both regionally and internationally, that we can move towards the indicated goal. Sir, therefore, research for development and applying research in a practical way is going to be important.

A lot of excellent policy documents are generated by academics, theorists, et cetera but we do not yet farm or nature them and make the linkage between the cerebration and the industrial development of the economy. We like to tell people: "That is a very good idea man, but it will never work." Therefore, this is why the policy identifies research as being critical to our future development and critical to establishing an industrial base and acting as the pivot by which we move from consumers and price takers, to working on the international market and being exporters.

Mr. Speaker, in relation to institutional reform and capacity building, as part of Public Sector Reform, we need to look at agencies and make determination as to what

extent they are truly equipped to compete in a modern environment. Sir, I use the word "compete" in a very deliberate sense because a man who wants to set up a business generating foreign exchange, employing Barbadians, applies to the Town Planning Department, the Ministry of Finance or Ministry of Health, does not have to invest here; he can invest in the Caribbean or anywhere else in the world. Therefore, Government agencies must see themselves as competing for his business and getting his business to remain in Barbados, in the same way the private sector sees themselves as competing.

If we are to remain competitive therefore, Government agencies have to have the mind set of competition, to understand the speed with which business decisions need to be made and they must have the structure and autonomy to make the decisions in the necessary time frame. Hence, we expect that a new structure within the Ministry would be developed to carry this platform and to carry the new Barbados energy economy, as we anticipate it, as we vision it, and as we seek to create it.

Mr. Speaker, the issue of investment and industry promotion is identified, and I think I have captured that. It does give information on targets and indicators as well.

11.50 a.m.

Tuesday, January 23, 2007

(EDITED)

Hon. Miss H.E. THOMPSON: It gives information on targets and indicators as well.

Mr. Speaker, I have tried over the course of the last two hours to frame the policy in its broadest context, to speak to society and economy, to indicate what the vision is; to point out some of the bugbears, which may exist, where the challenges are going to be, to identify the departures from what exist to what we intend. Sir, I trust that this will truly be template for Barbados' growth and that those of us, who will debate it today can come to some consensus on the way forward, knowing that we are building, not only for the short term but for well into the future of generations yet unborn, as we seek to move Barbados into a new era of development and to secure the future of our culture, the quality of life and economic gains and development.

Mr. Speaker, I commend this policy document, draft though it is, to the House and thank the House for the discussion, which will ensue today. I am much obliged.

Mr. SPEAKER: The Honourable Member for Christ Church East Central.

Mr. R.D. JONES: Mr. Speaker, thank you very much. Sir, the Democratic Labour Party is cognisant of the need for a clearly defined, well-articulated, persuasive and well-implemented National Energy Policy. Therefore, we enjoin this debate, laid and articulated by the Honourable Member for St. James South as she spoke to the draft Barbados National Energy Policy.

One could well argue that for the average Barbados, many aspects of the policy can be determined to be esoteric. I refer to that term “esoteric” because they have not yet been brought to the understanding that we have to move quite rapidly away from the use of fossil fuels not because they are not useful fuels to cause our economy still to advance but it is determined that we are into the use of a fossil fuel on which time is running out. In other words, it is not a renewable energy source and unless we find large areas for the production of crude oil and other fossil-based fuels, we are going to be faced with some levels of difficulties.

Therefore, even though one can as well argue that a National Energy Policy should have been in the making some time ago, I think we would want to compliment those, who have been the architects of this initial draft, those persons who have been either employed in the public sector or had an input from the private sector. Sir, we always compliment them for their work but it does not say that we always agree as to the output of their work. Nevertheless, from our side, from our vantage point, all of those who have been involved in the initial foray of producing the Barbados National Energy Policy, the Democratic Labour Party would want to express its thanks to you for the work done.

Mr. Speaker, when one looks as far back as 1994, the Barbados Labour Party was speaking to some notions of energy and designing policies, which would lead us to this particular framework. Unfortunately it has taken 12 years for us to reach this stage and, therefore, one is imbued with some level of concern or some level of trepidation that having now placed before the House and the country a draft National Energy Policy that the words might be mere words and that the process to move these ideas forward might be stalemated or not count too much. Sir, the future development of the country will depend on what happens from here on, if one has to go by the tremendous delay from 1994, 1999 and 2007. Of course, one cannot feel the greatest inspiration or hope and one believe that sometimes when a new engine is placed in a car or Transport Board vehicle that one might be able to move forward with greater alacrity. Therefore, there might be the need to bring new players to the political table and to the political management of Barbados to ensure that these ideas and other ideas, which are around could be placed in gear to move this country forward and, in fact, to achieve, not as one might call it, the dream of a Prime Minister but

what is deserving of all Barbadians in making Barbados the type of developed country we may want to have in the shortest period of time.

Mr. Speaker, energy is one of those attributes, if I may use that word, which is necessary and which is important for the transformation of the Barbadian economy and society toward that particular idea and concept that we all want to achieve. Therefore, the Democratic Labour Party, comfortable that it understands that energy is important for that movement and even though we would be critical of some aspect of the energy policy, we support the whole notion of an energy policy to achieve stated objectives as part of the total development of the Barbadian landscape and of the Barbadian economy and society.

Mr. Speaker, when one looks back to the debate on sustainable development and the Barbados Sustainable Development Policy, one already starts to see some minor contradictions in what is stated within the Draft Barbados National Energy Policy and the Barbados Sustainable Development Policy. Sir, there are minor but we believe where there are contradictions, that those contradictions would be worked upon with some alacrity so that we would not end up with unsustainable attributes of the draft Barbados National Energy Policy.

Mr. Speaker, one of the areas that the Minister has been at some pains to point to, has been the whole utilisation of natural gas in fuelling many of the industries, households and even to the point of providing energy for transportation.

H121/12:00

Sequence 62

Tuesday, January 23, 2007

Mr. R.D. JONES: Mr. Speaker, if one looks at what has been happening here in Barbados, in the area of natural gas production, one would recognise that there appears to be some decline in natural gas production in Barbados. This could very well be as a result of the decline in the location of new oil fields in onshore Barbados. If that is the case, one has, therefore, to look beyond the shores of Barbados to find sustainable and more effective means of supplying the natural gas sector in Barbados.

Sir, the Barbados Labour Party Manifesto spoke to expanding the number of consumers of natural gas, but when one listens to the Chairman of the National Petroleum Corporation, one would recognise that, in fact, outside of the rhetoric, relative to bringing more clients onboard for natural gas, because of the lack of natural gas in Barbados, one cannot bring those consumers online. Maybe outside of one or two of the areas, which are represented by the

Chairman of the National Petroleum Corporation, it is actually stretching limited supply to satisfy, even those few who would have been looking to come online, within the natural gas distribution network.

Mr. Deputy Speaker, one also has to look at the declining production of crude oil in Barbados. There was a time when, I believe, Barbados was producing on average, 2 000 barrels of crude oil per day, just over 749 000 barrels per year. It is now at a situation, as at the end of 2005, producing just under 349 000 barrels per year, a substantial decline, maybe 50 per cent decline in the production of crude oil in Barbados. There is also some major need for concern.

Sir, there is also the concern that one might be expending a larger amount of resources, in order to achieve this reduced production in Barbados. If that is the case, one, therefore, has to argue whether it is economically feasible to continue the current extraction, if the cost of that extraction is too high. On the other side, the counter argument, one might get, that because the cost of purchasing crude has gone up, it might still remain viable. One would need to have an explanation from the Minister of Energy and from all of those who are involved in the sector, the Barbados National Oil Company Limited, as to the viability of continuing to extract from the existing wells in Barbados, at Woodbourne and the other places, where one might find crude oil. Sir, it is not just simply speaking to these issues such as there are, but, in fact, ensuring that production can be increased and we are able to get the natural gas, which occurs, within those wells, to replenish the stock from Barbados that we have currently.

Sir, we are still very much in a hypothetical framework, even as one listens to the Minister of Energy. We are saying that seismic data state that something very well might exist offshore Barbados, and we are looking to construct a major economic sector out of a hypothetical framework. We might, in fact, end up without much in our hands.

Therefore, there must be some encouragement, and the Democratic Labour Party would therefore have to encourage the powers that be, to move from the hypothetical framework in relation to the argumentation, in relation to what is captured within the document, to placing something physical on the plate that we can all consume, that we can see with the naked eye. Even though we do not want to be like doubting Thomas, the Barbadian public has to be assured, by physical evidence, rather than mere rhetoric, that the reality that Barbados is going to move from just under a thousand barrels of crude oil production in its onshore facilities, to some more meaningful production in these offshore facilities.

Sir, the Honourable Minister spoke to the decision of the Arbitral Tribunal in granting Barbados what it reasonably claimed was its own; its territorial extension of its physical land space. Therefore, in that context, the enthusiasm and the motivation, which is encouraged by the Minister, and the hyperbolic language which was used in the wake of that decision - as well as the costs, the Minister has stated to the public of Barbados that it was quite costly - the economic warfare which we entered with Trinidad and Tobago...

Sir, let us not confuse ourselves - and even though the Democratic Labour Party support it, and we must so do as loyal citizens of Barbados - a right for our fishermen to fish in their waters and a right for our fishermen to continue to have a reasonable living when they take their boats from Oistins, Six Mens, Skeetes Bay or wherever they take theirs whenever they leave the shores of Barbados ... The economic warfare, which was entered into with our sister CARICOM partner, was an uneasy posture relative to the Democratic Labour Party. Mr. Speaker, nevertheless, we are here where there is an end result. Since there is an end result and an extremely costly process, we now have to exploit whatever is within our territorial waters.

Sir, since the Minister has stated that there is, in fact, major natural gas existing somewhere off the shores of Barbados - I do not know if it is the south/southeastern point - one looks forward to further exploration, but in the initial stage the exploitation of that natural gas, "major", the word which Honourable Member used to qualify, to as speedily as possible, become part of the fuel stock of Barbados.

12.10 p.m.

Sequence 63

Tuesday, January 23, 2007

House 121, Sequence 64, 12.10 p.m.

Mr. R.D. JONES: Sir, one wants to see the esoteric notions and those pies in the sky notions, boiled down to something that is physical for the Barbadian populace. Especially, all of those persons in Kingsland, Christ Church, who have urged me over the last three years to speak to, at that time, the Minister of Energy, the Honourable Member for St. Philip South and the Chairman of the NPC, to bring some natural gas relief, particularly to the western side of the major road of Kingsland, where one would find many retired persons.

Mr. Speaker, these people have had to ask others to get the gas in the bottle, I believe that is LPG, from time to time, ladies who live by themselves. Sir, as part of their

welfare, sustenance, and living, they would want to go to their stoves and turn them on, knowing that there is an available supply of natural gas. Therefore, if we have this large supply of reserves off the shores of Barbados, one needs to tap it as soon as possible and there is encouragement from the Democratic Labour Party.

The Minister also spoke to the Eastern Caribbean Pipeline Project, not in any great detail, where Trinidad and Tobago with its large reserves of natural gas, would have these pipelines coming from Tobago to Barbados, from Barbados to Martinique and within the eastern framework, Grenada, St. Vincent, St. Lucia, Guadalupe, et cetera.

Sir, I have noted that the Minister has been careful but, even though Barbados is moving with the exploration offshore to become a major net exporter of energy-based products, one has to ask that the pipeline, if it reaches some fruition, would not be a waste in investment to Barbados, because our surplus would be exported to other countries.

Sir, what would be the cost? What would be Barbados' input in the initial phase of bringing a pipeline from Tobago first to a connection point - I am not a scientist so I call it a connection point - to the identified space at Checker Hall, St. Lucy, where that natural gas would first flow, and then with a transit link to Spring Garden? Sir, the Minister said that the Barbados Light and Power Company should be moving toward using natural gas, as the major energy source to provide electricity in Barbados.

What would be Barbados' financial input to the Eastern Caribbean Pipeline Project? Sir, one of the failings of major projects within the entire Caribbean land space but, more particularly, in Barbados? Sir, we speak of this whole notion of identifying a particular cost, in relation to a project, and then this cost escalates quite substantially. This creates a major concern, not only among the Opposition but also among the wider population of Barbados. Therefore, the Government has a duty and a responsibility. Sir, the Government must be seen as accountable, in relation to the expenditure of the taxpayers of Barbados to ensure that these things, which are vital, will come in at the right cost structures.

In fact, when we were discussing the feasibility study on the pipeline, there were some set targets. Sir, I just want to say that they were initial targets. Therefore, one can assume that those feasibility targets have not been met, because according to that study, natural gas should have been coming to Barbados, if these pipelines were laid, by February of 2007.

I do not believe and the Minister can tell me, if there has been anything commissioned from Tobago, to start the laying of the pipeline to Barbados. We are not aware but

sometimes, evidence might be available but might not be shared, but nothing has happened.

Mr. Speaker, this brings me back again to the whole issue of satisfying time lines, or seeing ourselves being pushed further and further down the road, rather than the 12 years that we now "enjoy" of some inactivity, relative to the Government in achieving stated policy guidelines, within their manifestos.

Sir, the pipeline project seems to be three years behind time, since the feasibility study, projections and analyses were done in 2004, and the report was made available. We are now in 2007, if we are going to have to wait a further three years, what are the problems associated with the commissioning and laying of this pipeline? I have already asked what would be Barbados' financial input to bring this pipeline to our shores and possibly through the Eastern Caribbean?

Sir, if natural gas, which is a cleaner fossil fuel is to be utilised in Barbados with greater abundance, where the citizens of the country can be satisfied, then again, we would want to encourage the Government and the quasi-institutions of Government, to move forward. But, as we move forward, to keep the public of Barbados informed as to what we are doing to motivate, to encourage, to ensure that the public is in sync with the various notions, which have been espoused by the Minister and several others that are contained within the draft Barbados National Energy Policy.

Sir, the support of the public of Barbados is absolutely important, particularly as one moves toward the utilisation of more renewable energy sources. One speaks of the wind farms and the utilisation of lands, which might be out of agricultural production. Sir, wind farms tend to utilise quite a major land space to generate the kind of energy that is necessary.

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Mr. R. D. JONES: The residents of St. Lucy spoke to what they call the challenges which the wind turbine operations at Lamberts or wherever can cause. Mr. Deputy Speaker, sometimes we are critical of the concerns expressed by the citizens of Barbados, but sometimes these concerns are real. Sometimes they might be out of ignorance of the process, but if they are out of the ignorance of a process, then clear, well-articulated explanations would have to be taken to the bosom of those residents who feel aggrieved. Something would have to be said to them to allay their concerns because sometimes these concerns are magnified beyond the specific locale to the wider Barbadian space.

Mr. Speaker, the wind energy which we are trying to capture and to utilise to add to the electrical supply to help fuel the economy, might not come to fruition because of the presence and the pressure of the vocalisation of sturdy voices. Therefore, encouragement, education and knowledge should be provided to the citizens of Barbados, relative to the whole notion of renewable energy, wind farms, wind turbines, et cetera, occupying the land space of Barbados.

Mr. Speaker, there is also the concern which is being raised as to the environmental friendliness of these structures on our land space. Barbadians tend to speak to these issues. We have always said that Barbadians should always be taken into the confidence as we move forward.

Mr. Speaker, the Minister spoke to the elimination of MTBE, a long scientific name which I would not repeat because it might twist my tongue quite firmly in my mouth and I do not want to have a twisted tongue. She pronounced it well, so I am hoping that Barbadians would have understood what MTBE means. It is an additive she was speaking about to our fuel, so I will stay with the acronym rather than extend and twist my tongue with whatever it means. I have it before me but I am not going to call it.

Mr. Deputy Speaker, the Honourable Member spoke about it within a specific time frame, I believe she said 2010, where 10 per cent ethanol would be added to our fuel. Mr. Deputy Speaker, if in fact it is the year 2010, I believe it is captured somewhere within the draft National Energy Policy, we have to start acting now. I know that in 2006 the Minister of Finance, the Prime Minister, spoke to the development of an ethanol plant utilising fuel cane in Barbados and I became really enthused over that because one has to move beyond the current strictures and the current structures.

Mr. Speaker, an individual like me, who is strong technologically maybe some people called it a technological freak, became enthused over that and I went out there and spoke to those persons in agriculture to find out the viability relative to the production of ethanol utilising...

Asides.

Mr. R. D. JONES: I can take a break now if it is so desired, or I could go down to 1.30 p.m. I am not hungry by any stretch of the imagination, Mr. Speaker.

Asides.

Mr. SPEAKER: Just proceed, please.

Mr. R. D. JONES: Mr. Speaker, I would hold for now and return on that project.

Asides.

SUSPENSION OF SITTING

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

Hon. A. P. WOOD: I beg to second that.

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

House 121 Sequence 65

12.30 p.m.

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RESUMPTION

Mr. DEPUTY SPEAKER assumed the Chair.

Mr. DEPUTY SPEAKER: This Session is resumed. The Honourable Member for Christ Church East Central.

Mr. R. D. JONES: Mr. Deputy Speaker, at the juncture of our intermission, I started to speak on the issue of the development of ethanol in Barbados and the establishment of a production facility to convert fuel cane essentially planted on the Barbadian soil, into ethanol. I was making the point that in doing some verbal research with persons in the sector, it was posited that there might only be 8 000 acres of land available for this project, rather than the projected 30 000 acres, which would make the project viable, particularly utilising the fuel cane from Barbados, or strictly relying on fuel cane being grown and produced in Barbados.

We had accepted, as an Opposition Party, that with the changes in the global pricing and the preferences relative to sugar in the wider market space that we would have had to come up with a sensible sugar cane policy. Sir, if there are, in fact, absences of amount of feed stock relative to the development of ethanol, then one has to look beyond one's own space to find feed stock to supply an ethanol plant, particularly if we are to achieve the kind of predictions as laid down in the National Energy Policy, of achieving these particular objectives at the stated time that they have been identified. Therefore, again one has to get with some clarity, especially if there are contradictions between those who are producers of the raw materials and those who want to convert it to a final product.

Asides.

Mr. R. D. JONES: Mr. Deputy Speaker, there is always a lot of love in this Honourable House, particularly coming from the two gentlemen on the other side, but leave me out of that love today. We can deal with that another time. The Honourable Member for Christ Church South and the Honourable Member for St. Michael South, love to give a lot of love in the House.

Mr. Deputy Speaker, there have been some discussion in the newspapers of some other private sector initiatives, particularly the use of palm oil and the establishment of a plant in Barbados, utilising the land spaces of places such as Guyana. Sir, I do not know how a private sector project such as that, could be linked into the Barbados National Energy Policy but it is something worth exploring or discussing with the pioneers of that particular process and those persons who are involved in promoting the energy policy of the people of Barbados.

Mr. Deputy Speaker, within the Budget Speech, 2006, the Prime Minister also spoke to the issue of energy audits within the homes and particularly within the hotel sector, which is a major consumer of energy within the country. Sir, this is a year now and therefore, one would have to ask how far have we gone in these energy audits and what, in fact, has been achieved by this time in relation to the particular emphasis.

Mr. Deputy Speaker, some time ago, when the Honourable Member for St. Philip South was Minister responsible for Energy and we were led by someone else on this side, there was a lot of debate and discussion about the initiative of the Venezuelans, and we know that there was some divide relative to the initiative being taken by Venezuela in relation to the PetroCaribe idea. I do not know if there has been a recharting of that particular initiative, I have not heard anything. At that time, obviously there was some disconcerting notions relative to being comfortably in bed with Hugo Chavez, the President of the Bolivarian Republic of Venezuela, but since then there have been greater expansion and some uneasiness in Central America, North America.

The geopolitical discussions and debate create some difficulties for us in the small space because small countries are always trampled when other countries become involved in these particular issues. Therefore, from a regional and international perspective, one still has to keep an eye on what is happening, vis-a-vis, Venezuela, Bolivia, Peru, the United States of America, with the 'noise rattling' as one would call it, across these various spaces.

We have seen some reduction, and the Minister spoke to this, of the cost of our energy supplies, such as gas, to the people of Barbados.

1.40 p.m.

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(EDITED)

Mr. R.D. JONES: I believe that gas in the world is around \$57 a barrel and correctly so, sometimes it appears to be a game but there have been two reductions to those persons who get gas from the pump in October and December 2006. One would hope that there would be some reasonable stability in the price of this oil over the short term because the cost of living in Barbados. Sir, persons, who are more schooled than I in economics would say that has been some kind of causal relationship between the cost of living in places such as Barbados and the cost of energy being supplied for the production of food and, therefore, the cost is passed on the consumers of Barbados. This lead me again to reemphasise the point that we have to do whatever is necessary to ensure that the cost of energy is reasonably price so that it does not impact in the way that it seems to be impacting on the provision of food to the people of Barbados, particularly to those who are poor, vulnerable and disadvantaged within the Barbadian society.

Mr. Deputy Speaker is in the Chair.

Mr. Deputy Speaker, the notion of efficiency is being espoused in the document as well as conservation. The Democratic Labour Party would, by necessity, have to support such initiatives because they bring the society to realise that, at the end of the day, we have to look at the cost now that we are expending \$450 million at the end of 2004, as the Minister stated, for the importation of oil and the derivatives. Therefore, if we are to reduce that outflow, then we have to bring online all of the other renewable energy resources to make that a sensible alternative and to employ, along with those who are leading the process, the citizens of Barbados to ensure that there is efficient use of energy within our homes and that conservation is practised right across the length and breadth of Barbados but the Government itself has to begin at home.

I know the use of lighting in all the Government buildings is sometimes used for security purposes but, I am sure that if every Government building could do something in relation to the use electricity in Government buildings that there would also be some reduction within the energy sector of Barbados.

Mr. Speaker, I know some persons do not like to go back there but I remember in the early 1990s when Barbados was experiencing some economic difficulties that an edit came from a central point to every school in Barbados that certain things had to be done relative to the utilisation of electricity in Barbados, and it was done. Sir, principals in the schools were ensuring that we were not willy-nilly flicking on lights, turning them off and on,

burning security lights all around the place sometimes in the day.

Mr. Deputy Speaker, persons pay greater attention then because we were facing a “crisis”. Sir, it seems that the society responds to notions such as this when a crisis seems to be around. Therefore, Government has to - even now that there are certain canine types that cannot be restrained - set the framework and create the impetus for other persons within the society to follow because people always look there to get some kind of idea or momentum. If it must be with this particular activity, one would want to basically see a reduction in the cost of energy being used by the Government right across Barbados. The citizens would be encouraged to start that process, looking at the kinds of equipment which they have within their homes, moving towards a situation of outfitting their homes more appropriately with the kind of energy saving technologies that are available.

Mr. Deputy Speaker, I have heard the Honourable Member Christ Church West some time ago in the Budget Speech of 2006, spoke to some of these particular initiatives but if you do not know, you cannot practise. Therefore, those who know, within the Ministry of Energy and the Environment, would have to bring out the kind of information and research to assist in informing the citizens of Barbados that this is the way that we have to go and that we must go.

Mr. Speaker, the setting of standards for emission from vehicles is an idea captured within the National Energy Policy and is a sensible idea. I believe there is still too much wastage as a result of the terrible tuning and poor management of vehicles in Barbados. Therefore, if we can have persons servicing their cars more regularly than they currently do, all of these things might seem small but when one adds one and one, one gets two and when one add two to one, one gets three. One has to have a multiplier effect in whatever one wants to do.

Asides.

Mr. R.D. JONES: Mr. Speaker, the establishment of the Renewable Energy Centre is important because everything has to be led by something. One would believe that with the establishment of that Renewable Energy Centre, well- staffed with persons, who are knowledgeable, that persons in the wider Barbadian community would be able to examine their work and participate in the work of that particular Renewable Energy Centre.

Mr. Speaker, I would want to return to the point I have been making throughout this presentation that after documents, such as this, come out that there is no further action being taken by the powers that be. We would want to see the minor modifications, if necessary, after further

consultation with other stakeholders. Sir, since the National Energy Policy is important for the fullest development of Barbados, as much work as possible should be done, that there would be progress rather than rhetoric. Sir, the Ministry of Energy, after being in place for just one year, has been able to bring this Energy Policy to the House for debate and discussion and she must be complimented. I hope that she would take on board other ideas, which would prove useful for the energy policy for the development of Barbados.

Mr. Deputy Speaker, I thank you.

MR. DEPUTY SPEAKER: I would like to acknowledge the presence this afternoon of the Hon. Selmon Walters, the Minister of Public Service in St. Vincent.

H121/13:50

Sequence 67

Tuesday, January 23, 2007

Mr. DUPUTY SPEAKER: The Honourable Member for Christ Church West.

Dr. W.F. Duguid: Mr. Deputy Speaker, thank you for giving me the opportunity to make my contribution to this debate. First, I would like to start by congratulating the Honourable Minister and her team, who worked obviously very hard, and I would imagine long hours, collating and brought together all the information in this draft Barbados National Energy Policy. I think it is a tremendous piece of work. It has a lot of information in it about the energy sector in Barbados, but it is a skeleton on which we have to build, on which we have to improve and, from that skeleton develop a serious energy sector, serious about improving the lot of all Barbadians.

Sir, energy is tremendously important for life. Sometimes we do not think about, but even when you turn on your tap to get water, a significant amount of energy, in terms of pumping electricity, has to be in place to be able to produce that simple process of water coming out of your tap. In the report you would find that the largest consumer of electricity in Barbados is the Barbados Water Authority, that would give you an idea of how important energy is for Barbados and for life.

Sir, cooking, the use of LPG, or what we call natural gas for cooking, or the use of electricity; in travelling too and from your workplace and getting your kids to school; even our leisure activities, such as watching the television; how we store food, energy in the modern day is important for life. Sir, this debate and this draft report so vitally important, because energy touches every Barbadian, from

the cradle to the grave. That is why it is so important to have a well-established, well-thought-out energy policy and programme for this country.

Mr. Deputy Speaker, I am surprised that there was not one before, and we are working on it now to improve it, because that is where we should have been. We should have had an energy policy after energy policy, coming to this Parliament and assessing it on a five or twenty-year basis, as this one purports to do.

Sir, in the past, we did things in a sectoral manner, electricity did their part, water and natural gas did what they were doing and very little did they come together. I support this energy policy 150 per cent, because it brings together all the sectors and stakeholders with one solid policy and one solid programme for us to forward with in the next twenty years.

Sir, I am also encouraged about the energy concept, and the Barbadian economy moving to natural gas. The Honourable Minister spoke at length about it and I am encouraged, for two particular reasons. As the Honourable Minister said, natural gas is not only cheaper but also cleaner, that is important from an environmental point of view. I am going to come back to the environment, with respect to a particular material that I understand the cement plant is hoping to use, and I am dead against it. That is petroleum coke being used in this environment and in this country.

Sir, petroleum coke is the bottom of the barrel with respect to energy production anywhere in the world. It is regulated very heavily. In fact, the only time in the United States that you are allowed to use petroleum coke is when you mix it with coal. I have done the research. The only time people are allowed to use petroleum coke as a source of energy, and in cement kilns especially, is when it is mixed with coal. I do not think that we should be allowing petroleum coke to be used as an energy source in this country, even if it is for making cement.

Sir, the use of petroleum coke should not be allowed here. It has one of the highest sulphur contents and gives rise to what we call acid rain. Mr. Deputy Speaker, the Honourable Member for Christ Church South spoke about it. Sir, because it has an enhanced sulphur content, sulphuric acid is produced by its emissions. Sir, it is something that we have to look at. If we are going to use it, I would imagine that we would only be using petroleum coke for a short period of time.

Mr. Deputy Speaker, as the Honourable Minister said, natural gas is a cleaner and cheaper alternative, and we all know that to be true. If we are going to transform our economy from using gasoline, diesel and the like, and instead use natural gas as our main source of energy, we

will save on our foreign exchange bill in excess of US\$40 million per year, that is 10 per cent of our current energy bill. Our current energy bill is US\$450 million per year and we can save 10 per cent of that by changing from the fossil fuels, like oil, gasoline and diesel, to using natural gas.

Sir, the Minister spoke about natural gas being used for buses. Of course, that would be necessary. In addition, we can use natural gas for the production of electricity. Mr. Deputy Speaker, natural gas for airconditioning is very popular. Recently, Accra Beach Hotel installed four airconditioners using natural gas only. Sir, the technology has already been tested and proven. All we need to do is to implement it.

Sir, on the topic of natural gas, I could not speak about this without mentioning one important point. Some of you would be aware, that we are having challenges in terms of getting natural gas, at the National Petroleum Corporation. Like everything our reserves are finite. There will obviously come a time when we do not have enough natural gas. Of course, I have to look to the BNOCL, because part of the problem has to do with the drilling. I am absolutely convinced of that.

Sir, the natural gas that we use in Barbados is associated gas. If we do not keep up our drilling programme, as we did in the past, then we will not have the quantum of gas that we were accustomed to. Sir, let us be fair. We have been using natural gas in Barbados for, I believe the record shows, close to one hundred years. At some point we would expect that our reserves, after being drawn on for so long, would be diminished. This is why the National Petroleum Corporation team, together with myself, started a process of looking at how we can import natural gas into Barbados. We did studies which showed that it is feasible. We presented it sent it forward, but we are frustrated, because we cannot seem to get it from the feasibility study to reality. I see this as one of the frustrations of the bureaucracy of Government. It is absolutely essential, that we start making progress on this project immediately.

Sir, if we are going to transform this economy, if we are going to be able to provide natural gas for power generation, for buses and airconditioning, to give not only the people of Barbados a chance to save on their electricity bill, but also to protect our environment, an environment that we depend on in tourism, an environment that we depend on, because at the end of the day it is the protection our home, first, for ourselves. We live here. The tourists come and go, but we have to live in this environment. If we are going to protect ourselves, we need a cleaner fuel, and that clean fuel is natural gas.

14.00 p.m.

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House 121, Sequence 69, 2.00 p.m.

Dr. W.F. DUGUID: Sir, if we are going to protect ourselves, we need a cleaner fuel, and that clean fuel is natural gas. We have the technology and the infrastructure, but the availability and access to more gas, is what we need now. We are in a good position, geographically. Trinidad is 110 miles away, with an abundance of natural gas, prepared to sell it to us but yet to be determined, is the mode of transportation, be it by pipeline, barge or ship.

As the Chairman of the NPC, I do not care how it is transported. I just want the gas here, and I want it here yesterday because, I know that if we have the abundance of gas, we can find the market for it and, we can help to change this economy, and save this country millions of dollars in foreign exchange. Sir, that is how we need to do it and, I am just disappointed that we have not been able to take that project further. I guess I will continue to be disappointed, until the day I can see natural gas landed in Barbados.

Sir, there is no question that I will fight for it every day. I will fight whomever powers may be holding it back, whatever it may be and go to any corner of this land or other land, to see that we can make that proposal of natural gas being imported into Barbados, a reality. Sir, I am going further.

I was given the opportunity to visit one of Trinidad's offshore platforms. Mr. Deputy Speaker, I was shocked. They have such an abundance of natural gas that they are flaring it, burning off into the atmosphere, nine million cubic meters a day. In Barbados we use one million for our whole commercial and domestic consumption, and they are flaring nine times what we would use a day. This hurts me to see that is what they would have to do with theirs, and just a few hundred miles or less away, we could make do with that natural gas. Sir, as a Caribbean nation and as CARICOM, we have to be able to share our resources. We have to be able to come together and use our resources effectively. Sir, I am going to give you another one.

Mr. Deputy Speaker, we think of Trinidad as oil. This could not be further from the truth. If you were to look at the income that they make in oil, in comparison to the income they are making monthly and annually in natural gas, it is ten times what they do in oil.

The natural gas part to the income in Trinidad is ten times what they do in oil. What does that tell you? It tells you that the economy is being built, not on oil as we perceive it to be, but on the natural gas. Sir, that is where

the world is going. They have something called an LNG plant, liquified natural gas. This is when they take natural gas and cool it until it becomes sixth hundredth, the size in volume, and transport it to the United States of America and Spain. Sir, the ability to transport that natural gas is bringing in sometimes to their economy, US\$1 billion a year. These are the kinds of numbers that we are talking about.

Therefore, when the Ministers says that the oil producers have deep pockets, she knows what she is talking about. Those people have tremendous amounts of money and they are prepared to spend it to look for new resources and new opportunities. We have to be prepared to sell our blocs to the highest bidder, who will be able to transform our economy and help us to exploit natural gas. Sir, we should go further.

Trinidad also has blocs for sale. Why is it that we, as a country cannot hire another person who is experienced in drilling for oil, and buy or bid for a bloc off Trinidad? Why do we limit ourselves to just offering blocks off Barbados? What we have to do, apart from that, is to think of other ways and means of doing things. If we are able to find a partner to go forward and bid for blocs off Trinidad, which they have done, we would get access, not only to gas but also to oil.

Why should we allow only BP, Chevron and EOG, and all of these people to come into our region and benefit from oil and natural gas off Trinidad? Sir, we should be able to partner and do things like that as well. This is how we have to think. Those are the ways that we have to move moving, and the things we have to do.

Mr. Deputy Speaker, when I start to talk about the natural gas and oil, I could go on. I know that my time may be limited but I want to speak of some other areas.

Mr. DEPUTY SPEAKER: You still have another 15 minutes.

Dr. W.F. DUGUID: Thank you, Sir.

I spoke about petroleum coke so you understand how I feel about that. The other important thing that, I think, we are in no way near paying enough attention to, is using solar energy. The Minister spoke about the Solar Water Heating programme and how that has benefited us. I salute the people at Aqua Sol, who have done tremendous work in constructing and selling the product in Africa.

Sir, I think we are missing the boat with respect to the photovoltaic cells and panels, in particular. The Prime Minister, certainly in his Budget speech, spoke about taking the duty off the photovoltaic cells and panels but I

think he did not go far enough. I think we need to take the VAT off those as well.

Sir, what we need to do is to support a new industry. We should not be importing the panels. We should support an industry, where we construct the panels in Barbados, but not buy the panels and put it together like a screwdriver industry. We need to get the technology here where we can build and export the panels. This would give us the technology and the expertise, and a product that we can export.

Sir, we have a country that has much sunshine and very good weather, and we have shown that the solar energy works with the hot water, but it is the same thing with a photo voltaic system. You capture the energy of the sun and you store that energy in a battery - like how the hot water system stores the energy in water in a tank - and then you use it as you wish. It is the same thing but you are just using it in a different way.

I think we are missing out on this, and we need to find creative ways of supporting this sector. I am sure it can be of tremendous benefit to this society and this country, not only having it as an independent sector but also, the spin-offs that can accrue.

Sir, the Minister also spoke, and I was very keen and interested to hear about the emission testing. I am not aware of how much emission testing has been done in Barbados in the past but, again, an excellent concept and something absolutely necessary for the environment.

There is a question I need to ask and, I hope, the Minister in her wind up, would be able to respond. If we are going to have emission testing, and companies are going to be charged for their emissions, how are we going to be sure that those charges and expenses are not being passed on to the consumers?

House 121, Sequence 69, 14:10:14

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Dr. W. F. DUGUID: We have to be sure that if a company is being charged because it is being delinquent in its emissions and not being cognisant of its surroundings and its neighbours, that those charges or those penalties are not passed on to the consumer because then it would not be a penalty to the company, it would just be an additional charge and would just find its way into the fuel charge or something like that and disappear. Therefore, if we are going to charge for emissions, we have to find a way so that those charges would really become a penalty to the company for being delinquent and not pass on to the consuming public.

Mr. Deputy Speaker, we must not stop at the companies. Many times when you are driving behind a minibus you would see a black cloud of smoke coming out from them polluting the environment, so they also have to have emission testing. I spoke before about tests for cars but we should have tests on emissions on all of those vehicles so that they meet a particular standard and are not polluting the environment on a regular basis. Mr. Deputy Speaker, I turn now to ethanol and fuel cane. We are all familiar with the amount of ethanol being used in Brazil and why Brazil took that initiative to change to ethanol from the 1970s with the energy crisis and the problems with energy and oil-producing nations. Brazil has made a complete success of ethanol and the use of ethanol in their car engines.

Mr. Deputy Speaker, we too can be doing that. I do not know how economically viable it is because some people are saying that in order to do it, we have to have many more acres than we have access to, but I look forward to seeing the economics and the numbers on ethanol. Mr. Deputy Speaker, hearing it mentioned in the Budget Speech and in speaking to others who are in the sector, I think it is something that is promising and something that we can look forward to for the future. All of these things are important and necessary. I think it forms part of an ongoing debate as we continue to make our way in this challenging and wide world today.

Mr. Speaker, with those few words, I thank you for giving me the opportunity to speak, as well as to speak for the people at the National Petroleum Corporation which I have the opportunity to chair. The workers at the National Petroleum Corporation work extremely hard to produce and to supply over 16 000 customers of Barbados with natural gas every single day, 365 days a year. I am indebted to them for the tremendous work they are doing. I am happy and proud to work with them. Mr. Deputy Speaker, we can only do so much with the finite resource that we have and I look forward one day to seeing the first set of natural gas land in Barbados.

I thank you very much, Mr. Deputy Speaker.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, as I rise to speak in this debate, I want to make it known from the outset that we on this side do not appreciate being served notice with a document like this on Saturday for us to come before the House to discuss it the following Tuesday.

Asides.

Mr. D. St.E. KELLMAN: I speak for myself as the Honourable Member for St. Lucy. I received this document on Saturday then to come into this House and discuss it on

Tuesday. Mr. Deputy Speaker, I do not think it is fair because if I am to do the people's work...

Hon. Miss. H. E. THOMPSON: On a point of order. Mr. Deputy Speaker, I hate to interrupt the Honourable Member for St. Lucy, but the manner in which he started is really very unfortunate given the fact that the first person to receive a copy of the Policy was the Honourable Member for St. John, who is the Party Leader for the Honourable Member for St. Lucy. It was delivered to him here a week ago. He was the first person outside of the Cabinet to get a copy. He acknowledged it last week.

Mr. Deputy Speaker, in sending the document to him, I wrote him a personal letter saying to him that I would wish that he and his colleagues would discuss it so that when we come to debate it, we could have some consensus on this issue of importance.

Mr. Deputy Speaker, what he did with it thereafter, I cannot say, but what I can say and am in fact saying is that a week ago it was delivered to him with a personal note written by me with a request specifically that the Opposition should review it in order to be able to debate it when it comes up. The Honourable Leader acknowledged it on the Floor of the House. Sir, that he did not send it on, copied it, give them parts, warn them that there would be a debate, say to them that it is in his possession let them sit down and discuss it, and the fact that he did not come today to give them any support, he himself is ducking the debate.

Mr. DEPUTY SPEAKER: Proceed Honourable Member.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, let it be known that we do not represent political parties in this House. Mr. Deputy Speaker, the Standing Orders of this House identified us as individual members representing constituencies and we have equal territory in here. Sir, when I come to this House, I come to this House to represent one-thirtieth of this Parliament. I do not take any excuses like that for the simple reason that I find it offensive to the Standing Orders of this House how this particular document was served and how I was expected...

Sir, in future, anytime this House has a draft, it should be sent to the Democratic Labour Party and not to any sitting Members of the Parliament, because we are in here to discuss policy.

Mr. DEPUTY SPEAKER: Honourable Member, I would like you to move on now.

Mr. D. St.E. KELLMAN: We are in here to discuss policy.

Mr. DEPUTY SPEAKER: Honourable Member, could you move on with the Resolution which is before this Honourable House?

Mr. D. St.E. KELLMAN: Sir, we are in here to discuss policy and anytime anybody wants an opinion, the opinion should be sought from George Street and not from sitting Members of Parliament.

Mr. DEPUTY SPEAKER: Could you please move on with the debate.

Asides.

Mr. DEPUTY SPEAKER: Order, please. Could you please move on, Honourable Member for St. Lucy.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, it is clear that we are not in here to be searching and fishing. It is clear that the Minister of Energy was out to sea and the Minister was using a hook searching to hook some fish and has now used Parliament to see if that hook with a little bait, could capture something to put into something called a Policy document seeing that this is only a draft.

Sir, I am saying that when the Minister has a draft, that it should be sent to George Street so that the Members could deal with it, so that when it comes to Parliament we can deal with the Policy. Mr. Deputy Speaker, I have no time to waste in this Parliament over drafts. When I want to play draught, Sir, I go under a tree and play draught. When it comes to policy, I will come to this Parliament to deal with it.

Sir, had this Energy Policy been spelt out, the Honourable Member for Christ Church West would not have been able to get on the Backbench and criticise the Frontbench on this particular approach. Sir, the Honourable Member knows that any Energy Policy in a country that will tell you that they are serious about energy, but yet in an Energy Policy can brag that vehicles have increased to 226.12 per cent... Sir, what is interesting is that the increase is not for productive purposes, but more for personal purposes.

Sir, any increase in energy should be for productive purposes, not for private use. However, one could see on page 9 of this document that the Government is bragging how they have been able to increase the usage of energy for personal uses, but when it comes to commercial...

Asides.

Mr. D. St.E. KELLMAN: I do not understand what, Sir?

Mr. DEPUTY SPEAKER: Could you please address the Chair?

Asides.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Asides.

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

Mr. D. St.E. KELLMAN: Sir, I have to deal with asides when I hear them, but you cannot hear them.

House 121 Sequence 70

2.20 p.m.

Tuesday, January 16, 2007

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, we have a situation where the total number of vehicles in Barbados has increased to 226.12 per cent, private cars to 225.42 per cent and buses, coaches, hired taxis by 156.02 per cent. Sir, one would have thought that based on all the talk coming from the Minister of Tourism and International Transport, that one would have seen that these vehicles would have seen the most significant increase, based on the statistics. But then again, let us stop here.

Sir, tourists and seats are different statistics, and expected arrivals is something quite different. The Honourable Member does not talk about the actual arrivals but about the expected arrivals, that is why he would always have a problem in relation to energy policy because they do not know how to plan. Furthermore, lorries and vans have increased to 137.76 per cent and other commercial vehicles by 445.36 per cent.

Mr. Deputy Speaker, if we are serious about having an energy policy, the first thing we have to do is consolidation, as it relates to vehicles. That is why when I made the point, not too long ago, that it is impossible to have a serious energy policy in Barbados, when you keep a ZR or minibus at the same size and do not allow them to increase their capacity, so that you could reduced numbers, instead of having a demand for increase numbers. Mr. Deputy Speaker, any Government that is serious about having a serious energy policy, could not ignore that fact.

Mr. Deputy Speaker, I did not speak about that, in light of what was coming because I was not aware that the Honourable Member would be bringing this draft policy before this Honourable House, yet in this country one could give the best information to this Government and that

information would never be used. That is why I am very serious, that is why I accept the point made today by the Honourable Minister, that her Government would ensure that the people in Josey Hill would not be affected in a negative way and that the Honourable Member would use everything within her power, not only within her Energy Ministry but would use her powers within the Environmental Ministry, to ensure that the charges made by the residents of Josey Hill, will be answered, not by the Barbados Light & Power Co. Ltd., but through the Ministry of Energy and the Environment. Government has an obligation first to the people of Josey Hill and then anybody else after. Sir, this would be so because the Barbados Light & Power Co. Ltd. is not carrying out a policy of its own, but by this Government, as is stated by this Government.

Asides.

Mr. D. St.E. KELLMAN: The Barbados Light & Power Co. Ltd., is carrying out Government's Renewable Energy Policy, as has been stated by the Minister of Energy. Therefore, if the Minister of Energy-in-waiting does not understand the Government policy, then that Minister in waiting should ask the real Minister. But then the real Minister is included and the Minister-in-waiting is excluded, but has good ideas. I like the idea about natural gas, and I do support the Minister-in-waiting on the natural gas proposal, which is a very good proposal.

Mr. Deputy Speaker, I am also saying that the Arawak Cement Plant, which has contributed so much to this country, cannot be starved of an alternative source of energy to fuel the economy of Barbados because too often people believe that because the Arawak Cement Plant is located in St. Lucy, that it must be ignored. I am saying that persons should stop looking at its location but should look at its contributions the economy of Barbados. Sir, if you were to ask the Minister of State in the Ministry of Finance, the Honourable Member would be able to tell you about its contributions to this country.

Sir, as I keep saying, this Government continues to concentrate on revenue and not on the capacity to earn foreign exchange, that is why the Arawak Cement Plant would not be seen in its true light. We do not understand the importance of import substitution or exports, we look at revenue to Government.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, if only the Minister of Tourism and International Transport would understand the importance of revenue expenditure, then the Honourable Member, would understand the importance of arrivals and the difference between arrivals and the expected arrivals. The Honourable Member, as it

relates to energy is the only person who puts out a lot of energy and gains no foreign exchange.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, we have to understand that if the Arawak Cement Plant has a problem in relation to fuel, then it is the obligation of Government to understand that problem, in the same way that it understands the problem with the Barbados Light & Power Co. Ltd. Sir, both companies are contributing to the economy of Barbados and in the same way that Government could get in bed with the Barbados Light & Power Co. Ltd., over a renewable energy policy, surely the Government could get in bed with the Cement Plant, over an alternative energy policy for the Cement Plant. Sir, one uses foreign exchange and the other generates foreign exchange but it seems to me that Government is only interested in what they could do with the Barbados Light & Power Co. Ltd., because it is a totally controlled local company, whereas the TCL Group means external control in some way and it seems that they cannot get into the Board room the way they would want to. Sir, I am not speaking about the Honourable Member for Christ Church South, I am speaking of the Government. Sir, all of a sudden the Honourable Member believes that he is the Government.

Mr. Deputy Speaker, another point made is that the Minister said - and I listened very well - that when you have wind farms, that they tend to...

Asides.

Mr. DEPUTY SPEAKER: Honourable Member, could you please address the Chair. Please deal with the Resolution before this Honourable House.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, when the Honourable Member spoke about agriculture and about how it would be affected by renewable energy, the Minister said that Government was prepared to compensate - a key point - the owners of the land because of the usage of alternative energy. Sir, I hope, in light of what was said to the residents of Josey Hill by the Barbados Light & Power Co. Ltd., - and I can agree with them - that they are only doing a job for Government and that the Honourable Member would give this Honourable House a commitment that if there is any fallout because of the construction of the wind farm, then the Honourable Member and Government are prepared to compensate the people of Josey Hill, on the ground that they were there before the project. Sir, in law that is acceptable, that if you were in place before and somebody offended you by constructing something after, that you have redress.

Mr. Deputy Speaker, I am saying that we want a commitment from the Minister of Energy and the Environment. Sir, this is rather interesting because today the Minister wears too hats, that of Minister of Energy and also Minister of the Environment. Therefore, the resident of Josey Hill could look for protection, not only from their Member of Parliament but from the Minister of the Environment, because if they do not get protection from the Minister of Energy, then they must get protection from the Minister of the Environment.

I am saying that they have researched their case and have put it on the table. It is, therefore, for Government, not the Barbados Light & Power Co. Ltd., to justify whether or not the claims made by them are correct.

Sir, so far they have been promised a voice from Government but not one word so far. I know that did not come from the Minister, I know the Minister's name was used and I have my doubts about it. Only two weeks ago, I recognised that the Minister was not made aware and that the person who used the Minister's name, was doing so for political capital, which they could not use anyhow. Sir, I felt comfortable that the Honourable Minister was not aware of the issue and I knew that as soon as the Honourable Minister was made aware of the issue, that she would react.

2.30 p.m.

Tuesday, January 23, 2007

(EDITED)

Mr. D. St.E. KELLMAN: Sir, today the Minister is now being made aware on the Floor of this House and the Minister can no longer claim that he is not aware of what is happening in Josey Hill with the wind farm.

Mr. Deputy Speaker, there is no doubt that renewable energy is good. We also have to ensure that we do not only look at the windmill but at the cellular phone because, Sir, you might not know but radiation from cellular phones is not good. We have to watch what we are doing in Barbados because we are reducing the energy in the bodies of people and increasing the wrong type of energy in their bodies by removing food from their bodies and replacing it with cell phones through talk. Sir, we have to consider what happens when nutritional value of a meal is reduced from a person in order to buy a card to accommodate a conversation.

Mr. Deputy Speaker, a phone call cannot be as important as a meal to a body. If we are dealing with energy, we should deal with all energy. I know that the Honourable Member for St. Philip South would not be able to relate to this because the Honourable Member can only

walk a straight line and can only relate to things read in a book.

Asides.

Mr. D. St.E. KELLMAN: it is true that I do need to read a book. The book I should read is the one which would tell me to do the right thing to get the Prime Minister to recognise that in order for tourism to increase that he has to remove the Minister of Tourism. Sir, that is the book I need to find and I have been looking for it a long time. It seems to me that Cabinet had it once and removed the book from the Cabinet.

Mr. Deputy Speaker, the Minister said there would be a fund to deal with the carbon emission generated from vehicles in Barbados. I find it rather interesting that the Government has increased and encouraged people to buy large numbers of vehicles but now have decided that in order to deal with that on page 9 of the same document, they bragged about the number of vehicles that people have been able to purchase but, at the end of the day, what they are now doing to stop people from buying the same vehicles, without telling them, they are now developing a carbon emission fund to tax people based on emission. I want to know who are the ones who would be able to test the cars for emission. I hope that the Government of this day is not in bed with the insurance companies and the car retailers.

Mr. Deputy Speaker, as you know, there are some insurance companies in this island that send you a renewal notice and they ask you to go the manufacturers to certify that the vehicle is in good working condition. Sir, you do this and when you take the certificate to the insurance company, you are told that you cannot get third party insurance even though you have complied and the car is in good working condition.

Mr. Deputy Speaker, sometimes we want to copy things from people but it would be advisable that those who look after our foreign exchange and who have to generate a lot of energy to keep the foreign exchange right, go and learn a lesson from Cuba. Sir, we have a habit in Barbados that as a car gets 10 years or older, no matter that it is in good condition, it is not good and, Sir, that is foolishness.

Asides.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, the Honourable Member does not understand. I have had a car that was as old as 16 years. It was a Datsun and when I sold it, Sir, I nearly cried because of its good condition.

Mr. Deputy Speaker, it not the age of the car but the number of miles travelled. We have to understand that if

somebody has a car and is caring for that car, a car that is 25 years old could be in better condition than a car that is five years old. I want people to challenge me on that particular point.

Mr. Deputy Speaker, I do not understand what yardstick is being used. If we are going to have an energy policy and environment policy and we are not going to focus on vital points as they relate to the economy, then clearly, we do not have a policy. Sir, people must understand that we must stop coming up with energy policies, focused on what looks good and not focused on what is in the interest of the country Barbados.

Mr. Deputy Speaker, all of a sudden in this country, it is not what is meaningful but what looks good. I am saying that you cannot carry good looks to the supermarket. Sir, you have to carry worth to the supermarket. It is regrettable that we can just bring thing before Parliament and just operate on a feel-good syndrome. I want this Honourable House to understand that we are here to look after the interest of the people of Barbados and not to create an impression. Sir, that is why I have no interest in this draft policy because it belongs to the Barbados Labour Party and it does not interest me. Sir, all those who want to make it their interest, it is up to them but I am not here to be a teacher for any Minister on that side.

When Ministers do not understand what is going on in the Ministries and they seek to go fishing, then they are fishing in a dry pond when it comes to me. Mr. Deputy Speaker, when the policy comes before the House, I can assure the Minister that he or she will get all the support that he or she wants on that particular policy. Sir, I am not here to do the job of the Minister.

The Minister has been paid a high salary, not to bring a draft but to bring policy before this House. I think it is an insult to this House for us to continue to bring drafts before this House.

Mr. Deputy Speaker, I am saying that any time they have drafts, that they should send them to George Street but do not send them to me, the Honourable Member for St. Lucy. Sir, I thank you.

MR. DEPUTY SPEAKER: The Honourable Member for St. Philip North.

Hon. A.P. WOOD: Mr. Deputy Speaker, I rise to make a short contribution to this debate. Sir, before I get into the meat, I want to bring to the attention of the House that the Honourable Member for St. Lucy, who just spoke, summed up pretty well his contribution towards the end when he said that he is not interested in the draft document.

H121/14:40

*Sequence 72**Tuesday, January 23, 2007*

Hon. A.P. WOOD: He did not read the document because his contribution really was consistent with someone, who not only has no familiarity with what is contained in this document but has no knowledge whatsoever of things pertaining to...

Mr. DEPUTY SPEAKER: Honourable Member, on what point did you rise.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House when he says that I do not know what is in this document. I was able to quote from this document.

Sir, this Minister has been Minister of Energy for less than one year, and has been able to produce this document. Regrettably the Honourable Member for St. Philip South was Minister of Energy for three years, and was not even able to produce a page of a draft.

Mr. DEPUTY SPEAKER: Honourable Member, proceed.

Hon. A.P. WOOD: The Honourable Member will rise from time to time and continue to expose himself. He just took us through the most painful exercise in this Honourable Chamber, not only this year but perhaps this term, and this term is probably coming to a close.

Mr. Deputy Speaker, I rise to give my full support to this draft document and, quite unlike the Honourable Member for St. Lucy, we are pleased to have brought the document, as the Honourable Member for St. James South said, this document will be the subject of wide consultation, at which persons knowledgeable about matters pertaining to the petroleum sector and the shaping of energy policy, will get an opportunity to review the document. I am certain that the Honourable Member for St. Lucy will not be a part of that team, because we certainly would not be looking from any input from persons like him.

Sir, we have a draft energy policy here, and this Honourable House, at least most of us, would be aware that this is the culmination of, obviously, work which would have been started previously. If we all remember, in the Prime Minister's Economic Statement, the last time around, the height of the problem for the Barbados economy occasioned by the high oil prices, particular attention was paid in that last Economic Statement to matters pertaining to the energy sector.

Sir, we will recall that there was an appendix even to the Statement, where a number of initiatives were to be undertaken by the Government and a number of suggestions - through which the private sector can participate, in us moving forward on a sensible path - with respect to energy matters, were detailed.

Sir, I even go a little further. Sir, two national consultations ago, matters pertaining to energy figured prominently. That was the occasion when all persons, who have a vested interest in seeing that the Barbados economy moved forward on a structured path, would have got the opportunity to come to Sherbourne and discuss those key aspects of the functioning of the economy.

Sir, I want to dissociate myself, and it is very easy for me to do that, with certain statements which were made by the Honourable Member for St. Lucy. The Honourable Member stood earlier and suggested - but that is his view - that one way of dealing with matters pertaining to energy, that may be troublesome in nature, is to engage in the consolidation of vehicle ownership, and in so doing, a consolidation of the numbers of vehicles.

Mr. DEPUTY SPEAKER: On what point do you rise, Honourable Member?

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the Honourable House by making the point that I said that there should a consolidation of ownership. I never said that. I said expansion of capacity. I do not understand how a person who is trained in economics, cannot understand something like that, Sir.

Mr. DEPUTY SPEAKER: Honourable Member, proceed.

Hon. A.P. WOOD: Sir, the Honourable Member does not even know what he said. The suggestion was that this Government should have restricted the number of vehicles imported in this country for private use. That is what he said.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House. I never said that. The Honourable Member must stop trying to make a point by using me to make a case for himself.

Hon. A.P. WOOD: Mr. Deputy Speaker, I am not going to continue with this minor point so that he can jump up and down.

Certain remarks made by the Honourable Member for St. Phillip South were ordered to be expunged from the records by Mr. DEPUTY SPEAKER.

Mr. DEPUTY SPEAKER: Honourable Member, proceed. Hon. A.P. WOOD: Sir, the suggestion that there should be a consolidation in the ownership of vehicles in this country that go to private use, I want to dissociate myself with that.

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member knows that he is misleading the House. I drew statistics to show that private vehicles increased more than commercial vehicles, and made the point that in light of tourism, one would have thought that the commercial vehicles would have been increased more. I never said what the Honourable Member is saying. The Honourable Member must stop trying to use those kinds of statements to justify a case for making a speech.

Mr. DEPUTY SPEAKER: Honourable Member, continue.

Hon. A.P. WOOD: Sir, those persons on this side and outside of this Honourable Chamber, would know exactly what the Honourable Member said. All I am saying, is that I am dissociating myself from such a view, which is coming from an Honourable Member of a Party that is known to have destroyed workers, preventing them from not only...

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member should withdraw that remark. Sir, can the Honourable Member produce evidence where workers have been destroyed in this country? The Honourable is saying that this Honourable House and the unions allowed it.

Hon. A.P. WOOD: Sir, the Honourable Member is a Member of a Party, if he wants me to elaborate, because I did not intend to, that during the period 1991 and 1994, a Party that brought this economy to its knees, and caused almost 5 000 civil servants to be sent home...

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the House by giving the impression that the first time that sort of relationship occurred was in 1991 to 1994. If the Honourable Member forgot, there was a period between 1981 and 1986 that the same thing occurred. Sir, then again, the Honourable Member would have been a member of the Democratic Labour Party and would not remember that point.

Mr. DEPUTY SPEAKER: Honourable Member, proceed.

Hon. A.P. WOOD: Sir, I will continue to make my point. Sir, you would have known what happened during that period, the erosion of the people's confidence in this country, the erosion of their self-esteem, not only being unable to own the vehicles for private use, but also not

being able to hold on to their properties as well. The Honourable Member is part of a team...

Mr. D. St.E. KELLMAN: On a point of order. The Honourable Member is misleading the Honourable House on what actually occurred at that time. Sir, the Honourable Member would have known that the transportation system in Barbados was so good at that time, that there was no need to buy a car.

Mr. DEPUTY SPEAKER: Honourable Member, proceed.

Hon. A.P. WOOD: Mr. Deputy Speaker, I will press on. The Honourable Member for St. Lucy also said, and these are very unfortunate statements, but he is an unfortunate person.

Asides.

Mr. D. St.E. KELLMAN: On a point of order. Pardon me?

Mr. DEPUTY SPEAKER: Honourable Member for St. Philip South, could you please withdraw that statement.

Hon. A.P. WOOD: Sir, I withdraw it reluctantly.

Mr. DEPUTY SPEAKER: Honourable Member, proceed, please.

Hon. A.P. WOOD: Sir, to make the statement that this Government is taking food from people's bodies and replace that food with cell phones, that is what the Honourable Member said, and that is a very unfortunate statement.

14.50 p.m.

Sequence 73

Tuesday, January 23, 2007

House 121, Sequence 74, 2.50 p.m.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member is misleading the House by giving the impression that is an unfortunate statement. Sir, any of us who understands the masses of people in Barbados, would know that we are now seeing a phenomenon in Barbados where people are now taking money that they would normally buy food with, to buy cell phone cards. Sir, if the Honourable Member is not on the ground to understand these things, I want to apologise for the Honourable Member for not understanding that particular point.

Mr. DEPUTY SPEAKER: Proceed, Honourable Member.

Hon. A.P. WOOD: Mr. Deputy Speaker, the point I was trying to make, is that persons are faced with having to make decisions. A person makes an individual decision to reveal a preference about one good over another.

Asides.

Hon. A.P. WOOD: Mr. Deputy Speaker, I just want to say that the Barbadian public has been telling me that they are getting fed up with level of debate in this Chamber, and persons like the Honourable Member for St. Lucy, coming into this Honourable Chamber, not having read anything, and not having familiarised himself with anything of substance that we debate in this House.

Mr. D. St.E. KELLMAN: Mr. Deputy Speaker, on a point of order. The Honourable Member is out of place to come in here and pass judgment on my debate, and reflecting on the Chair in a bad way, when we are supposed to be dealing with the draft National Energy Policy.

The Honourable Member has not even addressed one word in it. Every word said by the Honourable Member is about the Member for St. Lucy, as if I am a national policy. The Honourable Member should know better. The Honourable Member was in here since 1999 and does not know how to address an issue. He wants to attack me and I have to defend myself, using the Standing Orders of the House, and now he is begging to the Chair for mercy. There will be no mercy once you are attaching the Son.

Mr. DEPUTY SPEAKER: Honourable Member, please proceed.

Asides.

Hon. A.P. WOOD: Sir, this is just another major effort on the part of the Government to bring the Barbadian populace into the consultative process, on matters that are very pertinent to the sustainable development of this country.

Mr. Deputy Speaker, the sustainable development of any economy, whether it is coming at a time of high energy prices or whether it is coming at a time of moderate energy prices, must depend to a considerable extent, on how the administration approach matters pertaining to energy, and how it shapes its energy policy.

A lot of thought has gone into this document so far, but this Barbados Labour Party administration is in the business of consultation. There are numerous examples of our bringing the Barbadian public into our confidence, in

helping us to do things that will be of sustainable benefit to the country. Sir, this is just another example.

Mr. Deputy Speaker, this Barbados economy would have gone through in the last three years, a period of challenges, occasioned by the high oil prices. We remain very committed to the task, and at each and every turn, we went to the Barbadian public and explained to them the mechanism through which we would have been adjusting our prices. We allowed them to understand that wherever and whenever possible, notwithstanding the impact that the high oil prices would have had on entities on the front line, namely, the Barbados National Terminal Company Limited, we would have used our best efforts to shield them from having to pass through those price increases. There were times when we had to pass through the increases, Mr. Deputy Speaker, but the instrument that was available to us, the Excise Tax, we made the appropriate downward adjustment, so that the full impact of the increase to the BNTCL could not have been felt by the public.

I want to use this opportunity, Mr. Deputy Speaker, to thank the Barbadian public for remaining very resilient in those times of high oil prices, for the way in which they were able to brace themselves and to work with the Government to ensure that the economy still experience periods of economic progress. Once again, that really is a mark of the resilience and commitment of the Barbadian people as a whole, to ensure that this economy prospers.

Mr. Deputy Speaker, this document in draft, is very comprehensive. It needs to be comprehensive. As I said, it comes on the heels of attempts that were made previously to sensitise the Barbadian people to the need to do certain things, in face of high and sustained prices of oil.

The comprehensive nature of this document can be seen from the objectives of the policy, and let me start there. The objectives of the policy are captured on pages 13 and 14. When we look at those objectives in broad terms, the Government would be seeking to increase production. The Honourable Member for Christ Church West spoke fairly quickly to the foreign exchange that is required, in order to meet our import needs for petroleum products.

Actually, Mr. Deputy Speaker, one of the ways of restricting the use of foreign exchange to meet the import needs is for us to use our own efforts to increase production. Yes, the Barbados National Oil Company is involved in marshalling our drilling programme internally for more than two decades now, but we certainly need to use our best efforts, and collectively so, to increase the level of our production.

I know, Mr. Deputy Speaker, that management and the Board of the Barbados National Oil Company Limited,

would have been paying particularly close attention to this particular area. One of the ways that we would be pressing on, in order to achieve better returns, would be to look at improved drilling techniques.

House 121, Sequence 74, 15:00:14

Tuesday, January 23, 2007

Hon. A. P. WOOD: Mr. Deputy Speaker, this is a very high-cost exercise, but there are still a number of willing players out there from major oil companies and the management of the Barbados National Oil Company would be exploring the possibility of their participation in our drilling programme. Mr. Deputy Speaker, emphasis must be placed on enhanced recovery techniques so that the production from wells will improve.

Mr. Deputy Speaker, while I am on this area of the expansion of production, we are at a very interesting stage now in regard to our offshore drilling efforts. The Honourable Member for St. James South - if she has not done it yet, I am certain she will do it in her wrap up - would tell us about the great potential by way of the generation of data which speak to the potential for hydrocarbons, which lie outside of inland Barbados.

Sir, the Sandy Lane well, which was drilled in 2001 has resulted in some very useful and important data on which we could build, as we seek to relaunch our offshore drilling programme.

Mr. Deputy Speaker, I know that the efforts are at a very advance stage in regard to the identification of a subset of the large number of willing oil companies that would want to participate in a resound and offshore drilling programme when we resume.

Mr. Deputy Speaker, with regard to expanding our production, I think we need to be a little more broad-minded. I know that the thinking of those who helped with the shaping of our energy policy would have them operating in a more broad-minded fashion. Sir, this is in regard to us owning or becoming part owners of potentially productive wells which lie outside of Barbados. Sir, through some sharing arrangement, that of course would be beneficial to us, we could also explore those possibilities.

Mr. Deputy Speaker, as we go forward, the more oil we are able to produce, then it stands to reason - even the Honourable Member for St. Lucy should be able to understand this - that we would be able to satisfy our internal needs, which means that we would need less foreign exchange.

Mr. Deputy Speaker, this draft Energy Policy speaks very eloquently to the area of energy conservation and to

the increase use of renewables, et cetera. The Honourable Member for Christ Church West would have spoken about the importance that should be placed on the use of natural gas, and I am not going to go over that, because the Honourable Member for St. James South would have spoken to that as well.

However, Mr. Deputy Speaker, let me speak now from the heart about energy conservation. Sir, this is one of the areas in which the Barbadian public became conscious in the last couple of years, with the hike of the oil prices - because energy is everywhere in the economy - all Barbadians had a level of awareness about the potential impact or the actual impact high oil prices could have on the macro economic performance, and of course down to the smallest micro unit as well where the impact would have been felt, and there was this loud call, and continuously so, for persons to become more efficient in the use of energy, et cetera.

Mr. Deputy Speaker, while that high level of consciousness emerged and was maintained when the oil prices were high or at their highest points, I am submitting this afternoon that the efficiency in the use of energy should become part of the way of life and part of the culture of each and every Barbadian. Sir, if there is a downward movement in the prices, we should be so interested in being more efficient in the way we use energy that we would want to pursue those things which we have been encouraged previously to do by the Government and by the private sector which find their way into this document. It is a case of reinforcing a point which is part of the mission that will result in good benefit at the individual level, the community level and at the national level.

Mr. Deputy Speaker, I am not criticising anyone, but what I can tell you is that notwithstanding the fact that a lot has been said and there was a fairly detailed list of those simple things that we could do as a nation to send the right signals of our commitment to be more efficient in the way we use energy, I am not convinced that we are acting properly on that information to date.

I am hoping, Mr. Deputy Speaker, that with the conclusion of the public sector's energy conservation programme - because there is such a document now which will be disseminated to each and every Government agency which would serve as the basis for the further engagement of the public sector and the private sector in regard to the efficient use of energy - over the short term and going into the medium term and beyond that there would be a different attitude and different approach to how all Barbadians operate in regard to the use of energy.

Mr. Deputy Speaker, we could be proficient, we could engage the brightest consultants, we could have the best policymakers at the Ministry of Energy and we could

have the best team of economists in Cabinet or in the Ministry of Finance, at the end of the day becoming more energy efficient must be a way of life because it is at the individual decision-making level that it will count.

Mr. Deputy Speaker, collectively, once enough persons want to be more energy efficient, the national economy would benefit. If you practise it at home when you get into the workplace what is expected of you there to make sure the utilities bills of the various Government agencies are reduced to an acceptable level, that is what we are aiming for.

Mr. Deputy Speaker, the increase use of renewables figure prominently in this document as well. The Honourable Member for St. James South would have spoken eloquently to the Government's mission to play up in the energy mix renewables. Sir, it is sensible to do that, but we have to be very strategic in regard to the projects chosen which would allow renewables to assume a greater role in the energy mix. A number of projects have been identified and we sincerely hope that with the right level of collaboration that we could see actual results in this area of renewables.

Mr. Deputy Speaker, we are very proud achievers in regard to solar technology. This country, as a small developing country, has distinguished itself in the area of energy through the strides that we have made in solar technology. We can build on that, and we intend to build on it.

House 121 Sequence 75

3.10 p.m.

Tuesday, January 23, 2007

Hon. A. P. WOOD: Mr. Deputy Speaker, I certainly look forward to the establishment of the Renewable Energy Centre, which, in a more formalised and structured way, will allow us to aim for the type of strategic alliances, with well developed institutes, which will allow us to better sell or transfer our knowledge about solar technology to the rest of the world. Sir, of course, the commercial aspect of it is not being dismissed by this Government. We have some very active industry players in solar technology and they are being helped along as well, so as to ensure that there is greater roll out and greater commercialisation of this technology by having them penetrate markets that are there for the taking.

Mr. Deputy Speaker, the final thing I want to speak on, in my limited time, is the issue of price stability. Sir, out of all the connected issues of energy, the one that jumps out at persons most is the issue of price of petroleum products. Sir, even without persons in Barbados wanting to

know the price build up, what the formula looks like, all they are concerned about at the end of the day, is that the price is kept within a reasonable band, which makes it very affordable for them. Therefore, one of these objectives of this energy policy, is the provision of adequate and affordable energy to all sectors of the society, as a prerequisite for increasing quality of life. Sir, this is an overriding objective.

As I have said earlier, this Barbados Labour Party administration has been very consistent with regard to the mechanisms which we have used for the pricing of energy products. We have said all along that the prices that obtain in the domestic markets should bear some resemblance to what obtains at the international level, in regard to oil prices.

Mr. Deputy Speaker, we have made the necessary adjustments, when they go up, but these adjustments were not made in a manner as to suggest any perfect price flexibility because we want to shield the economy for as long a period as possible. I said earlier about the use of Excise Tax in a downward way, so as to reduce the impact on the consuming public.

Sir, we are very conscious of cost and we will continue paying attention to keeping prices within a reasonable band, so as to make the products affordable to the consuming public, recognising the strategic importance of energy to the individual, to the industries and to the national economy.

Mr. Deputy Speaker, my time has come to an end and I am obliged to you.

Hon. C. A. MASCOLL: Mr. Deputy Speaker, I rise in this debate to make a contribution on what I describe as the efficacy of a National Energy Policy at this time. There has been a lot of discussion as to whether we should have had an energy policy before but the reality is that all policies require an environment, and for me the two most telling comments or observations in the Draft National Energy Policy document constitutes the basis upon which the policy has been formulated; that is a very heroic prediction or assumption but one that is necessary; that is, that energy prices will not decrease significantly over the next 20 years. This can be found in the Executive Summary.

Mr. Deputy Speaker, the reason alternative energy has become attractive in Barbados is because of the existing high prices worldwide, even though we have seen some recent downward trend in energy prices. However, without an assumption being made that prices would not decrease significantly over the next 20 years, the basis upon which we establish our national energy policy, would therefore be questioned.

Mr. Deputy Speaker, the second basis on which we predicate the policy is the availability of adequate and reliable amounts of alternative energy, especially natural gas and the energy which we all know and have, sunlight. Sir, the availability is very critical because if it is that we anticipate and expect energy prices not to increase in the foreseeable future but more important not to decrease, then I think we have been put in a position where the formulation of a national policy can be justified.

Sir, I think that is the point at which I want to depart in this debate because for me, the future of Barbados in terms of a National Strategic Plan resolves around our capacity to be competitive in an economy and to build excellence. Therefore, the only way in which we could do so is if we have the necessary endowments to be able to pursue a competitive environment. Sir, the pursuit of excellence will be determined by our policy matrix which can sustain us economically, socially and politically. I, therefore, wish to suggest that the future of Barbados rests squarely on our capacity to get it right in terms of our national energy plan or strategy.

In earlier times during the 1960s, 1970s and 1980s, our focus would have been on development policies; how do we try to build the infrastructure necessary upon which we can put an economy that is sustainable. We would also have focused on social policy; the need to create an environment of education and health, housing and other social endeavours in this country. When confronted by difficulties in the economy, the question would have been our capacity to execute a stabilisation policy, that would allow us to get us out of whatever difficulties we might have experienced in the short term.

Mr. Deputy Speaker, when I look ahead to see Barbados at a period of transition in its history, then I see the National Energy Policy as being able to afford us to move from where we are, as a developing country, in fact, soon to become within the next decade a developed country, I see our energy policy as being as critical as our human resource development policy for the future. That is why we cannot begin to overestimate the importance of the industry. We cannot begin to overestimate the importance of combining our energy with our environment, a matter I would deal with later in my speech.

Mr. Deputy Speaker, suffice it to say that getting our policy environment right, as it relates to energy, is for me extremely critical because it is the thing that offers us that ability to move as a developing country.

Mr. Deputy Speaker, in light of what I have said, I will now address some of the details relating to that. Sir, I think we all are very familiar with where we have come from as a country. We might underestimate the use to which we put electricity at this stage of our lives but

certainly 40 years ago, we would not have had the kind of housing environment which we now have; we would not have the kind of infrastructural environment which we now have; and we would not have had the kind of business environment which we now have.

Sir, our use of electricity, which is our dominant means of providing energy, would have escalated substantially and grown maybe four-fold or five-fold...

3.20 p.m.

Tuesday, January 23, 2007

(EDITED)

Mr. C.A. MASCOLL: over the last 40 years in Barbados to the extent that in our households now, we have now become accustomed to having a fridge, something that we could not have taken for granted years ago. We have two and three television sets in a household; we have DVDs; we have all kinds of machines to mow our lawns, which might be electrically generated, or we might have the ability to push some kind of appliance to allow us to clean our homes. Sir, I am saying in essence, that the household in Barbados now has become driven to a large extent by electricity, whether it is the stove, which is a thing that we could not have contemplated 40 years ago, to have an electric stove, but now we have every conceivable appliance. In essence, I am saying that we cannot really begin to understand that we have become so dependent on energy and on electricity. It is absolutely amazing, the extent to which we have grown accustomed now to using appliances in our houses.

Mr. Deputy Speaker, we now therefore have an opportunity, as I see it, to move to another level of development in Barbados but to be fully conscious that unless we are able to generate most of the energy we need, we would become as dependent as we were years ago on other forms of assistance from external sources, that is, when we were an agrarian economy or sugar prices were determined externally. Sir, we are now a tourism economy, our prices are predominately determined externally because the persons who sell our rooms are from overseas and, to some extent, they determine the prices which are offered to tourists abroad.

Mr. Deputy Speaker, that type of dependence, which we are trying to move away from, has now been embraced in the area of energy as well. Sir, therefore, to that extent, we have to seriously consider what kind of alternative energy we could employ. This is why I am saying that the efficacy of this policy will be seen, perhaps in the next five to ten years, as we grapple with what we are now predicting as energy prices that will not decrease. Sir, this is a major prediction that we are making.

Mr. Deputy Speaker, I believe that energy prices have reached the bottom about three years ago and, therefore, we will not get back to energy prices of \$30 per barrel for whatever reason, so I accept the assumption that is being made but I am saying that the entire policy is predicated on that assumption, as well as on the assumption that there is available alternative energy for us to deliver in Barbados.

Mr. Deputy Speaker, that is where I now try to join this debate because for me, in the absence of existing energy prices, the contemplation of an ethanol production plant in Barbados would have been out of the question. Sir, ethanol production has become an alternative for us because energy prices have reached a level to make alternative forms of energy now viable. In the absence of that, we could not have contemplated going towards ethanol production in the way that we are currently doing. Sir, I see it as a must.

Mr. Deputy Speaker, there is an attendant area of concern, which is the environment. Sir, for a long time, we have underestimated the relevance of the environment to us as a people but we only need to look at the coastal areas of Barbados to recognise how changes in the environment can impact on our capacity to deliver economic goods and services to our people.

Mr. Deputy Speaker, no matter what we do on the coastal areas, nature will eventually determine what it wants to do with our coastlines. Therefore, we will see, over the next 20 years, that beaches that currently are available to us, may no longer be but they will be created some other place along the coastline so nature determines, largely, our capacity to deliver in the area of tourism and where we effectively deliver.

Mr. Deputy Speaker, there is also the question of the environment. Sir, we know about the question of accretion, which we have to deal with in a very meaningful way quite soon. I have been told and I have found out that there is legislation coming but that is going to be an issue for us to really grapple with in the next too distant future. Sir, we have to invest where there are returns and if we are going to have an environment in which we are liberalising and allowing market forces to determine which areas of activity we get into, then it would be natural for people to see the value of land in Barbados. If we are going to house the people we intend to house, then we have to make certain decisions about land use policy in Barbados. If there are going to make decisions about land use, then we can anticipate that there would be implications for our environment, and the environment can be impacted on as a result of our development strategy, which we put on the cards and which we execute in the foreseeable future.

Mr. Deputy Speaker, I am, therefore, saying that if we can adequately anticipate our needs in the area of energy; if we can adequately anticipate what likely impact there would be on the environment, then we would have done a major service to the future viability of our economy and our society. Sir, this draft policy cannot be reduced to a level of debate that reduces the entire House in the eyes of the public and the wider Caribbean. When we come to speak to these kinds of matters even though they do not appear to be sexy; even though they do not appear to excite people immediately because they have never contemplated energy being so critical to an economy and the environment being so important to our existence and our sustainability, then we have to understand, like everything else, that there is now a shifting area of emphasis. Sir, years ago it was agriculture and sugar and then it became tourism but, one of these days, as much as we depend on tourism, we will have to transform this economy in order to take care of needs into the future.

Mr. Deputy Speaker, as I see it, we have to get this area of energy policy correct because it would now become as critical to us as what we are saying about our social policy, our development policy and when we need it, what kind of stabilisation policy we will put in place to sustain the economy and the society.

Mr. Deputy Speaker, I do not underestimate the nature of the debate nor do I reduce it to toing and froing, but sometimes it really requires a level of patience to sit in this Chamber and witness certain debates being reduced to an importance that one wonders what is your real purpose in this august Chamber at times. One wonder why do you come on Tuesdays to listen to unprepared speeches, to speeches that can move to and fro, that make no contact with the relevance of the subject at hand or with the debate. This is no reflection of the presiding officer because people are sufficiently skilled and sufficiently long-term in the august Chamber to be able to make only a glancing contact with the topic at hand and then make it seem relevant to something which they are talking about, that is the nature of the debate. Sir, you have to allow for it and appreciate it. I am saying that you should not reduce these kinds of matter to that lack of understanding in interpretation. It is similar to what you should not do when you get the opportunity as a people to honour a statesman. You do not reduce the episode or event to a partisan/political matter.

H121/15:30

Sequence 77

Tuesday, January 23, 2007

Mr. C.A. MASCOLL: Asides.

Sir, the very man, whom we are seeking to honour, is the very man who brought your Party to state that it was at years ago, so you do not reduce it.

I am saying that there needs to be a sense of understanding of the situation in the time. Do not reduce this debate to minor discussion and, crosstalk taking up public servants time, because it is too fundamental.

Sir, we have just put in place a National Strategic Plan, which really has at its heart, the capacity of Barbados to compete regionally and internationally. Whether we are competing in the area of social service delivery, economic goods and services or human development, and by that I mean that really and truly, as a country, all we have had is our people, for a long time. It is amazing what we have been able to do with such limited resources in a country, to have been able to compete at the level we have competed. It is not for lack of abundance, because when we were sugar producers, we produced more than we needed at the time, so we were able to export. However, the surpluses which we derived from our labour, were not brought back in predominantly to our economy, but were in fact extracted, because there was foreign ownership. Now we are producing more than we need in terms of tourism services. However, our excesses are not brought back in a way that we would like to see, because, again, there is still a certain predominance of foreign ownership.

Sir, therefore, I am saying, we are not a lazy people, we are not a people incapable of action. The thing is, we have not yet been able to transform our economies and societies, to an extent where our efforts come back to us meaningfully, in terms of the creation of wealth.

Sir, it is still a time for us to move. The question of economic enfranchisement is still ahead of us and we are moving there. Do not let us doubt ourselves, in terms of our capacity to produce. Do not let us doubt ourselves in terms of whether we were able to produce surpluses and excesses with what we had in the past, because we did, so we are still capable. Mr. Deputy Speaker, the thing is, all of this is going to redound, to whether we can so redefine the future, that we allow most of our effort to come back to us in terms of earnings, sharing the profits and the creation of wealth.

Sir, that is why I am saying that this debate is so important. It is amazing, if you truly understand what the future of Barbados would be like, then you understand that outside of human resource development, that energy cost is going to be so critical to our production space, that it is frightening. Sir, there is a good in all of this, because had energy prices remained low, there would not have been the need to go quickly towards an alternative energy policy for Barbadians or the region. There is always a good. Like when there is inflation in the economy Governments

benefit, especially when you have the kind of tax structure which we have. Do not let anyone fool you.

Sir, there is nothing saying that high oil prices are bad, because we have seen now, with the emergence of a document that we are preparing for a future, when we could no longer contemplate going back to low level of energy prices, but it would serve us well into the future.

Mr. Deputy Speaker, when you have a plan to confront whatever is up ahead, you cannot be faulted, because at least you anticipated your needs and you tried to prepare. Nobody can kill you if the future does not work out the way you anticipated, but you deserve not to be respected if you do not anticipate the future at all.

Sir, there are some policy initiatives, which have not entertained the House in the way that they might have, and rightly so, because they are really about the future. In fact, one or two have excited.

Sir, in formulating any policy as it relates to taxation, you never are going to walk about with whatever measurement you can use to measure the emission from a car. Sir, there are thousands of cars in Barbados. Are you going to ask people to enforce a policy of charging on emission based on how much emission there is from a car? Who is going to enforce it and how will it be enforced? The thing is, in setting policy, there is a question of is it fair, is it just; is it equitable at this time and is there a reasonableness in the policy.

Sir, fortunately, in Barbados, the real cause of emission is the burning of fuel, so you do not have to walk about to measure emission from a car as a policy maker, because emissions in Barbados are predominantly caused by fuel being burnt. Sir, you impose, if you have to, a tax on the fuel, so the who use it more, abundantly, would suffer the burden more abundantly. Therefore, the incidence of the tax falls on the persons that you want it to fall on.

Sir, if there is cement plant that is using diesel and is causing some emission, then you charge them on the diesel. You cannot walk about to measure emission from a car. The thing is, you have a strategy which you can employ as a Government. You can simply say that you are now benefiting from reductions in oil prices, so the next time there an oil price reduction, rather than passing the entire benefit onto the consumer, you will keep a portion of it and call it a carbon tax or an emission tax. The justification is, you are seeking to protect the environment, therefore, people will understand. Sir, not that you are imposing the new tax, you are simply saying, let us take from any proposed reduction some portion, keeping in a fund as an emission tax. Sir, that is what you do as a policymaker. People understand when you are seeking to protect them from themselves. People understand that it has never been

contemplated that there would be taxes on any environment.

Mr. Deputy Speaker, if you feel that emissions do not cause problems, travel the west coast and see how black the plants along the side of the road are, all the leaves with smut. It does not take much to understand. If you explain to the public that these emissions cause damage to the environment and you need to do something about it, they will understand that there is a need for Government to have a policy with respect to this. Sir, what Government would not wish to do in the foreseeable future is to be establishing taxes here, there and everywhere, because there is a political fallout.

Sir, in essence, you sensibly explain to your taxpayers that there will be changes ahead in the way you do things. There will be emphasis placed in other places in terms of policy. It is just like the public service of Barbados. Sir, years ago, the agricultural sector would have attracted a whole set of persons because of the relevance and the importance of agriculture. It is said, jokingly, that there are more PhDs in the Ministry of Agriculture than in any other ministry in this country.

The thing is, in today's world where the environment, energy, information technology and other areas are being emphasised, you would expect the relative importance of agriculture maybe to decline in a future Barbados economy, so you will begin to plan for it. You do not sit back and wait. You understand, therefore, that there may be a reallocation of staff to areas that have become important, such as the enforcement of World Trade Organisation rulings, such as you need to understand better issues pertaining to trade, or issues related to CARICOM or the integration movement, and the emphasis that you have to place in different areas of governance; so you plan. Sir, this is all this energy policy document is all about.

15.40 p.m.

Sequence 78

Tuesday, January 23, 2007

House 121, Sequence 79, 3.40 p.m.

Mr. C.A. MASCOLL: It is about anticipating needs, understanding the relative importance of this sector to the economy in the future, and being in a position to design, at least a frame of reference. Sir, all it can be is a frame of reference, because nobody knows what the future really holds. You can begin to anticipate but you cannot say with certainty, what lies ahead because nobody knows what will happen geopolitically, either in Latin America or across the Middle East.

Nobody knows we will become - and hopefully not like Bush - the next President of the United States of America. You hope it is not another Bush. What I am saying is that you cannot predict that. But, you can begin to understand or prepare for the possible effects of a changing regional and international environment on your domestic space.

Mr. Deputy Speaker, there is so much in this policy document that I will not be able to refer to because we only get half an hour to speak on these very important and critical matters. Suffice to say that you cannot underestimate what our future energy needs would be, so this document is predicated, as I said before, on the critical thing that energy prices will not decrease over the next 20 years. Sir, we are happy.

Why would I say that? Sir, if energy prices were to decrease substantially, and you may get the benefit of low oil price, you would not have as a country, to create

an alternative energy policy because you would continue to rely on external sources for cheap sources of energy. Therefore, there is a benefit from high prices in oil for us as a country, which we need now to exploit and plan for in the future.

Sir, these are the critical questions. Do we have availability and accessibility to adequate and reliable sources of natural gas? Do we have availability and accessibility to solar energy in a more meaningful and productive way? Yes. At least we are fortunate to live in the tropics where it hardly ever snows.

Asides.

Mr. C.A. MASCOLL: I cannot recall it in my life time. I do not think it will happen in my lifetime where there is snow. I know it burns when the sun shines. Therefore, it is a natural source of energy that we have to exploit and, thank God, we are seeking to exploit. We have also put other systems in place to change the use now of sugar cane to something that would become more financially viable and meaningful in the not too distant future.

Sir, the long and short of it is that this policy will become a major component of the need for a matrix of transition policies for Barbados to move us from a developing country, which we currently are at the top of the ladder, to a developed country, which we want to be, through being highly productive and excellent in what we do, as a people.

I thank you, Mr. Deputy Speaker.

SUSPENSION OF SITTING

Hon. Dame B.A. MILLER: Mr. Deputy Speaker, I beg to move that this House be suspended until 4.00 p.m. today.

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

The question that the House be now suspended until 4.00 p.m. was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER suspended the House accordingly.

House 121, Sequence 79, 15:44:11

Tuesday, January 23, 2007

RESUMPTION

Mr. DEPUTY SPEAKER: This Sitting is resumed.

Mr. R. L. SEALY: Mr. Deputy Speaker, I rise to speak to the Resolution before the House on the National Energy Policy which is in draft form at the moment.

Mr. Deputy Speaker, I heard two different perspectives from the Government side. The Honourable Member for St. Michael North West indicated that the environment we are in necessitated the development of the energy policy with its focus on going beyond the fossil fuels and the renewable energy sources, et cetera, and the Honourable Member for Christ Church West, who is the Chairman of the National Petroleum Corporation, is surprised that we never had an energy policy all along and his only regret about the policy is that it did not exist earlier.

Mr. Deputy Speaker, I would tend more to agree with that point of view. I do not think that one has to wait until the price of crude oil is in excess of \$50 or \$70 a barrel to then drag the nation kicking and screaming into an energy policy.

Mr. Deputy Speaker, in an economy with a GDP of \$6 billion, where one is saying that energy contributes \$4 to \$5 million - that is just a little less than 10 per cent of that - it is really and truly a failure of economic planning for a Government, 12 years into its life, to be now developing an energy policy. To simply say that the prices are high on crude and therefore they are forced to look at an alternative is to my mind not good enough, and there are several reasons for that. The reality is that the price of oil is an extremely fickle matter and while it is unlikely - I think this point was made by the Honourable Member for St. Michael North West - that we would see the price of crude oil going back into the 20s or even the early 30s...

Asides.

Mr. R. L. SEALY: The Honourable Member does not know that, no one knows that. It is unlikely, but it could happen. We do not know what they are going to find in the north sea, in the Baltic, in Russia, in South America or in the Mid East. We do not know what would happen. It is a very erratic and fickle item.

Mr. Deputy Speaker, am I to understand that the environment of high prices is what precipitated this document? If for whatever reason the prices go back down again, would we shelf it? What happens at that point in time? I would hope not because when we are speaking about renewables, as the Honourable Member made the point and we have all said it, we are talking solar and we are talking wind. These are things that we have an abundance of here and we should develop it irrespective of what the situation may be in terms of sourcing fossil fuel and so on, the price of crude oil, and how that would impact on how we use fossil fuels here. Mr. Deputy Speaker, I believe that is a point that we need to keep in mind.

Mr. Deputy Speaker, it is very natural to say that everything is being partisan, but this is an issue that maybe both governments have fell down on in the past because there was an oil crisis in the 70s in Barbados. Yes, we did more to develop our domestic oil production and we did a number of things but we still found ourselves void of a genuine energy policy and one that took the long view into its scope.

Mr. Deputy Speaker, this document has some very good things about it and I would have no problem with lauding the wonderful work of the professionals, both within the Civil Service and from beyond, who have had a hand in giving us a discussion document.

I do also agree with the points made by my colleagues that it should have come to this stage after it had had the wide consultations that had been promised. I do not think that we should bring a skeleton in here. I do not think that the people of Barbados on the three occasions that they went out and voted for the Barbados Labour Party governments, each time where a manifesto was produced that had a heading about energy, no one expected them to bring a skeleton in here with respect to an energy policy. I think it is important that we understand where we are going from that point of view.

Mr. Deputy Speaker, even though how we got here has not been the best, I hope that we could October 14, 2008 go forward with something meaningful because truthfully based on what we have seen, we are not inspired by a lot of confidence. Really and truly you just get the impression that we are doing this because we have no

choice. Mr. Deputy Speaker, I think that you have to take the longer view and recognise that as we go forward we have not only to look to be more efficient in how we use our energy but we have to look as well for alternatives. There is a need for a mix.

Mr. Deputy Speaker, I listened very carefully to the comments of the Honourable Member for Christ Church West if for no other reason than he is the Chairman of the National Petroleum Corporation and has been for some time. The Government is focussing heavily, and correctly so, on natural gas and the use of natural gas to substitute some of the other traditional fossil fuels that we use for industrial and other purposes, the gasoline, the kerosene, the bunker seed, diesel, et cetera.

Mr. Deputy Speaker, let us understand a few things with respect to natural gas. We have about 16 000 households that use natural gas in Barbados right now, that is the information from the latest report from the National Petroleum Corporation, and another 600 commercial users. I understand that because of the decrease in supply, they are not able to supply the Barbados Light and Power Company Limited anymore with the natural gas. I also understand that there are efforts or plans to look for other sources of natural gas, but I am a little hazy on exactly where we are going there. What we certainly do not want is to be in a position where we are overly reliant on natural gas and be right back where we started.

Sir, if it is that the domestic production of natural gas cannot sustain us, are we going to be relying on the Republic of Trinidad and Tobago to barge, to pipe or to ship natural gas to Barbados. Is that the most desirable situation not knowing the certainty of that situation? I think that we need to consider that because I am hearing about natural gas for air-conditioning units, for buses, for this and for that.

Hon. Miss. H. E. THOMPSON: On a point of order. Mr. Deputy Speaker, the Honourable Member is making a valid point about consistency of supply. I would just want to assure the House, though I did not speak to it this morning, that insofar as acquiring natural gas from Trinidad and Tobago, the Prime Minister of Trinidad and Tobago has gone on record in Trinidad and Tobago, at a Press Conference, indicating that the Cabinet had made a decision to guarantee Barbados a certain volume supply of natural gas, if in fact Barbados makes the contractual arrangements, whether it is with the barging company or the Trinidad Pipeline Company. Sir, the Cabinet decision of Trinidad and Tobago is that they will supply us with a set volume. That is just for the Chamber's benefit, Sir.

House 121 Sequence 80

4.00 p.m.

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Mr. R. L. SEALY: Mr. Deputy Speaker, I appreciate that point and I am sure that everyone would appreciate it. Sir, the earlier point that was made about the offshore potential for natural gas, I was actually going to take up the Honourable Member on that, because the offshore drilling in the international waters that Barbados was looking at doing, has been deemed to be not the most feasible and only if the price we could get for crude oil was quite high, would it make sense.

We spoke about \$5 million a day to maintain a drill rig in that environment. Not only is the water deep, but there are some geological complications as well, and the idea of relying on that environment to supply an increase natural gas domestic environment, would have seemed to me to be somewhat risky and costly. Therefore, in light of what we have just heard from the Honourable Member would put that matter to rest, to some extent, but it does not take away from the overall point I was trying to make, that the natural gas, as a source, is really one that we should only look to, as a transitional one. Sir, ultimately we have to look to the renewables, which are far more attractive and in much more abundant supply, much more environmentally- friendly and of course the safety issue is a non-issue with respect to the renewables, so I think I would look forward to that.

Mr. Deputy Speaker, on the subject of the generation of electricity and looking at other areas, I remember a great deal of ink was spilt and a lot of Government's spokesmen were very hot on this issue of incinerating some of our solid waste and generating electricity that could have been input into the grid. I have not heard nor seen anything in this document - but I too only got it on Saturday as well.

Asides.

Mr. R. L. SEALY: I am not talking about the landfill that has been completed already and you are extracting ethanol from a landfill that is matured, I am talking about incinerating of garbage that has been separated and sorted, which I believe another document, the Sustainable Development Plan, spoke to it. In fact, they were moving toward recycling of our garbage and the potential as well for incinerating garbage, in a way also to generate electricity and to cut down the volume to therefore extend the life of the sanitary landfill.

I am suggesting that if we are talking about ways and means of getting away from the fossil fuels and having sustainable energy policy for the future, that issue that has been silent so far in a debate in here today and in the document, is one that could be addressed and maybe it would appear in the final policy document because Government has openly conceded that this is only a start. I

believe it was described by an Honourable Member on that side as a skeleton earlier - and not in the graveyard sense of the word - but as a starting point sense of the word and now we have to put some flesh on the dry bones. That is how I understood it.

Mr. Deputy Speaker, I say that as well with respect to the electrical generation issue. I also want to associate myself with the comments from the lead spokesman on this side, the Shadow Minister of Energy, the Honourable Member for Christ Church East Central, when he expressed concerns about the ethanol plant. I had reason to touch on this in other debates but never to the extent I think I can do now, because we are discussing energy.

Sir, I am very concerned about the feasibility of this ethanol plant, about the acreage necessary for the fuel cane to keep such a large plant going. It believe was supposed to be a very large plant and it would require thousand of acres of fuel cane. Sir, fuel cane is different from sugar cane, so it not to say that the two could be interchanged that easily, if at all. They are two different breeds of canes.

Sir, if it is that you have enough fuel cane in production to make the plant viable, when you are speaking of an ethanol plant, this is nothing that can be turned on and off, like the lights illuminate this room. When you commission a plan like that, you have to make sure that the raw material is there. Therefore, I would not want us to be in a situation where we have to be barging in fuel cane into Barbados, in order to keep our plant running. I think the Government maybe needs to expatiate a little more on this issue of the ethanol plant.

I heard some very large figures were used, for example, US\$150 million and the idea of going into one of these hodgepodge things that Government likes to go into: the build, operate, lease, transfer arrangement. Sir, one morning we would wake up and hear this is a ground-breaking ceremony and how it is not going to affect the national debt or affect Government's position, that it is going to be a build, operate, lease, transfer (BOLT) agreement. Sir, other future generations would have to worry about that.

Sir, I would not want to hear that is going to happen for something like the ethanol plant, that may be a worry, not to this Government, not even to the next Government that I might be a part of, but to a future Government, who would have the challenge of how to restructure an ethanol plant that might be rendered obsolete or ineffective.

Asides.

Mr. R. L. SEALY: Mr. Deputy Speaker, we have to look very carefully at this ethanol issue. In fact, in the very document which we are debating, one of the contributors

made the point that it may work out more feasible to simply bring the ethanol in by tanker. Obviously, the contributions came from someone who is in the tanking business. His name is there. I will not call the name of the company, it is there. He will not lose out on an opportunity to make money but I do believe that looking at the overall position of the ethanol plant and all its implications for the land use, et cetera, I think far more needs to be said on that. It sound nice, it sounds sexy, to borrow the term we heard earlier, but we need to hear the details about how exactly we are going to make that feasible.

Mr. Deputy Speaker, once again I would say that we should definitely look at our renewables. We have a strong record where solar energy is concerned. I know that the ruling Party, in a previous incarnation, takes a lot of credit for pushing that industry and there is nothing wrong with that, I suppose, but maybe it is time for us to look at other areas, apart from providing hot water. The question of solar air-conditioning was mentioned for some time, and is included in this document, electricity.

There is a former Honourable Member of this Honourable House, who generates almost all of his electricity through solar panels and windmills. Using wind and solar, he has cut his bill to the Barbados Light & Power Co. Ltd., by 75 per cent. His set up costs are quite high but having said that, if we could find \$10 million for the hotels, maybe we could look at a fund to encourage households to go in that direction. Sir, we are talking about a medical doctor, Dr. Erskine Simmons, a former Member for St. Michael South East, who is not a technical person or trained scientist or anything like that. We could look at areas where we could encourage individual households to get into using renewable energy and I think Government should encourage them in a very meaningful way.

4.20 p.m.

Tuesday, January 23, 2007

(EDITED)

Mr. R.L. SEALY: Sir, a lot of roads are leading to the building code that is yet to come and we have to watch carefully where costs are concerned. As it is, it is very expensive to obtain land, far less house and land and we would not want to set up a regime that makes it totally out of the reach of ordinary Barbadians because you have a whole slew of requirements that may not be easy to put in place without spending a lot of money. When I mentioned what was happening at Dr. Simmons' house, we heard from Honorable Members over there how expensive it is. I would not want that when we put these energy conservation methods that are mentioned in this document, in the building code, that we make the cost of affordable housing beyond the reach of the average Barbadian because

they are already complaining. Sir, we have to look for ways and means that we can control that cost and not necessarily compromise the standard of living of all Barbadians.

Mr. Deputy Speaker, before I take my seat, I have to say something about vehicles. We have 120 000 vehicles on our roads and, quite correctly, any energy policy has to look at the fuel that is used to propel these vehicles. I noted that the Government in the Economic Policy Statement of January 2006, tried to encourage more diesel vehicles and that is also mentioned in here. I know that several of the practitioners in the area of the sale and maintenance of vehicles are concerned about that because, yes, you get more miles per gallon from diesel but the engines tend to be noisy and pollute a little more. Some might hasten to add that there are new generation diesel engines now that are far more friendly to the environment and, once again, we would get into the issue of upfront cost and how we are going to handle that but, again I can only make my plea.

I come right back to the same point I made earlier with respect to the generation of electricity and again, we can look at the renewables. Sir, hybrid vehicles are now standard in most north Atlantic countries, and I think that is something we can look also at going towards and it might turn out to be more attractive than some of these high-cost new diesel engines.

I am just a little concerned about that because, as it is, we have a lot of vehicles on the road and there is no sign in the near future that it is not going to increase even more. It should not be controlled if we could get the road network properly organised, maintain and expanded where necessary.

Mr. Speaker, the issue of vehicles and the need to move away from the fossil fuels altogether is something that we must look at. Sir, as I indicated at the beginning, we have here an attempt by the Government that never saw it necessary to have an energy policy. We would appreciate that the environment has now been created and we have come up with an energy policy and I would await what happens after the input comes from various stakeholders and the public at large and to see where we go from there. Maybe we can get a meaningful energy policy that takes into consideration, the long view and move us away from fossil fuel and to the renewables and we can have an energy policy that is truly conscious of the environmental considerations so that we do not contaminate our environment while pushing our energy needs into the future.

I am obliged to you, Sir.

MR. DEPUTY SPEAKER: the Honourable Member for the City.

Hon. Dame BILLIE MILLER: Mr. Deputy Speaker, I want to give my support to the Resolution before the House. I am pleased and I commend the Minister of Energy that she has brought, at long last, to this Chamber, a draft policy. It is not something that we see on a regular basis but I think it is a good thing.

Sir, sometimes, you know, whatever you do, they condemn you. If we had not brought a draft policy, you would hear that we should have brought one. We brought a draft policy and you hear that you should not have brought one. Sir, you are bringing the draft policy to allow Honourable Members to have input at this stage because this is a matter which must have wide national discussion and one hopes, eventually, wide national consensus.

Mr. Deputy Speaker, I am not going to get into the petro-politics of Latin American and the Caribbean because there would be another occasion for that because it is something to which we must also give our attention if we are looking at energy in a holistic way. The reality is that in Latin America, not including Central America and the Caribbean, you have perhaps one of the most energy rich regions of the world. Sir, 10 per cent of the world's conventional reserves are in that region compared to North America, not including Mexico, 2.5 per cent; Africa 9.3 per cent; Eastern Europe, 8 per cent and so on and so forth.

Mr. Deputy Speaker, I really want to focus on matters to do with renewable energy and want to be forward-looking and look at conservation. Perhaps, I want to start at the Millennium Development Goals. There is a goal which speaks to the environment and if you look within that, you would see that there is an important goal in respect of water. I have said it so many times on the Floor of this House but I get the overwhelming impression that the average Barbadian just does not appreciate the fact that Barbados is (fill in)..... We are on par with the desert countries of the world. I never thought I would live to see this in my lifetime but that is where we are. The reality is that the Barbados Water Authority is the largest user of electricity in Barbados. Mr. Deputy Speaker, everybody knows Barbados is 166 square miles and, I am told that approximates to 431 square kilometres. There were those who were concerned about The Arbitral Tribunal and what it costs us. Sir, The Arbitral tribunal has confirmed that Barbados' maritime jurisdiction covers approximately 200 nautical square miles, which may include up to 60 000 square kilometres of the submarine shelves.

H121/16:30

Sequence 82

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Hon. Dame Billie MILLER: I am now particularising what I have said for years that there is more to non terrestrial Barbados than we could even begin to give credit. We have not begun to exploit that. The potential that has for renewable energy sources, is something that is not even being contemplated in this Paper. I do see a reference for the possibility of movement by underwater pipeline of hydroelectricity from Guyana.

Sir, Guyana has one of the highest waterfall in the world, and many others besides it, not only Kaieteur Falls, there are many other waterfalls as well. Sir, somebody said in here today, I think it was the Honourable Member for Christ Church West, that in Trinidad there are flaring natural gas. In Guyana the water just falls, hydroelectricity, which is ours for the taking and will go on forever, baring something really dramatic in climate change, and there can be something dramatic, God knows nowadays. Sir, in Brazil they are cutting down rain forest to plant Soybean to feed China. Sir, large chunks of the Arctic ice gap are melting. I believe that into several centuries you will continue to have that potential source for hydroelectric energy, which could keep all of us in the Caribbean.

However, to return to the green economy, which must begin to inform our thinking in Barbados. Do not think that it is impossible that one day Barbados could become a desert. As I said, I never believed that we would be a water scarce country, never. It is true that we do not have any surface water in Barbados. We do not have rivers anymore. We have some ponds, you cannot really call them lakes, and even then they go down to the mud when we have a spell of drought, and I am not talking about eight-year droughts, like you get in Australia and other countries in the world. Sir, if you get two or three years where your rainfall is down a bit, you cannot even see the surface water in Barbados.

Sir, when I was a child, the Constitution River was tidal up to the James Tudor Roundabout, but it is not so anymore, and that has implications for our interference with the movement of water in this country. Sir, we know that when the rain falls, it percolates through the coral cap, and as I understand it, virtually sits in a pool underneath Barbados, sitting on top of the sea water, because of the difference in density between the non- saline and the saline water.

Sir, if you live where I live, sometimes in dry time and drought time, you can taste the brackishness when the water is getting low. That is why the zoning is so important, because there is nowhere else to go for the water in Barbados. If you poison that pool, you poison all. If you poison one well, you poison all. Sir, what we do is simply pump that water up, put a little chlorine gas into it, and we like to claim that we have some of the best water in the world. I support that claim, but the cost of pumping it up,

the cost of electricity to run the Desalination Plant, makes the Barbados Water Authority and those who run the Desalination Plant, the largest consumers of electricity in Barbados. Sir, we are told in the draft document that Barbados' energy consumption, electricity generation is 50 per cent and transport 33 per cent. Those are the two largest consumers.

Sir, it has implications for the wastage of water.

Sir, many years ago, centuries one can say, when we all had to draw water from the well, we were more careful with the water. Even in my lifetime when people were drawing water from a public standpipe, they were far more careful and conserved the water. Now that we all have, for the most part, running water in the house, we think that running is what it is about. Sir, men stand in front of it shaving for five or six minutes in the morning. They do not turn it off when they are shaving. Sir, people stand up in the bath soaping themselves and the water is running. We do not recycle. Everywhere else in the Caribbean houses have their water tanks and their cisterns. In old Barbados some of the old estate houses, you can still see the cistern and the water tank. Sir, we have always thought that it was a luxury, but it is no longer a luxury, to provide ourselves with it, it is a great consumer of energy.

Sir, the way that we manage our natural resources, which have great potential for renewable energy, is going to be very important in this 21st century. I have been reading something which I would wish to recommend to all Honourable Members of the House, I am prepared to make it a document of the House, a piece by Professor Jared Diamond, of UCLA, called "The Ends Of The World As We Know Them", and he is looking at the way in which civilisations in the past have collapsed, for example, we have wondered what happened to the Mayan culture. There are several reasons he puts forward, why these things happened, climate change is one of them. The management of our environment, in particular, is one of them.

It was a piece he wrote to the New York Times, two years ago, and he gives us some examples. Sir, there is a story from Iceland where he says that the island of Iceland was first settled by the Norse, the people from Norway, around the year 870. Sir, Iceland is a land of light volcanic soils, geysers, hot springs and so on. The people from Norway proceeded to cut down trees and to stock sheep, because that is what they used to do in Norway, and they just brought their Norwegian or Norse ways to Iceland. Sir, Norway had far more robust soils than the light soils of Iceland, so erosion followed and Iceland became the poorest nation in the whole of Europe. Sir, they gradually took centuries to learn from their mistakes, so they limited stocks of sheep, they put in other strict controls, landscape management and so forth, and today, Iceland is the sixth

highest per capita income in the world. Sir, Iceland is a relatively small State with similar interests to ours.

Sir, in our attempt to reach out to like-minded States, Iceland is one of the countries to which I have reached out. If we are not careful in Barbados - and this draft energy policy, is part of that wider need for us to be far more careful of the environment - of which we only have a temporary management in our time. Sir, generations to come will not thank us, if we give to them a more polluted and a less productive environment, than the one that we have found.

Sir, as I said, I am very interested in the proposals for conservation and the proposals for the use of alternative energy. I hear in the debate and I see in the document, references to solar heating, but I have an interest, similar to that of the Honourable Member for St. Michael South Central, in solar cooling. I know that research is being done, even as we speak, but we have to speed it up. Sir, think of the electric bill of the hotel sector in Barbados. You have to have an air conditioner in every room, and we are running them except for the one to which the Honourable Member for Christ Church West referred, Accra Beach Hotel, which has gone to natural gas. Sir, just think of that cost.

21.16 p.m.

Sequence 83

Tuesday, January 23, 2007

House 121, Sequence 84, 4.40 p.m.

Hon. Dame B.A. MILLER: We have now become the great proponents, known worldwide, next to the Israelis, for the work that we have done in respect of solar heating. We made an experiment with solar cooling many years ago and the present Ministry of Agriculture was built with solar cooling.

Sir, as we did with the wind project at Lamberts, St. Lucy, the first problem we bought, and we let it slide away, but other countries pursued it and persevered with it, and they are reaping the benefits of it today. Sir, I want to say to the Minister of Energy that I would like to see more on the possibility for solar cooling.

Asides.

Hon. Dame B.A. MILLER: It is a one time cost.

Mr. Deputy Speaker, I hear about the move to photovoltaic. I am very interested. I spoke to Dr. Simmons at length. I have spoken to Mr. Husbands of Solar Dynamics. I have no difficulty with it, and I would like to

cover my roof with these cells, but I do not want a whole room full of batteries. What ideally I would like, and batteries are half the cost, is to cover my roof with the cells, and just let it go into the national grid, and let them give me a credit.

Sir, again, let us be very careful. These things sound wonderful and, yes, we have to try to exploit them to the best of our ability. The reality is that photovoltaic now will cover your lighting and small appliances but it is not going to cover the refrigerator, washing machine and dryer, and those bigger appliances.

Sir, I did the arithmetic. I would outlive the process. It does not pay me, at my stage now, to do that unless I could do away with half of that capital cost, in respect of the batteries, and feed it into the grid.

Mr. Deputy Speaker, this is a major challenge. We had monopolies before in Barbados. Mobil had a monopoly, which we had to deal with. There was a time when there was a colonial monopoly, in respect of a certain sector in our economy.

The Barbados Light and Power Company Limited has a monopoly like no other, protected by legislation. I do not know how many legislators in this Parliament know that. I am not quarrelling with the Barbados Light and Power Company Limited. It is a company like no other and they are looking to their best profits, for those who are shareholders. Sir, I am a member of this Parliament looking to what is in the best interest of the people of this country.

We have, as Prime Minister Arthur, the Rt. Honourable Member for St. Peter keeps pointing out, to be looking for new ways of doing new things and sometimes, we have to be looking for new ways of doing old things. Sometimes you have to know when is the time to affect change, when efficiencies are no longer what they were 100 years ago.

I know that it will work some difficulty for Barbados Light and Power to be able to accommodate what I am suggesting. Sir, it is not something new or something that would be peculiar to Barbados. I am well-advised that, as we speak, this is the case in Canada, Florida and other countries. So we have precedence that we can look, to see how best we could tailor this to the best of Barbados.

Right now, the person who comes to read my electric metre, as I understand it, does not even have to walk up to the metre. Now, he can stay at a distance, because they have to contend with dogs. I do not have any. I do not have any gate. You can walk in at me and go right up to the metre. Sir, in a conversation the other day, I heard that you can now stand beyond a gate, a guard wall and big dogs and point something at the metre.

Asides.

Hon. Dame B.A. MILLER: Sir, with engineering, you can do anything.

Therefore, I know that now you would have to look at metres, which would be able to record this credit so that I could get it. Sir, even if the photovoltaic does not service all of my electricity needs, whatever excess that I could put into the grid that could help me now as a credit to carry the bigger appliances or whatever, would make economic sense to me as a householder.

Mr. Deputy Speaker, these are areas that, I hope, are going to be expanded upon and looked at with frankness. In fact, the Light and Power may be well-advised that it should come forward, having looked at this draft energy policy paper and take an initiative. They should come forward and say that they know this is in the thinking of Barbadians. Some, as we have heard, former members of this Chamber, have gone ahead and taken certain steps. Let us see how best we can work. As I said, it is nothing peculiar to us. Let us look to see what is obtaining in other jurisdictions. Let us do the comparative analyses and see what best suits Barbados' needs.

I see the proposal for the home energy audit. I am in retirement mode now, Mr. Deputy Speaker, that is well-known so I have to look to see how best I can conserve costs. Sir, when you are living on a pension, it is a different thing from when you are living on a salary, so I have to look to these things. I will soon be speaking for a group of people, which is the fastest growing sector in our community, an ageing population.

Asides.

Hon. Dame B.A. MILLER: Mr. Deputy Speaker, I am pleased to hear it is proposed that home audits are going to be encouraged, that an energy fund of BDS\$10 million has been established to assist the tourism industry to install energy efficient devices. Of course, we would want them for the homes as well, and it goes back to the Building Code. Sir, nobody has called more, on the Floor of this House, for the Building Code than I. I hope that before I leave this House, I will see it, with the naked eye and be able to hold it in my hand.

Sir, it is suggesting that the Government will encourage the use of materials that will keep houses cooler - we are talking here of thermal barriers, roof installation, window tint and ceramic roof coatings - by making it difficult to import. If you tax it enough, the super rich may want to import it. Sir, I am interested in these things, because one of the things you must always make sure of before you retire, is that you have a good roof over your head and then, with a small pension, you can live.

Asides.

Hon. Dame B.A. MILLER: I have seen it, because I watch these things carefully.

Sir, I see here that the home energy audits will be promoted, with the provision of tax incentives. We know that this works well because we saw it with solar heating. They say today, that Barbados is the most densely populated country in this region, not only in respect of populations, because we are and we continue to be the most densely populated country in the world, but in respect of solar heating units, Barbados is the most densely populated in this region where we live. Therefore, I am very interested in these renewable sources.

I saw somewhere in the document where it spoke in greater detail about the home audit.

House 121, Sequence 84, 16:50:14

Tuesday, January 23, 2007

Hon. Dame Billie MILLER: The draft Policy is proposing that the Government will provide free energy audits for members of our communities who do not benefit from the BDS\$2 000 income tax rebate for energy efficient retrofits.

Mr. Deputy Speaker, I want to suggest to the Ministry of Energy that it would not be sufficient just to talk about these things, that they need to be well-explained and articulated to the people.

Mr. Deputy Speaker, I want to retrofit, but I need advice. I am not always sure where and how to turn to get the advice to make my house more energy efficient in the way that I could be the beneficiary of this tax rebate. I believe that is true of all Barbadians except those who have drafted this and know the ins and outs of it.

Mr. Deputy Speaker, we may need a document to educate Barbadians, even the children at the kindergarten and primary school level, about the myriad ways in which they can conserve energy and not waste electricity.

Mr. Deputy Speaker, I turn off lights, it is a disgusting habit. I live alone. I do not get complaints about it too often, but I turn off my lights as I move out of one room into another.

Mr. Deputy Speaker, in temperate countries you close doors because you do not want warm air to escape in the winter and cool air to escape in the summer. In Barbados you open both doors and windows.

Mr. Deputy Speaker, we waste a lot of electricity. Somebody was making the point that if you fly over Barbados at night and you look down, you would see that we are lit up like a Christmas tree, and some of it is energy wasted. I pass houses at night and I see that in every room a light is burning. There are persons who for security reason are burning exterior lights. I do not do it, but I see other people doing it. Here again solar comes to it. It is a one-time investment.

Mr. Deputy Speaker, the point I am making here is that it is not enough for us to stand up here in the debate - and perhaps when it comes back we would talk about it some more - to talk about these things. It is not enough that the draft Policy would go out - and yes there will be public discussions, I gather there is to be a town hall meeting - but we need an education policy so that people understand. People are wasting water, wasting electricity and wasting gasoline. People jump into their motorcars three and four times a day when one journey would do. I suppose I am old-fashioned and so I plan my journeys. I do not want the bother of three or four separate trips a day. We have young people at home who are just car mad. They jump into the motorcar as they like and they go. It is a horrendous use.

Mr. Deputy Speaker, people complain about the cost of petrol, they complain about how poor they are and how things are so hard, but they have four cell phones going. I see now a certain helper, I cannot expatiate on it, who has a cell phone to her ears the whole time and she is cleaning now with one hand. We are becoming addicted to it.

Mr. DEPUTY SPEAKER: The Honourable Member has one more minute.

Hon. Dame Billie MILLER: Mr. Deputy Speaker, we have to decide on our priorities and not feel that whatever we see other people doing we must do. We must learn to live within our environmental space without damaging that little space in which we live and leave it in good condition for the generations that would come after us.

Mr. Deputy Speaker, I welcome this Policy, it has been long in coming. It needs wide discussions as I said at the beginning. I hope that Barbadians, on the call-in programmes, in the editorials, in the letters to the Press and in their day to day conversations, would gossip less about things of lesser importance and focus on these things.

Mr. Deputy Speaker, these are the things that can make a difference to our quality of life almost overnight. One could make a difference tonight. One could start and say I will not waste water in my house, I will reuse water, it is the same thing with the electricity, and find ways of helping us to cure ourselves of this inordinate dependence on energy which exists in Barbados today. It has its pluses

but it has enormous minuses. I am glad that in this Chamber today we have been concentrating on some of the negatives attaching to the way in which we not only use but abuse energy and energy sources in our community.

I am much obliged to you, Sir.

Hon. R. R. FARLEY: Mr. Deputy Speaker, I rise to support this Resolution which is formally before this House. In doing so, I want to congratulate the Honourable Member for St. James South and her team at the Ministry of Energy and Environment for bringing this matter for the consideration of Parliament.

Mr. Deputy Speaker, the last century has been built almost entirely on the presumption of easy access to and indeed an almost ridiculously low cost of energy. Indeed, the last century has been characterised by an unprecedented expansion in levels of consumption of all possible products known to man. Indeed, the easy access to energy, particularly energy based on petroleum products, has allowed those of us born in the 20th Century to believe that all things were possible and that there were in fact no constraints to development, whether it was getting to space, going further into the ocean than any man had gone before, criss-crossing the largest continents, exploring the furthest creatures of the world, or whatever one could conceive of.

Indeed, one only has to fly over Las Vegas on a night time flight across the United States of America to get a perspective on our generation's view of energy. You fly over the Grand Canyon and the Colorado Dessert and it is all darkness and you look down and there is a beacon, a bright set of lights, and when you land and you walk through the streets of Las Vegas at night you can literally feel the heat off the bulbs as they light up the strip. Mr. Deputy Speaker, that is their perspective on energy, it is no big deal. Time Square is a microcosm of that kind of approach to life and energy, but the reality is that times have changed.

Mr. Deputy Speaker, the parts of the world that used to be primary producers of oil, in the way that these Caribbean islands were considered primary producers of sugar, cotton and tobacco just there to be exploited, as price takers rather than price setters, that whole paradigm has shifted. Those countries have recognised their worth and importance, going back to the first testing in the 1970s, with the first oil crisis and going back with the second test a decade later in the early 1980s with the second oil crisis.

Mr. Deputy Speaker, since 2000, we have had a persistent and steady increase in oil prices. Coupled with that, there was political instability in the major oil-producing regions of the world, coupled with their perspective that they are providing the product which is

needed by all countries. Sir, their perspective was that they must get their fair share of the wealth that is going around.

House 121 Sequence 85

5.00 p.m.

Tuesday, January 23, 2007

Hon. R. R. FARLEY: Mr. Deputy Speaker, that is a perspective; from a strictly business point of view, one cannot blame them for. Sir, that is the background against which matters of energy, whether in Barbados, the United States of America, Eastern Europe or anywhere, have to be concerned. Sir, when people think of problems with energy, they think of the Middle East but we also have to watch the energy products of Eastern and Western Europe, with Russia, the former central part of the Soviet Union, exercising energy hegemony over Eastern Europe especially. You have to follow their policy or they have will raise their oil prices by 100 per cent or even cut off your oil supply, even Western Europe.

Therefore, we get a feel for why countries such as Barbados should not have to wait until there is a crisis, but should move ahead, faster than other countries of the world, and look at a post-oil future. I am not saying by that comment that we will, anytime soon, like many countries of the world, be able to get out of the clutches of oil. But in the same way that the 20th Century has been a generation where development has been built on the phenomenon of available petroleum, you can rest assured that science will ensure that the next great innovation is never far away.

In our time, we have seen renewable energy, referred to as alternative energy, being seen as scientific and esoteric. Today, the green economy or eco-economic is becoming more mainstream. More and more countries, more and more professional economists, more and more thinkers on development, are incorporating social and environmental concerns into the mainstream of economic planning and development thinking. Sir, clearly if for no other reason the matter of security and reliability of supply makes it imperative for us to look at things to augment, or to be the alternative to petroleum.

Mr. Deputy Speaker, I want to salute the drafters of this energy policy for putting these subjects at the front of the agenda. Sir, just to put it into context, the United States of America itself a large producer, in fact, if we look at Texas, when we think of Texas, we think of big oil, big cars, big cattle, big everything, even the mistakes are big in Texas. Sir, despite that, one thing that we can say for Texas is that it has moved to the forefront of looking at renewable energy or alternatives to petroleum in the United States of America. Sir, Texas is looking at putting into operation three new mega ethanol plants. Texas has become the

largest producer of wind energy in the United States of America. Indeed, other States in the United States of America, notably California and New York, are looking at things such as wave energy, exploiting the tidal situation of their coast.

Sir, there is enough scientific opportunities out there for Barbados, from an energy security perspective and from a green economy perspective, to move in that direction. Therefore, I want to salute all of those persons who have drawn this to our attention. Of course, if I had to make a prediction of the way energy would go in the future, I am a fuel cell man. It is one of the most exciting opportunities for us to be able to generate energy from hydrogen. It is clean and efficient. It is not commercially the most attractive at this time but as time goes on, you could rest assure that the 21st Century will be the fuel cell century. Sir, I made that prediction in Hansard that some future generation would reflect to see how clairvoyant we were.

Mr. Deputy Speaker, I want to say that there was some concern or criticism raised with respect to this plan, in terms of its timing, whether it should have been here before, whether it is too late, or whatever. Sir, this plan must be seen in the context of the National Strategic Plan. Indeed, when we introduced the National Strategic Plan of Barbados: 2005-2025, we indicated that represented a broad brush. It represented a vision of where we want to be in the next two decades, with some outlines of broad strategies, and that sector by sector of the economy; private and public sector, civil society and other aspects of society, would be coming up with sectoral plans, to reflect a more in-depth analysis of the kind of scenarios which those sectors would face, so too would it be with energy. Mr. Deputy Speaker, as the Honourable Member for St. Michael North West would have indicated in his presentation, it would become a central part. It would be virtually as important as human resource development and as an input into other sectors of the economy.

Mr. Deputy Speaker, I want to say that we did not sit back and wait for this plan to be developed before taking any action at all in the energy sector. In fact, the energy sector is one of those areas in which, in terms of this Government's record, action speaks louder than words. Sir, over the last decade, this Government has undertaken major action in the energy sector, not only to protect our supply but to mitigate the impact of price increases on the public of Barbados, as well as to protect the environment.

Mr. Deputy Speaker, I want to remind Honourable Members that in terms of the petroleum sector, which is still and will continue to be the dominant form of energy in Barbados, that due to expansion in the economy, expansion in the quality of residential accommodation, where virtually everyone has electricity and a variety of appliances, that petroleum as a percentage of Barbados'

import bill, which was as low as 2 per cent, in 1986, has risen to as high as 13 per cent, in the year 2004. Therefore, from 2 per cent of the total import bill in petroleum product, in 1986, has risen to 13 per cent in 2004. Sir, that indicates its critical importance. Therefore, this Government had to face the responsibility of taking some critical actions, based on that trend.

You would recall that when we assumed office, the energy sector was dominated by arrangements that had been made with Mobil Oil Refinery. Indeed, the energy policy at that time was simple. Mobil was the monopoly importer of petroleum products, there was a guaranteed rate of return of some 15 per cent on after tax profits, and they operated old, creaky and leaky tanks and made warm dollars off the people of Barbados for inefficient service. What was our policy? We said we would bring the Mobil monopoly to an end - and so said, so done - because we thought it was unconscionable that 15 per cent after tax profits should be the order of the day. Indeed, we attempted to get into an arrangement with the wider private sector, other companies in the petroleum distribution industry in Barbados, and those discussions went well, on a technical level. But do you want to know when they folded? They folded when the new private sector element wanted to get the 15 per cent after tax profit, like Mobil, and we said no way. That is how the Government became involved, through the Barbados National Terminal Company Limited, in providing terminal services for petroleum imports.

5.10 p.m.

Tuesday, January 23, 2007

(EDITED)

Hon. R. R. FARLEY: Sir, we have put a cap of 6 per cent return, which they have hardly achieved because they have sought to absorb some of the price increases and make a one per cent and other negligible rates of return.

Mr. Deputy Speaker, in this House, in other debates there has been criticism and questions about the Barbados National Terminal Company and its role in petroleum supply. Sir, in this document, this Draft White Paper on Energy, it speaks to ensuring energy security. Sir, think about it. We import jet fuel, diesel, gasoline and so on and all we need is for a disruption in the shipping cycles to cause an energy shortage in Barbados; a ship sinks or some other issue like that overseas and we have a problem.

One of the challenges we had was that the storage capacity for those products in Barbados was limited and, therefore, as outlined in the White Paper, the storage capacity we now have is in the region of about 36 days for most of our products, which was down in the 20s

previously. The new petroleum terminal has provided expanded storage capacity for petroleum products, thus ensuring that Barbadians would be unlikely to face petroleum shortage merely by disruption of a shipping cycle. Sir, this is very critical to our economy because we cannot afford to be out of jet fuel or out of gasoline.

Sir, we were also concerned that the very environment, which is the foundation of our new economy has been placed under threat by the old arrangements, which were in place. In fact, Sir, having made the decision to discontinue petroleum terminal operations at the Pebbles, Graves End area, the extent of the environmental contamination only became known after the fact. Sir, there was seepage of oil because, if you remember, that site had been used for petroleum operations going back to 1920s, almost at the turn of the century and when the Hilton Hotel was being constructed, there was evidence of oil seepage going out in the direction of the Military Cemetery, going east over the Barbados Light and Power Company. In fact, once the final operations were closed and the plant was dismantled, work was started on the environmental cleanup of the area, which is essential before we were able to use the area for alternative operations.

Mr. Deputy Speaker, the issue of investment and Government being entrepreneurial in the petroleum sector by way of providing new equipment for the terminal, was not only about security of supply but about recognising that we needed to put new infrastructure in place, which would protect the very environment, which underlies new economy.

Mr. Deputy Speaker, I am pleased as well to note the new link between energy and the environment in terms of there being in a single Ministry because some of our more serious environmental problems have been associated with the older aspects of the energy sector. Sir, many of the areas where gas stations use to operate, later on when there was a change of use, there was seepage; for example, at the former Esso location on Bay Street, again environmental work is going on there because with old tanks, there was seepage and things of that sort. Sir, any new facilities today are mandated to work towards higher environmental standards with facilities for detecting leaks so, problems can be corrected at an early stage.

Mr. Deputy Speaker, the new terminal at Fairy Valley in Christ Church, has been built to the strictest environmental standards. All of the latest technology available in the world is present there to make sure that there is no pollution possible.

Mr. Deputy Speaker, I want to draw the attention of this House again to a matter which I have adverted to on a previous occasion, how the Government, not waiting on this policy alone because whilst this policy was being

developed especially taking us away from petroleum and taking us away from the wider aspects of energy, we were making sure that we did a complete reform of the petroleum sector, and we were also dealing with the matter of environmental problems caused by the pipeline from Oistins up to the airport.

Indeed, Sir, one of the features of the New Barbados National Terminal Company arrangements was to build an entirely new pipeline, new terminal facilities in Oistins Bay, a new pipeline; from Oistins to the airport with all of the modern environmental protection and the decommissioning of that old leaky line, which has caused contamination in some water wells used by farmers in the Gibbons Bogg, Pegwell Bogg and Chancery Lane area.

I believe that matter on which legal action was taken, quite properly by the farmers against Shell is a matter in which Shell has admitted liabilities. It is funding the cost of the studies and the necessary cleanup but until today, we still face the situation in which that large multinational company, having extracted profits from the Barbados operation over the years, has still taken what I consider to be an unconscionable position that they would want to stretch out, drag out and go through many permutations, combinations and other considerations of the issue. They need to recognise that for a company of equivalent size to Royal Dutch Shell, waiting for a number of years for a settlement in a financial matter, is no issue because they have large cash reserves and probably the largest cash reserves of any company in the world, but for small farmers in a small island, they are not in a position to hold the strain over an extended period. Therefore, a problem like that should not even have to be reduced to doing the mathematics of the matter. Mr. Deputy Speaker, the argument of Shell is that they need to look back over the records over the years and do calculations of this and that.

Sir, it will not in anyway negatively affect the bottom line of Shell; it will not cause the company to go into loss; it will not cause the company any hardship to settle with the farmers by way of mutual agreement to pay them compensation for their loss, and take account of the fact that there may be some future loss in terms of the quality of the water which is in the well and make good their wrongdoing. Sir, they have admitted that their pipes leaked and the evidence is there in terms of aviation fuel in the well and their pocket money, their contingency fund, would be more than enough to cover that.

Mr. Deputy Speaker, I am urging them, having made their money here off the backs of Barbadians over the years, to give back to Barbadian farmers some what they have taken by way of the loyalty of motorists to Shell over the years.

Mr. Deputy Speaker, this energy policy and the action taken even before this paper in terms of building a new line, which is fully in operation, will ensure that nothing of this nature happens again. Those are actions taken by way of the reform of the petroleum sector. I see that I have a few minutes left and I want to remind this House that one of the strongest actions taken by this Administration by way of ensuring access to affordable energy has been in our tax policy.

Mr. Deputy Speaker, you recall that around 2001/2002, people in Britain were protesting. Sir, farmers were driving their tractors on the M1 Motorway at snail's pace, blocking the roads and people were forming all kinds of protest because the British Government has refused to use its tax policy to give a break to consumers of petroleum products, especially motorists but Barbados has been doing that for a while.

H121/17:20

Sequence 87

Tuesday, January 23, 2007

Hon. R.R. FARLEY: Sir, I must remind you that, for example, in the year 2000, when the price of gasoline at the pump was \$1.49 per litre, the Excise Tax was in the order of 56.8 cents per litre. As the price went up, the taxes went down, because we recognised that whilst we need taxes to run the country, we need to fund health care, education, fix the roads, et cetera, for us in Barbados, energy is an important input. If energy prices rise out of all proportion to reality, that feeds into other costs, so the cost of the increase of diesel feeds into the costs of manufacturing items, public transportation and electricity.

The rising cost of gasoline affects our taxi drivers, individual householders, as they make their trips to church, supermarket and transport their children to school. In fact, it might very well eat into the children's lunch money, because parents might have to use the lunch money to put gas in the car. Sir, the reality is, we were well-ahead of other larger countries with more resource endowment, by way of progressively reducing our tax take.

Indeed, in January 2001, we had a situation where the gas had increased to \$1.66 per litre, we had reduced the Excise Tax to 44.8 cents per litre, from 56 cents to 44 cents. I can pick some other sample years. In June 2004, gas was \$1.65 per litre, and the Excise Tax had been reduced even further, 39.6 cents per litre. In August 2005, when the gas went to \$2.10 per litre, we did not make an adjustment. In January 2006, when the gas price increased to \$2.30 a litre, we reduced the Excise Tax again, 37.8 cents per litre, and when it reached its highest, \$2.46 per litre, the Excise Tax component of that was 35.7 cents per

litre. Sir from \$1.49 per litre, when the Excise Tax was 56.8 cents a litre to \$2.46 per litre and the Excise Tax was 35.7 cents per litre. That has been the Government's policy. Sir, we will use, to the extent possible, reductions in our taxes on petroleum products to mitigate the impact on consumers in this country.

Sir, I recalled these positions to refute the position of the Honourable Member for St. Michael South Central, that nothing has happened over the last decade and that we are waiting on this policy. Sir, this policy is a green economy initiative, primarily, rooted in the National Strategic Plan, taking us forward into the future without any commentary or suggestion that nothing has happened in the past. Sir, while all the reforms so far, and essentially so, have been by way of improvements in the petroleum sector, which continue to be important, the new policies speak, for example, of mandating that 10 per cent of our energy has to be produced by renewable sources by 2012, and I believe that it will be 25 per cent by 2025, or something in the region.

Sir, in providing a framework by way of the proposed ending of the electricity generation monopoly, by Barbados Light & Power Company, to allow room for producers of electricity by renewable source means, to sell electricity into the nation grid, the 30-megawatt fuel cane project would be able to place its electricity into the grid and the 10-megawatt wind farm would be able to put its power into the grid.

Sir, I will use of the title of a lecture, given by a distinguished gentleman, whose name I do not recall, but one of the Sir Winston Scott Memorial Lectures, sponsored by the Central Bank of Barbados, he gave a lecture with the title: "The Sun Will Still Be Shining When The Oil Runs Out". I use that to say Barbados will press forward in its position, as centre of excellence for solar energy research, not just in solar water heating, in which we are a world leader, but in photovoltaics and all other aspects of solar, because it is through that mechanism, that we can, not only utilise what is most abundantly available to us, but we can also develop expertise where we can sell products, which we develop, and sell the expertise, which has been fine-tuned in the this veritable solar lab, which is available to us.

If investment in solar, did not make economic sense when oil was cheap, it certainly makes economic sense now. Therefore, I look forward, as well, to being at the point where our buildings, as they do in Canada, could

be clad with photovoltaic cells, as part of the external planning, and buildings utilise that energy and the excess sold. Sir, if Canada, with less sunshine per year than Barbados can do it, we can do it as well.

Mr. Deputy Speaker, as I conclude, I am very pleased for these and other reasons, to support what I consider to be a very timely White Paper, on a matter of great national importance, our national energy policy. I applaud those who have contributed. Sir, I look forward to wider public discussion on the document, particularly, as it relates to looking at alternative means of generating energy, looking at ways of being more energy efficient in our consumption of energy.

I trust that if in the unlikely event that the price of oil were by some miracle or fluke to fall, that there would still be this broad commitment on the part of the private sector and individual citizens, to matters of utilisation of renewable energy and energy conservation, because of our new awareness, as persons living in the 21st century, with a greater environmental consciousness and full adaptation and incorporation of green economy principals in our national development strategy going forward.

Mr. Deputy Speaker, I am pleased to support this Resolution. Thank you very much, Sir.

Mr. DEPUTY SPEAKER: The Honourable Member for St. George North.

Hon. G.A. CLARKE: Mr. Deputy Speaker, I too would want to compliment the Ministry of Energy for this draft White Paper on this important topic. Energy is very important to a developing State. When one looks at the cost of energy today, one could only think that it is important for the Government to set a clear policy as to where this Government would want to take the country over the next few years. Indeed, it is important for us as a country to look at an alternative source of energy.

Sir, when one looks at the import bill today, one finds that petroleum products far outreach any other commodity. When one looks at the products that are used in the transportation sector, one finds that gasoline, diesel and other oil products account for more than 30 per cent of the import bill of this country.

17.30 p.m.

Sequence 88

Tuesday, January 23, 2007

House 121, Sequence 89, 5.30 p.m.

Hon. G.A. CLARKE: Mr. Deputy Speaker, I believe that it is wise for us to set this tone for the country, so that everybody would understand what we are doing. The educational process must begin here at Parliament. I also believe - from this vantage point, even though the Opposition would want us to ask the public for their

support first - there is nothing wrong with the paper developing from this Parliament, so that persons out there would know where their representatives are going. Sir, this would allow them to have their input as well.

Mr. Deputy Speaker, all products in Barbados have a demand for petroleum products and energy. When you look at the cost of electricity today for householders and commercial enterprise, it is very phenomenal. We must do everything in our power to reduce the cost of energy in this country. We have to look at reducing the bill, and as the Honourable Member for the City has pointed out, we must set the country in a framework to conserve energy.

Sir, in 1980s when the Barbados Labour Party was in Government, policy was set where alternative sources of energy were identified, and some form of a tax rebate was given at the time. I am talking about solar energy. Sir, in that policy, the emphasis was on looking at other sources of energy for the people.

We believe that the time has come for us to look at alternative sources of energy, in terms of LPG, LNG and other forms of ethanol. In our country, we must first start with what we have. We are producing a little natural gas, and import a lot of other sources of petroleum. Sir, it is important for us to conserve what we have and we can only do so through our education. Everyone has to come on board, the media, and especially the schools, where we teach our young children how to conserve.

I believe that we spend a lot of money, as the Honourable Member for the City said today, using petroleum products in our vehicles. We can conserve energy by planning our programme in our homes and workplaces. We can start in our homes by using fewer lights. Sir, Barbados spends more than \$5 million a year, in the Government sector, for lighting our highways with street lights. Ten years ago, it was less than \$2 million.

Sir, as we increase the numbers of street lights across Barbados, and beautify our cities and urban areas, this is an added cost, which keeps rising. There are other alternatives. We had persons asking us to look at solar energy for our street lights, as well as other sources, rather than only having it for the heating of water, which is now being used in some parts of the Caribbean.

Mr. Deputy Speaker, in some parts of the United States of America and in developing societies, solar energy is used for powering a number of things, for which we now use petroleum products. This may be the way to go in the future. I believe that if we do so, this would help to reduce the cost of energy to our country.

I want however to speak on the transportation sector in our society. Mr. Deputy Speaker, there are many

alternative sources being used today, throughout the world. There are the flexible fuel vehicles, the FFVs. These are designed to operate on a number of different methods of fuel. These vehicles are built to operate on alcohol or ethanol, and gasoline, or a combination of the two. They are also called, hybrid vehicles. As we know, the word hybrid means where you combine or mix together two things, usually referred to plants or animals that are bred from combined genetics. For example, we talk about a mule, which is a hybrid of a horse and a donkey. Therefore, there are also hybrid vehicles on our roads, which use a combination of two different types of fuel. The ethanol, LPG, electrical motor or gasoline engine.

I must say that in some parts of the world, more than 10 per cent of the total vehicle population is now using this type of hybrid technology within the system. Sir, it is important that as we improve on this hybrid technology, we can see it being used, other than in the American sector. Sir, it is my understanding that in the United States of America and Canada, the policy of the Government is to increase the percentage of the hybrid vehicles to the society.

Sir, not only does it produce a cleaner air or a green economy but it helps to provide efficiency. It helps to cut down on the emission of the gases that are produced now in the diesel engine, as well as the gasoline engine. These hybrids are very important and it is important that when you combined the gasoline engine with the electric motor that it uses less...

Asides.

Mr. DEPUTY SPEAKER: Please proceed, Honourable Member.

Hon. G.A. CLARKE: Mr. Deputy Speaker, we recognise that these hybrid vehicles are important for efficiency. In most cases these vehicles give as much as 60 miles per gallon on the freeway.

House 121, Sequence 89, 17:40:14

Tuesday, January 23, 2007

Hon. G. A. CLARKE: The car uses the three-stroke engine with an ultra thin electric motor. The primary power comes from the gasoline. When a gasoline engine is used to power a vehicle which is going up an incline, the electric motor cuts in. When the engine is running in the city area where there is a gridlock, the electric motor cuts in and save fuel.

Mr. Deputy Speaker, this is important because it means that these hybrid vehicles save in the use of petrol, and from the sense that they are efficient you get more

mileage per gallon. Today, we are being told that is used in the Honda Insight, with the Toyota Prius, with the Ford Escape as well as with the Daimler Chrysler vehicles. These are using more and more the hybrid type of vehicles which help the efficiency and also help to provide the country with cleaner air.

As we know, Mr. Speaker, there are lots of concerns about the emission and the exhaust system in our country. Lots of complaints are coming to the Ministry about the number of vehicles that we need to pull off the road. This is because of the heavy use of diesel engines.

As we know, Mr. Deputy Speaker, there are many people who are not keeping their engines tuned. Sir, when an engine is not tuned, you can use a lot of fuel. We are using more and more fuel in this country. When you have approximately 120 000 vehicles on our roads and the number is increasing, a Government would have to look at alternative sources of energy. Therefore, I believe that these flexible fuel vehicles would be the way for the future. These vehicles operate on an alcohol base, which is ethanol as well as motor, so you have a combination of ethanol and electricity using these rechargeable compact batteries or using the LPG or LMG as a source of energy.

Mr. Deputy Speaker, if the country buys into this Policy that we are enunciating today we could see a saving of energy products, and then we could see Government and the people using the excess money we would save on other things, which would help to cut down on our import bill.

Mr. Deputy Speaker, persons in this society have been asking us to look at the Building Code. The Building Code as we know it has been in existence for a little while, and most persons are practising the Building Code. The Building Code speaks to what we can do in our homes, how we should build the homes, offices and commercial buildings and what we could do in terms of being efficient. There are buildings which are in existence that have been designed over the last ten years in adherence to the Building Code.

Mr. Deputy Speaker, the Act itself, which would be coming to Parliament within the next couple of months, is what we are looking at now. Mr. Deputy Speaker, a number of contractors are presently practising the Building Code. Mr. Deputy Speaker, Honourable Members have been asking about the Act itself, which will specify what persons should do as far as building is concerned.

Mr. Deputy Speaker, we have been looking at other sources on how we could save on energy. More and more people are now using the solar water heater technology as a source of energy than before, and we will continue to do it. Mr. Deputy Speaker, I believe that we can safely say that the technology was developed in Barbados many years ago.

Mr. Deputy Speaker, we have to go a step further. I believe that solar energy can be used as a source of powering not only the water heaters but also the airconditioning units. I believe that the solar energy could be used for other things and we must be able to do so within the immediate future.

Mr. Deputy Speaker, I am also of the view that we need to look at a cheaper source of gas. I believe that the time has come for us to have more Barbadian homes attached to natural gas. We must set the policy that we must provide natural gas for all those who want to use natural gas. There are still too many villages and too many housing areas without natural gas. I believe that the policy of the Government should be that we must put natural gas in every village. I understand that we may, in the near future, get the natural gas line from Trinidad and Tobago, which is good. Mr. Deputy Speaker, it is very important because too many of our residents are still using the small gas bottles, which are very costly.

Mr. Deputy Speaker, the Ministry of Energy and the National Petroleum Corporation have run a line from Salters, which has stopped at Parish Land, St. George. Mr. Deputy Speaker, I am asking the Chairman, who is also the Honourable Member for Christ Church West, to see what he could do to extend the line from Salters or Parish Land to Lower Estate, Rouen Parks and all the areas surrounding Parish Land. I believe that we could do it. I understand they are thinking about the cost, but I would want them to explain why this cannot be done.

House 121 Sequence 90

5.50 p.m.

Tuesday, January 23, 2007

Hon. G. A. CLARKE: Mr. Deputy Speaker, I am of the view that we have waited a long time and we have to speed up the process now because the demand for natural gas is there. We only want them to produce, to make sure that we enter into negotiation with the available sources, so that natural gas could be made available to those persons.

Mr. Deputy Speaker, I believe that this paper is important and that more Barbadians need to see it. I believe it should be addressed more in schools. Sir, I firmly believe that especially in the transport sector, we need to look at other sources of energy. We need to look at efficiency and where the other sources could be made available.

I know that though we talked about alternative sources that the Ministry needs to look at a ready supply of these different types of energy. Of course, ethanol can be produced through the use of fuel cane and that is where the Ministry of Agriculture has been looking. I am hopeful that ethanol could be produced in the near future and that the

Ministry of Agriculture is moving fast ahead to do just that. Mr. Deputy Speaker, this paper is important and therefore, I want to congratulate the Honourable Member and her team. We have already had a number of meetings within the energy sector, looking at how it could impact on the Transport Board because we have more than 300 buses. We have had meeting with the Minister, who is in charge of that Committee.

We are giving this House the assurance that we will do whatever is possible with the next batch of buses to ensure that these hybrid buses are brought to Barbados. Sir, I am aware that these buses are used in the transport sector in North America. Therefore, once the supply is available, and I understand it would be made available, we would be able to use this alternate source of energy in order to save us the cost of this heavy petroleum product at this time.

Mr. Deputy Speaker, I am obliged to you.

Hon. J. X. WALCOTT: Mr. Deputy Speaker, I want to congratulate the Honourable Member for bringing this Resolution, the Draft National Energy Policy, for discussion. I want to commend her and the staff of her Ministry who are involved in this extremely important initiative, at this time, in the socioeconomic development of this country.

I think we have heard quite a bit concerning the whole concept of energy and its important but I think this initiative is especially timely, when we see the volatility of fuel prices, last year, for example, and in terms of the effects of the petroleum geopolitics across the world, where at the whims and fancies of various nations, we can have dramatic changes in terms of supply and cost of various fuel projects which are supplied to countries, especially small island developing States like ours, which can be affected, certainly in terms of competition and discussion between OPEC and non-OPEC countries. Therefore, for this reason, if none other, this policy should be commended in terms of how we prepared ourselves in order to cushion the effects of these various changes from time to time.

Mr. Deputy Speaker, in addition to this, I am very pleased that the documents speak not only in terms of energy but to the nexus between energy and the environment issues involved, at a time when we are concerned globally about carbon dioxide emissions, and also in terms of the effect of greenhouse gas, global warming and rising temperatures, changes in climatic patterns throughout the world, especially as they affect and impinge on small countries like ours. I think it is important to note that this policy document speak to the need to focus on energy and the environment.

Sir, in our own way, we must focus on this. I know that a lot of the discussions in terms of the Kyoto Protocols

and other parties, that the United States of America and Russia seemingly are not concerned about these effects. In fact, I read a very interesting document recently where it was argued that perhaps in terms of Russia, the effects of global warming might be to their advantage in terms of the Siberian Coast; the melting of the Ice Cap, making it more easily accessible to be able to drill for these large reserves of petroleum in those waters. Some believe it might be useful to the Russians, as far as they are concerned, this concept of global warming.

Mr. Deputy Speaker, in terms of Barbados we must also be concerned about the air quality, in term of emissions from our vehicles. I believe it was the Honourable Member for Christ Church West who referred to it today; the whole concept of acid rain and how we expose our citizens to this. Again I was very pleased that this has been dealt with in this document.

Sir, I was pleased that it focused on the need to look at the greater utilisation of a natural gas, as a cleaner fossil fuel, and in terms of renewable energy in terms of Barbados. I am pleased to say that there has been greater focus on the utilisation of solar energy. Barbados indeed can be described as leading the way in the Caribbean, certainly in the provision of solar water heaters and the exportation of this technology.

Mr. Deputy Speaker, I will endorse the one comment made by the Honourable Member for St. Lucy - that was the only comment I could identify with - about manufacturing and providing the resources to develop a more extensive industry in terms of solar water heaters. The Honourable Member for the City spoke of extending the whole utilisation of solar energy, in terms of moving towards the whole concept of photovoltaic. All I would say is that the jury is still out on this, in terms of the cost and the affordability in a small developing country like ours but I also note that there is one German town which is run completely on photovoltaic, as far as I can remember, and that it is something that we should not dismiss but that we should be looking to, in the future.

Mr. Deputy Speaker, I would also like to endorse the comments made by the Honourable Member for Christ Church East, in terms of the utilisation of hydrogen cell, in terms of automobiles in the future. I know there was a lot of discussion sometime in 2000/2001, in conjunction with manufacturers of Daimler Chrysler and Ford Motors, in terms of the utilisation of the hydrogen cells to run automobiles. There were concerns about the size of the cells that would be needed. I know work has been done in terms of modification and reduction of the hydrogen that would be needed. A lot of work is going on at this time. It is an expensive means of transport, in looking at a car which is powered by hydrogen at this time but certainly in terms of the future, it is something that we should be

looking at and so I share a similar view of that, in terms of that technology being utilised much more widely in the future.

Mr. Deputy Speaker, there were a number of projects which I noted, for example, the Fuel Cane Project being carried on by the Barbados Agricultural Development and Management Corporation (BADMC). In terms of the integrated solid waste management programme, you would be aware that it speaks to various component and to having a comprehensive recycling programme. We speak of having a composting facility as part of that integrated programme.

It is clear from all the discussions that dried compost or compost in which the volume of water has been drastically reduced, can also be used as a biomass fuel. Both the Ministry of Health and the Barbados Agricultural Development and Management Corporation (BADMC) have had some discussion in terms of the possible utilisation of the compost into biomass fuel in the future.

6.00 p.m.

Tuesday, January 23, 2007

(EDITED)

Hon. J.X. WALCOTT: While I am on that, I should also want to mention that in terms of the utilisation of landfill gases already the Ministry has in fact entered a discussion and agreement with a company out of Canada to look at the feasibility of the extraction of landfill gases from Phase 2 of Mangrove, and the possibility of utilising this in terms of the co-generation of electricity. We have had discussions with Barbados Light & Power and this entity.

Sir, all in all, I am satisfied that the Ministry of Energy has shown this bold initiatives in bringing forward this discussion paper, this important Draft Policy Document, it is timely. I also want to say that I look forward to having much interesting and useful public discussion. It is a pity that in today's discussion, the Honourable Members on the other side were obviously not prepared and were bickering amongst themselves as to whom had seen or not seen the document. It is regrettable that they were not able to partake usefully in a very important matter like this in terms of discussing the policy of the Government in this Draft Barbados National Energy Policy.

Sir, in closing I give my full support to it and look forward to it being the basis of a very important energy policy, which would be necessary in the context of Barbados.

Sir, I am obliged to you.

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

Hon. Miss H.E. THOMPSON: Mr. Deputy Speaker, thank you very much. I close as I began by thanking the team who worked to ensure that this policy document was completed within the time frame given and delivered to the Cabinet, to Parliament and, by extension, to the people of Barbados as a platform for future national development. Many of them are here, some have gone, they were not all here but again, I want to put it on record and to extend my gratitude and that of Honourable Members on this side to the team, who made it possible for us certainly while they are here and can hear.

Mr. Deputy Speaker, I should like to thank as well all Honourable Members who spoke in this debate. There have been some interesting discussions, some that had some degree of levity but, generally, I think that the majority of the Honourable Members of the House, who spoke in this debate, spoke in the context of the importance and the seriousness of this policy for our future national development.

Mr. Deputy Speaker, I must confess that I also closed the debate with some sense of sadness. When the Honourable Members on the other side spoke, they made it apparent that although the policy document had been given to the Honourable Member for St. John a week ago with a suggestion that he should share it with members in advance of the debate so that we could have a full debate and, perhaps, come to consensus, it was clear that was not done and, moreover, that one Honourable Member, who spoke was forced to say that documents for the Democratic Labour Party should not be delivered to the Honourable Member for St. John. I do not think that is an unfair representation of what the Honourable Member, in fact, said. Sir, as result of the Honourable Members not having any kind of meeting to discuss the policy to frame it in that context, the debate from Honourable Members on that side was nearly not as rich as it could have or should have been.

Mr. Deputy Speaker, I must observe that some months ago, I had the opportunity to be on a call-in programme with a representative of Honourable Members on the other side also in a discussion on energy. At that time, the moderator of the call-in programme was Mr. David Ellis of Starcom Network and I do not think that in that context that it would be inappropriate to name him. During the course of the discussions, he put to the representative of the other side, a very pointed question and it was this. You are making criticisms of the Minister but let us hear what the Democratic Labour Party would do if they had to do it differently, let us hear what your own policy is. He paused, words escaped him and then it

escaped from his lips that they would have to discuss it. He was sent to a radio station to have a public debate, a person running against the Honourable Member Christ Church South, only to say that they had been no discussion at the level of the Democratic Labour Party about energy policy, even though it is one of the most important development issues facing Barbados as a small island developing State and facing the world.

Mr. Deputy Speaker, it is clear that the Honourable Members on the other side came today also not having had any discussion about their policy position. They were not able, speaking as an Opposition - going towards an election, possibly even in an election year - to say anything about what their vision was for energy; what their policy would be for energy; where they intended to carry the country in relation to energy, what would be the alternative proposal to those which are being made by the Government in this policy document; so Sir, we got some praise and we got some criticism.

Mr. Deputy Speaker, the notion that the Democratic Labour Party or Honourable Members on the other side like to suggest is that if they talk too early, that people would steal their ideas but, Sir, nobody can steal their ideas. If you have an idea and you articulate it, the idea is attributed to you. If in fact then, they have a policy on energy or any other matter for the country, it is time for them to persuade the public that they are thinking about issues of governance. Sir, that was one of the most distressing things about the debate today, that they clearly had no discussion, that their Party leader had not led on the process by calling a meeting to discuss what would be an important national issue. He is exhausted from jumping up on his bad foot yesterday in the St. Philip carnival and did not think it was important enough to come down here to discuss energy today and, his absence is telling.

Mr. Deputy Speaker, I then asked myself, apart from sheer exhaustion and Old Brigand fatigue, what would prevent him from being here today, had the Honourable Member for St. John nothing to say. In fact, my research into this matter, with the assistance of an Honourable Member on this side supplied the answer. The Honourable Member for St. John did not come today to lead his team, did not come to discuss policy and held no meeting with Honourable Members on the other side because he had, in fact, already articulated his policy on the matter and it is to be found in the only Budget, which he ever delivered in this House, the same Budget in which he offered bus fare and lunch money. It was at this time, when the people of Barbados were going through one of the most stringent periods in modern history, at a time when peoples' jobs and salaries are being cut that the Democratic Labour Party offered an increase to the petroleum marketers, the like of Mobil and Esso, who do not need any more money.

His policy is laid out in the Financial Statement. The Honourable Member for St. John said this and we take it that since no change in policy has been articulated, this remains the template on which the Democratic Labour Party will articulate its position. Sir, I am quoting the Honourable Member for St. John verbatim in what is a document of this Honourable Chamber:

"From time to time because of our obligations under the agreement with Mobil, we are forced to delay any adjustment in the prices to the consumers until we are satisfied that the refinery will achieve the agreed rate of return."

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Hon. Miss. H. E. THOMPSON: Sir, while it this administration policy to pass on decreases in fuel prices - and yet the Honourable Member for St. John articulated that in their position as well - he was saying that we have locked ourselves into an agreement with Mobil, that prevents us from passing on any decreases in fuel, when they had taken place in the past. He spoke to the issue of a small decrease, then he went on to say that they had looked at decreasing the price of LPG, but they could not do it. He said they had considered the terms of the Mobil Agreement, but were locked into it.

Sir, what were the terms of the Mobil Agreement? It was an agreement, though the administration of the day was advised against it, which guaranteed Exxon Mobil, one of the largest oil companies in the world, I think they made approximately \$48 billion profit last year, not two cents, not the kind of money that we have. Sir, at a time when Barbadians were under severe pressure, the Honourable Member was filling, not the coffers of the people from St. John, he was not helping any old ladies from there. Nobody from Haynesville was benefiting from him. Sir, not a soul from Christ Church or anybody from St. Michael North West was benefitting. His concern was to help Exxon Mobil. What did he do? The guaranteed rate of return was 15 per cent profit after tax. So we were compelled, no matter how much money they made, that they could not take home less than 15 per cent profit after tax. It was a guarantee given by the Government of Barbados to Exxon Mobil.

Sir, the rate not only related to monies and revenues generated, but assets were calculated in the assessment of the rate of return. Sir, a property in Barbados appreciated at about 6 per cent per annum, at that time, now it is about 8 per cent per annum. Therefore, if they had property valued at \$3 million, the profit margins were calculated to include

the value of their assets. If the assets values were appreciated over the course of time, so too did the return have to appreciate, because it was going up all the time, based on the value of the assets.

Mr. Deputy Speaker, this policy makes a significant and fundamental shift, that is to make Barbadians craftsmen of our own fate, rather than subject to the dictates of the Exxon Mobils, and the conglomerates of the world. Sir, the fundamental shift that this policy seeks to do is, to create a new social and economic path, based on the development of energy, that does not lock us into any economic suicide agreement, guaranteeing after tax rates of 15 per cent to any single company, when the international trend in every sphere of economic endeavour was towards competition, open market competition, rather than the perpetuation of monopoly trends. It was the same with Cable and Wireless and we could speak on many other things.

Sir, it does not surprise me today that thirteen years on, the Democratic Labour Party still has no vision, and that Honourable Members on the other side had not met to discuss this fundamental issue, nor could they give any leadership to it, to the House, or the country.

Mr. Deputy Speaker, it bothers me as a Barbadian and it fills me with sadness as we celebrated and memorialised the Right Excellent Errol Walton Barrow, National Hero of Barbados, to see how the Party of such a visionary has been reduced to an absence of vision. Mr. Deputy Sp[ea]ker, at the same time I close on the note that I still feel an enduring sense of satisfaction and pride that this administration and Honourable Members on this side are able to lay on the Floor of this Honourable House, debate in this Chamber and present to the country, the template for further development into the future. I am gratified, as Minister, to have had the support of the Ministry and my colleagues today, as we now move from, cerebration to implementation.

I am much obliged to you, Sir.

Sir, I beg to move that the Resolution before this Honourable House do now pass.

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

ADJOURNMENT

Hon. Miss M.A. MOTTLEY: Mr. Deputy Speaker, this brings us to the end of today's business. I beg to move that this House do now adjourn for two weeks, until Tuesday, February 6, 2007 at 10.00 a.m.

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

The question that the House do now adjourn until Tuesday, February 6, 2007 was put and resolved in the affirmative without division and Mr. DEPUTY SPEAKER adjourned the House accordingly.

18.17 p.m.

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CLARKE, Hon. G.A.**DUGUID, Dr. W.F.****FARLEY, Hon. R. R.****JONES, Mr. R.D.****KELLMAN, Mr. D. St.E.****MASCOLL, Mr. C.A.****MILLER, Hon. Dame B.A.****MOTTLEY, Hon. Miss M.A.****SEALY, Mr. R. L.****SPEAKER, Mr. DEPUTY****THOMPSON, Hon. Miss. H. E.****WALCOTT, Hon. J. X.****WOOD, Hon. A.P.**

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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. 12, outcome. After Hon. Miss H. E. Thompson moves that the Resolution do now pass and Hon. R. R. Farley seconds, the source goes straight to the adjournment; there is no record of the question being put on the Resolution. Please confirm the outcome.

Q3. Order No. 12, Hon. A. P. Wood. One speech headed 'Mr. DEPUTY SPEAKER' runs on into Hon. A. P. Wood's remarks ('Honourable Member, proceed. Hon. A.P. WOOD: Sir, the suggestion that there should be a consolidation...'), so Mr. Wood's words appear under the Deputy Speaker's label. Printed as in the source.

Q4. Order No. 12, Hon. A. P. Wood's constituency. Mr. Deputy Speaker calls Hon. A. P. Wood as 'The Honourable Member for St. Philip North' but later addresses him as 'Honourable Member for St. Philip South'. Printed as in the source.

Q5. Order No. 12, opening. Mr. Speaker's call 'The Honourable Member for St. James South' appears twice, either side of a take-slip. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Tuesday, 23rd January, 2007 at 10.00 a.m., with Mr. Speaker in the Chair; prayers were taken by Reverend Canon Ivan Harewood. The Minutes of 16th January were confirmed on the motion of Hon. R. R. Farley. Hon. Miss H. E. Thompson laid the Draft Barbados National Energy Policy, and the Representation of the People (Amendment) Bill, 2007 was read a first time. Standing Orders were suspended for the rest of the Sitting.

The whole day was given to Order No. 12, the Resolution to recognise the draft Barbados National Energy Policy and to request the Government to implement it in the shortest possible time. Miss Thompson, the Member for St. James South, moved it. She recalled that oil had gone from US\$30 to US\$75 a barrel within months, described the Conoco well drilled off the West Coast three years

earlier, and set out the targets: renewable sources to supply 10 per cent of the nation's energy by 2012 and 25 per cent by 2026, MTBE to be phased out by 2010 with a 10 per cent ethanol standard for gasoline, at least two per cent bio-diesel in all diesel by 2012 rising to 10 per cent by 2025, support for homeowners as independent power producers, and a Renewable Energy Centre.

Mr. R. D. Jones, for the Democratic Labour Party, accepted the need for a well-articulated policy but raised the apparent decline in natural gas production, the concerns of St. Lucy residents about wind turbines at Lamberts, and the practicality of producing ethanol from fuel cane. After the suspension until 1.30 p.m., with Mr. Deputy Speaker in the Chair, Dr. W. F. Duguid argued for natural gas as a cleaner fuel, noting Trinidad's supplies 110 miles away. Mr. D. St. E. Kellman complained that he had received the document only on the Saturday, which drew a point of order from Miss Thompson that the Leader of the Opposition had been the first to receive it; he went on to cite vehicle growth figures and was several times asked by the Deputy Speaker to address the Chair and keep to the Resolution.

Hon. A. P. Wood's speech was interrupted by repeated points of order from Mr. Kellman, and the Deputy Speaker had Mr. Wood withdraw one remark, which he did 'reluctantly'. Mr. Wood described the policy as part of the Government's consultative process and spoke of the Barbados National Oil Company's drilling programme. Hon. C. A. Mascoll spoke on the efficacy of an energy policy and the growth of household consumption over 40 years. After a further suspension until 4.00 p.m., Mr. R. L. Sealy raised the consistency of supply, the incineration of sorted garbage and the ethanol question; Hon. Dame Billie Miller supported the Resolution, pressing the potential of the sea for renewable energy and welcoming free energy audits.

Mr. Farley explained that the utility's return was capped at 6 per cent, and that in 2000, with gasoline at \$1.49 a litre, excise tax had been about 56.8 cents a litre and had fallen as prices rose. Hon. G. A. Clarke spoke on hybrid vehicles and Hon. J. X. Walcott on landfill gas. In reply Miss Thompson criticised the earlier Mobil agreement and the Opposition's lack of vision, and moved that the Resolution pass; the source does not record the question being put.

On the motion of Hon. Miss M. A. Mottley, seconded by Mr. Farley, the House was adjourned for two weeks, until Tuesday, 6th February, 2007 at 10.00 a.m.



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