
THE

House of Assembly Debates

(UNOFFICIAL REPORT)

PARLIAMENT 2003 – 2008

HOUSE OF ASSEMBLY

Tuesday, May 15, 2007

Pursuant to the adjournment, the House of Assembly met at 10.15 a.m. on Tuesday, May 15, 2007.

PRESENT

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

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

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

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

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

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

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

Mr. H. F. LASHLEY

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

Mr. D. St. E. KELLMAN

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

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

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

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

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

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

Education, Youth Affairs and Sports)

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

Hon. C. A. MASCOLL, BSc. (Econ.) (Hons.), M.A. (Public Finance) (Minister of State, Ministry of Finance)

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

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

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

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

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

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

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

Prayers were taken by Rev. Canon Ivan Harewood.

Mr. SPEAKER: The House is now in session.

MINUTES

Mr. SPEAKER: The Minutes of Tuesday, May 8, 2007.

Hon. Miss M.A. MOTTLEY: Mr. Speaker, I beg to move that the Minutes of the Honourable House of Assembly for its meeting of Tuesday, May 8, 2007, which Minutes have been circulated, be taken as read.

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

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

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

Mr. SPEAKER: Honourable Members, I would like to inform you that one of our workers, Mr. Wayne Jones, has been appointed to act as Deputy Marshall, in place of Mr. David Best. Mr. Jones has been here for at least six years, and has been one of our very outstanding workers. He is presently completing his degree in Law at the University of the West Indies, and it is a great pleasure for us to appoint Mr. Jones to act as Deputy Marshall. Could you welcome him for me, please?

Thank you.

PAPERS

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

1. The Duties, Taxes and Other Payments (Exemption) (Barbados Tourism Investment Inc.) Order, 2007.

SUSPENSION OF STANDING ORDERS

Hon. Miss M.A. MOTTLEY: On the motion of Hon. Miss M.A. MOTTLEY, seconded by Hon. R.R. FARLEY, Standing Orders Nos. 6,16, 81, 20, 42(5), 43 and 44 were suspended for the remainder of the Sitting.

ORDER OF THE DAY

Mr. SPEAKER: Government Business is the order of the day.

GOVERNMENT BUSINESS

ORDER NO. 15

RESOLUTION TO APPROVE THE GUARANTEE BY THE CROWN OF THE PAYMENT BY THE NATIONAL PETROLEUM CORPORATION OF \$14.4 MILLION AND INTEREST THEREON TO THE BANK OF NOVA SCOTIA FOR THE PURPOSE OF DISCHARGING A DEBT OWED BY THE NATIONAL PETROLEUM CORPORATION TO THE BARBADOS NATIONAL BANK.

Mr. SPEAKER: The Honourable Member for St. James

South.

Hon. Miss. H. E. THOMPSON: Mr. Speaker, in my capacity as Minister of Energy, this proposal is brought before the Chamber today, and there are a number of issues with which I will seek to deal with, as we discuss and debate the issue.

10.30 a.m.

Sequence 3

Tuesday, May 15, 2007

House 133, Sequence 04, 10.30 a.m.

Hon. Ms. H.E. THOMPSON: The Government of Barbados has given a commitment to expand natural gas to every householder in Barbados, who would want to have natural gas. There are approximately 85 000 properties in Barbados, and at the moment about 19 per cent of properties, or 16 223 domestic customers and 656 commercial customers are serviced by BDS\$70 million of natural gas pipe infrastructure. That is, the distribution network we have is worth about BDS\$70 million, and it services 16 223 domestic customers and 656 commercial customers.

The situation is that the wells being used, from which the Natural Gas Corporation sources gas through the Barbados National Oil Company (BNOC), have been in production under the aegis of the BNOC, since about 1983, prior to that, there was extraction occurring by Mobil.

Hydrocarbon extraction, the life of an oil well or a gas well is not infinite. It is sometimes possible, with increasing improving technology, to access the volumes that one may be able to extract from a well and to predict how long a well may last. The reality is that these wells from which we have been extracting for sometime are becoming exhausted. It is incumbent on the Government, if it is to satisfy its commitment to the country of expanding natural gas supply to the largest possible numbers of consumers, that new sources have to be found.

Barbados produces approximately 1 000 barrels of crude oil per day from the Woodbourne fields. We however consume 8 000 barrels of crude oil per day. Four years ago, before the rapid expansion in gas prices, and at a time when the numbers of vehicles on the roads, and the numbers of houses and things that would consume energy capacity were still considerably low, our fuel bill was \$175 million per annum or thereabout.

At about mid last year, we knew that the fuel bill was running in the region of \$450 million per annum. This is critical to us, therefore, in view of a resource base that is shrinking, a consumption base that is expanding and with it the level of demand, of course, and in a situation where oil prices are increasing.

I want to pause here and make the point that there has been in the history of hydrocarbons, a pattern of swells and eddies, and peaks and troughs, in relation to energy pricing on the international market.

In the 1970s and early 1980s, there was a period when there were extreme price hikes in the price of fuel. Last year, we saw crude prices move from US\$30 per barrel to an unprecedented high of US\$75 per barrel. They went down towards the end of the year, as the Winter Season came in, but consistent with the usual trend, and as we fully anticipated, prices have now started to move

upward again and are up now, I believe, in the region of between \$65 and \$68 per barrel.

In fact, there was a news story on one of the US TV stations this morning, indicating that prices were going to rise even further but I was called away to the telephone and was not able to hear what is the prediction. In the market there has been speculation that oil could go to as much as US\$125 per barrel, close to double where it is now.

Of course, there are those who hedge commodities, there are those who trade in them, and there are those who speculate on the stock market and the stock exchange. You are not dealing with a science that allows you to put in place a precise measure, and to predict that in six months time, the oil prices would be at a particular level. I can only share with the Chamber, frankly, the speculation in the marketplace, as to what is likely to happen in relation to the price of fuel.

Sir, given this scenario, Barbados has to ensure a security of supply for both oil and gas. Sir, to do this, we will be pursuing the policy of offshore exploration, and increasing our onshore production and exploration. We have to move onshore Barbados to look for other wells, bearing in mind that there is some seismic data, which suggest that Woodbourne is not the only part of the island that is rich in oil.

We have entered into an arrangement with a company which will allow us to maximise production and yields from the existing wells, and increase our economies and efficiencies of scale at that location, as well as to look now for partners, who will work with us to open new wells onshore.

Sir, there is also the offshore production. I must share with the House, Sir, that outside of the Sandy Lane well, which was drilled four years ago by Conoco Phillips, Barbados is now in possession of new seismic data, recently collected, which shows that there is a high degree of promise and likelihood - termed in the industry as high prospectivity - of a find of oil and/or gas in the marine space of Barbados.

We have, as a matter of policy, sought to ensure that the worst increases of prices - because of its potential inflationary impact on the national economy - have not been passed on to the consumer, by systematically cutting the tax take on the product so that the price at the pump does not reflect the true market price of the commodity.

When prices went down, we passed that on, and we did this twice. I think once last year, and once earlier this year. Therefore, twice in the last six months, the price at the pump has been reduced to allow the consumer to realise considerable savings.

Asides.

House 133, Sequence 04, 10:40:14

Tuesday, May 15, 2007

Hon. Miss. H. E. THOMPSON: Mr. Speaker, the intention is to try to expand the existing network to base, via a number of methodologies. Mr. Speaker, I have indicated what the broad policy framework is. The loan that Parliament is asked to guarantee today will do precisely what I have been speaking. Some of it is for work that has already been undertaken and for which there was a loan by the Barbados National Bank.

Mr. Speaker, I want to make the point that while the price of gas has been increasing to the National Petroleum Corporation, the National Petroleum Corporation has not passed on an increase in the price of gas to the consumer. In fact, there has not now been a price increase in natural gas for several years. I can find out the exact time frame and make the Parliament aware.

Mr. Speaker, in seeking to expand the customer base, the National Petroleum Corporation had to seek a commercial loan to facilitate the expansion, which at that time, they had received 1 900 applications, across Barbados for new services. The work, inclusive of all of the infrastructural work and the connection work that was required, was costed at \$8.5 million. The work was done, and some 1 664 of the 1 900 applicants were given a service.

Mr. Speaker, I want to make the point that sometimes there is a disparity between the number of applications that the National Petroleum Corporation gets and the capacity. A district may have, let us say 600 houses, but only 450 of the people in the district to which the natural gas is run, might sign on, others might decide that they already have large bottles of gas, the 100 pound cylinders, and they do not want to change or they may be in the situation that I am, where because natural gas was not in your district initially and you did not want to have the challenges of having to switch bottles and having them brought in from time to time, where I went to an electric stove and oven and so on. Therefore, you do not get 100 per cent connection when there is an expansion programme irrespective of where that programme takes place.

Mr. Speaker, I want to share with the Chamber some of the areas which have been identified and have benefited from this expansion. They are Ealing Park North and South; Westbury Road; Brandons; Tichbourne; Friendship; Durants Village; Holders Hill; Chancery Lane; Fairholmes Gardens; Lead Vale; Browne's Gap; Berbice No. 1 and 2 at Fitts Village, St. James; Reece Land; Oxnards Crescent; Redman Village; Sayers Court; the avenues of White Hall;

Mount Standfast; Bayville; Haggatt Hall; Mangrove, St. Philip; Spooners Hill; Speightstown; and Simmons Land in Christ Church.

Mr. Speaker, one could see that the expansion programme is spread across the country over a number of districts of various types, because both low income and middle income districts are benefiting from the expansion programme.

Mr. Speaker, the new infrastructure represented 17.8 miles or 94 068 feet of new gas infrastructure that was laid to accommodate this expansion. A loan was sourced from the Barbados National Bank at an interest rate, when the loan started, of 6.45 per cent. Over time the interest rate increased to 9.45 per cent.

Mr. Speaker, with dwindling resources, because of shrinking gas supply and the fact that gas was being bought by the National Petroleum Corporation at an extremely higher rate without any price increases to the consumer, the loan became very difficult to service. Sir, the National Petroleum Corporation in attempting to better manage its resources sought to renegotiate the loan to get a better term on the market and to do some additional works.

Mr. Speaker, in this attempt to improve its financial position, the National Petroleum Corporation went to the market and indicated to the marketplace that it was seeking a loan in the sum of \$15 million to cover this loan that was already going and for other works and sought to negotiate with the market to get a more favourable loan agreement. Seven companies, including two agencies of the Barbados National Bank which were approached; Citicorp, International Commercial Trust and Merchant Bank; Sagicor; FirstCaribbean; and the Bank of Nova Scotia, have all indicated an interest in being involved in the loan arrangement or in providing the loan to the National Petroleum Corporation.

In the end, the most favourable package was offered by the Bank of Nova Scotia. It is therefore in those circumstances that we come to the House today, having negotiated in the market to get the best possible price for the taxpayers, to ask the House to approve the arrangement which today forms the subject of this Resolution. Mr. Speaker, that is, to speak to the terms of the loan.

Mr. Speaker, I believe it would be remiss of me in the present climate, since it is public information and since the Parliament is aware, though not having been formally informed as a Parliament, that there is now likely to be an arrangement in respect of a natural gas supply via pipeline with Trinidad. Mr. Speaker, it is that therefore to which I turn my attention, and which I take this opportunity to formally notify the Chamber.

Mr. Speaker, three Thursdays ago, the Cabinet made a decision that the Government of Barbados and its respective and appropriate agencies through a negotiating team, should meet and discuss with Trinidad and various respective agencies, their NGC, which is the NPC equivalent, as well as private sector agencies, the possibility of an arrangement to be supplied with gas by pipeline.

House 133 Sequence 5

10.50 a.m.

Tuesday, May 15, 2007

Hon. Miss H. E. THOMPSON: Mr. Speaker, there was an option to go either by barge or by pipeline. The proposal was evaluated by the NPC and its Board; it was evaluated by technical teams from the NPC and the Barbados National Oil Company (BNOC); it was evaluated by the Public Investment Unit of the Ministry of Economic Affairs; it was evaluated by the Ministry of Finance. These agencies, specifically the NPC, were involved in advising the Ministry of Energy and the Environment, on a comparison of the benefits and cost of the three proposals at which the NPC was looking.

Mr. Speaker, the pipeline possibility or an increased volumes of gas to the tune of 30 million to 40 million cubic feet a day, will allow us to expand, in the first five years, to a further 13 000 households across Barbados. It will allow us to guarantee security of supply to the Barbados Light & Power Co. Ltd. Sir, let us bear in mind that if we are able to negotiate a more favorable price for gas than we are currently buying it, just as we have done with petroleum prices, the lower prices will be passed on to the consumers. The lower prices will also be reflected in electricity bills because the consumption component of the fuel charge will decrease because of the fact that fuel rates are price-sensitive and will change, according to the cost of fuel. Therefore, when the Barbados Light & Power Co. Ltd., purchases fuel at a high rate on the international or other markets, the electricity bills are higher, even if consumption remains the same because that fuel adjustment measure is passed on to the consumer.

Equally, if the Barbados Light & Power Co. Ltd., switches to natural gas, as opposed to using diesel and petroleum byproducts, the fuel component and the price is lower. The fuel adjustment rate would equally go down and the consumer, even without changing his or her consumption pattern, would have a lower electricity bill.

Sir, that is one of the first reasons why we are seeking to switch to natural gas.

Mr. Speaker, I am going to deal with the global reasons and then come back and deal with the specific reasons of why we are using the pipeline, as opposed to the barge. The second global reason we are seeking to switch to natural gas, is that natural gas is a cheaper, cleaner fossil fuel, than, say, diesel. Hence, it is in our interest to make a shift of that sort, for the sake of the environment and the overall ambient conditions of the island.

Mr. Speaker, the third reason is that under the policy direction enunciated by the National Energy Plan, laid in this Honourable Chamber and debated herein, the Energy Policy anticipates and projects that the Barbados economy will use a certain percentage of fossil fuel, such as hydrocarbons, diesel, petrol, gasoline, et cetera.

Sir, I believe that this Honourable Chamber debated the Draft Policy, which indicated the policy direction, and we are not deviating from that. The first is that as I said, we will have a certain amount of hydrocarbons, diesel, gas, petroleum, et cetera. Secondly, there will be renewable energy technology. Sir, we spoke about that at length, we spoke about solar systems being set up in our homes; about people feeding back to the national grid; about moving to renewable energy technologies, such as wind energy, wave energy, solar energy, photovoltaic. These are the major technologies available today. Mr. Speaker, as renewable energy technologies are further explored and become proven, we will also seek to explore them.

Thirdly, the Energy Policy said that apart from the mix of hydrocarbons and renewable energy technologies, we will transition the Barbados economy to a natural gas economy. Therefore, the idea is that not only would we move our domestic consumption to solar photovoltaic and natural gas but that our commercial and industrial consumption would make a similar transition, for environmental protection and for economic reason.

Mr. Speaker, the fourth reason would be to ensure security of supply. If your wells are being exhausted, you would not wait until they have gone completely dry, you have to start to do forward planning and preparation. That is, in fact, what this Government is here attempting to do. Sir, we are trying to secure a supply of natural gas for the Barbadian economy, to satisfy domestic and, to some extent, commercial demand.

Mr. Speaker, let me make it clear that with the volume being anticipated for purchase, that will not satisfy all of Barbados' commercial demand. It will satisfy Barbados' domestic demand, in its entirety, and it will satisfy some of our industrial and commercial demand, primarily through the Barbados Light & Power Co. Ltd., which then feeds back to the domestic demand. Therefore, the Barbados Light & Power Co. Ltd., would be a commercial customer for the NPC but the Barbados Light

& Power Co. Ltd., uses its power for householders. Sir, I think you would understand the distinction that I am seeking to make.

Mr. Speaker, I indicated that there are environment benefits to be derived by going to natural gas. Sir, those are the five broad reasons we are going to natural gas.

There has been debate as to whether or not Barbados can, in fact, get the gas from Trinidad and Tobago. Let me share with this Honourable House that the Prime Minister of Trinidad and Tobago has made a public statement, indicating that the Government of Trinidad and Tobago is committed to supplying the volume which Barbados wants. Sir, in terms of the overall context of their reserves, it is inconsequential; they sell their gas, on the commercial markets, outside of the region primarily, but we have a commitment. I also have in hand a letter written by the Minister of Energy of Trinidad and Tobago, committing to this project, on behalf of the Government of Trinidad and Tobago.

Mr. Speaker, I believe I could anticipate some of the skepticism which others might have but the point is that we go to negotiations on this matter, in good faith. H:No.133 (6)11.00 a.m.

Tuesday, May 15, 2007

Hon. Miss H.E. THOMPSON: Let me suggest to you why I believe it is entirely possible that we will see this particular project come to fruition. The studies for the feasibility and all the necessary environmental, technical and economic studies have already been completed by the investors. We have not only been presented with a proposal, in broad terms, but we have been presented with a specific project. Sir, Barbados has an opportunity to invest in this pipeline, should it so choose but it does not have to, if it does not wish to do so, but it is an option that is available. Mr. Speaker, the investors are Guardian Holdings (Trinidad) Limited; the Eastern Caribbean Gas Pipeline Company; a company involving private sector people, some of them are Americans and some of them are Trinidadians; Trinidad and Tobago Unit Trust; the Inter Caribbean Gas Pipeline Company and the National Gas Company of Trinidad. Sir, I hardly think that Trinidad is going to strand its own investment but we will go to the negotiations and report fully and frankly to the House.

Mr. Speaker, the pipeline is being built at their expense, not at the expense of the Government of Barbados. We are buying gas and they are building a pipeline for transmission of that gas. Sir, it is expected to be 177 miles of twelve inch gas pipeline, coming to Barbados. These pipelines travel on the seabed and, I would want to make the point that these pipelines travel all over the world and are a common means for transmitting

gas and oil; that they have a high degree of safety and reliably, generally, even in unseasonable weather. I am not suggesting at all to the House that they are infallible but that it is proven technology, in use all over the world and that they have a high degree of reality. Those are reasons Nos. 6 and 7 for why we chose the pipelines. We have chosen them for (1) reliability and (2) for proven technology.

Mr. Speaker, from Barbados, another 130 miles of ten-inch pipeline is expected to go up to Martinique, with a spur to St. Lucia, and an eight-inch pipeline will go from Martinique to Guadeloupe, with a spur to Dominica. They have determined what are the most economic and environmental safe routes and the project is advanced and has the blessings of the Government of Trinidad and Tobago. I want to make the point that pipeline will originate in Tobago and not in Trinidad.

Mr. Speaker, there was also an option for a Gas Transport Module (GTM) or a Volume, Optimised, Transport and Storage Module (VOTRAMS).

Asides.

Hon. Miss H.E. THOMPSON: Sir, GTMs and VOTRAMS are capsules, which pressurise, freeze or liquify the gas, or whatever the methodology, the two methods are different, and then you place these specialised containers, which have to be purpose built, on barges and float them to wherever you want them to take them.

Mr. Speaker, I really would wish that the newspapers, which paid a lot of attention and gave a lot of coverage to the barging system of it being more expensive, should pay more attention to the rationale of the Government for the choice it has made. Sir, the VOTRAMS and GTM capsules have to be purpose built for size, depending on the volume you are buying, location and so on. Sir, the barges to carry also has to be purpose built so you are not talking about any cheap thing. You cannot put them on a cheap moses, the Harbour Master or any craft and sail it down. You are talking about highly specialised, purpose built vehicles, which are not cheap and, in one case, can only be repaired, if something goes wrong with it, in Japan. It is not like the pipeline where there is equipment with readings, that is highly pressure sensitive. Sir, we already have a pipeline in Barbados, that is what we did with the BNTCL terminals, you build the storage tank and you run pipelines, which are highly pressure sensitive and as soon as something goes wrong on the transmission line, they can pick up the differential, shut down the pipeline and do immediate repairs. Sir, this barge has to be sent back to Japan for repairs. In the meanwhile, what will happen to the gas?

Mr. Speaker, because these VOTRAMS is new technology and a barging system for VOTRAM is not in use anywhere in the world. Barbados would have had to be the guinea pig and, Sir, even if the dollar cost was lower, what would be the price of using highly, unproven technology, that was the consideration. Should we go with this technology that was not in use anywhere. There are no VOTRAM modules of purpose built VOTRAMS barges delivering gas at the moment anywhere.

Mr. Speaker, the GTM technology was better known and it was more proven technology. Again, GTM had no purpose built modules or no purpose built barges, taking gas to any location as remote as the Caribbean. Sir, neither of the other barging proposal had a viable operation currently going that you could look at or ask the customer or the purchaser the reliability of it; that you could say that the number crunch at \$100 million but that we know from experience that the cost is likely to run 15 per cent over projections. Sir, it was just not available.

H133/11:10

Sequence 7

Tuesday, May 15, 2007

Hon. Miss. H. E. THOMPSON: Sir, that degree of uncertainty, the figures they were giving to us were projections. I want to you bear in mind that there were projections against the background, where the necessary studies had not been completed, nor were legal and insurance issues completely resolved for the barging operations, even if you were to say yes to starting any time soon. Those are about three reasons we have dealt with already.

Sir, let me also say, these entities were hoping to buy gas from Trinidad but had no approval for the purchase of the gas. They want to supply Barbados, using GTM and VOTRAM capsules and barges, with gas, which they were buying from Trinidad, but had not yet secured any permission from the Government of Trinidad, for the purchase of this gas.

Sir, we would have been entering an arrangement where there would have been a high degree of uncertainty. I am just speculating here. If Trinidad had an option between selling gas to a pipeline, owned by Trinidad, or putting gas on a barge owned by third parties, to sell to the same person, my view is, they are more likely to go with the Trinidadian investors, because that money is coming back into the Trinidadian economy. In that regard, I am just speculating. I cannot say that I understand the mind of the Government of Trinidad and Tobago. I am just saying that would appear to be the logic of the moment and the logical approach.

Mr. Speaker, another reason we preferred the pipeline was the fact that there was a greater state of readiness for the pipeline proposal. I will repeat them again, just in case you did not get them. One, the fact that there was unproven technology; two, the fact that negotiations for the source of the gas, i.e. with Trinidad, had not been completed by any of the barging proposals; three, the highly specialised modes of transportation, representing new and unproven technology in many instances; four, there was no mode of transmitting by these methods across a distance like ours; five, in one instance in particular, the carrier vessels could only be repaired in Japan. Those are the ones I have mentioned so far. Sir, let me give a new reason; six, it would mean that if we use the barge, where you could send a pipeline under sea without being observed by anybody, with a man sitting at the controls monitoring the pipeline, if you use a barge, you are talking about a much higher labour intensive operation. Sir, people have to be there to move, unhook, set up, and so on. The operational and maintenance costs of the distribution network turned out to be far higher than of the pipeline.

Sir, there is another reason, the use of the barges would mean that barges would have to come into Barbados every twenty-four to forty-eight hours. A barge would not arrive once a month, or two barges a year. Every twenty-four to forty-eight hours, like clockwork, a ship had to be in Barbados, for us to have gas.

Mr. Speaker, only one of the barging companies indicated that they were willing to erect storage capacity, which would create you a buffer. Sir, do you know how much storage they were giving? One-and-a-quarter days of storage. Sir, not a week or month, but one-and-a-quarter days.

Sir, reason number nine. They were proposing that they would dock the barges at the Arawak Cement Plant, where the sea conditions are known to be particularly hostile. In the Arawak Cement Plant's experience, there are at least four days per year when ships cannot dock at all, at their facility. They would have left Barbados, assuming that these barges have the same docking capacity, and that assumption is not safe, because you are dealing with a volatile commodity, and assuming that the barges have the same docking ability as the ships that bring in cement and other raw materials for the Arawak Cement Plant. Sir, a barge could not be in Barbados for four days, which is the Arawak Cement Plant's experience, but with only a-day-and-a-quarter storage capacity from one of the companies, what are you to do? Sir, you would be left without supply. When we investigated the cost of switching back to diesel, when we run out of the day-and-a-quarter supply, it worked out, I think, to \$180 000 per day.

Moreover, the barges cannot sail in the hurricane season, not when the seas get really bad. Sir, let me frame

it another way. It would be unlikely that the barges would be able to face the sea conditions during the hurricane season. Sir, while the experience of the Arawak Cement Plant is that they are without supplies four days per year during the hurricane season, in all likelihood, Barbados would be without gas for a much longer period.

Mr. Speaker, equally - I think that we are now at reason number twelve - the proponents of the barging approach came up with a proposal, but had not yet taken it to the stage of a concrete project. There were many elements in their proposal that were yet unknown, uncoded and not agreed.

Sir, there is another reason. I think that we are now at number thirteen. I am being very careful, because when people make statements discouraging the use of the pipeline for the use of the barge, because it is cheaper, the Press has a responsibility to carry the other side and show why it is - and I will take you through step by step - the Government came to the conclusion and decision that it did. It was not arbitrary. It was well thought - out based on economic and environmental considerations.

Mr. Speaker, reason number fourteen, the barges and the vessels for the gas have a shorter life than the pipeline. It meant that if you went into that kind of arrangement, you would have to be much sooner negotiating a new agreement in respect of supply. The proposers were indicating that at the end of the life of the vessel, because they want a contract for a period which equates with the life of the vessel and the container - they would sell it to Barbados at a very low cost. Sir, when it has reached the end of its useful life, the Barbadians could then have it.

Sir, I once heard a salt of the earth Barbadian say a very interesting thing. She said, "They using their head..." she was speaking about a situation where she was selling - "... but I using my brain." Sir, I thought that Barbadians somehow can capture those sentiments so wonderfully well.

Mr. SPEAKER: Honourable Member, I suppose it would depend on what part of the head you are talking about?

11.20 a.m.

Sequence 8

Tuesday, May 15, 2007

House 133, Sequence 09, 11.20 a.m.

Hon. Ms. H.E. THOMPSON: Sir, I think what she meant is that the head was used for many purposes, but the

brain is dedicated to a particular purpose and to that, she was giving deep thought.

Asides.

Hon. Ms. H.E. THOMPSON: The point I am making here is that the vessel will become available to us, virtually at the end of its life.

In each case, environmental impact assessments have to be done. There is no escaping that because they had to be done for the barges and they would have to be done for the pipeline. This is one of the safety and precautionary mechanisms, which the Government is building.

I have tried today, Sir, to explain to the Chamber and the public, why it is that the Government took a decision to use the pipeline or to negotiate for the use of the pipeline, over the use of the barges. I trust that the Chamber will think that those reasons are sound, legitimate and well-reasoned, and the public can have some confidence in the logic used here, and in the fact that we tried very hard to take the decision that was in the best interest of the taxpayers and the consumers of Barbados.

Therefore, we worked out, when we did a cost/benefit analysis, comparing not only the dollar cost but the full economic, environmental, social and other costs of the two methods of transmission - the barge versus the pipeline - that in the totality of the circumstances, the pipeline was the better option for Barbados.

I am mandated by the Cabinet of Barbados to lead our team to the negotiations, and I will indicate to the public when a date has been set for the negotiations to start. Let me say that there are other elements I would want to share with the Chamber. There are things which are about to be negotiated. You would appreciate that there are some issues I will speak to at a later time, but I have tried today to comprehensively cover the history, what has brought us to where we are now, why we have taken the particular decision that we have made public, and the process for going forward.

On this matter, Sir, I believe that we are on good ground, and I want to ask for the support of the Chamber and the country because it is an important initiative for Barbados.

Sir, I indicated earlier that we are trying to maximise the yields at the Woodbourne wells and we are also going to offshore exploration. I am going to speak to that very briefly and then to close.

Sir, given the gap between our consumption and our production, it is critical for Barbados to ensure that we are able to bridge that gap. In that context, Barbados has

determined that because it would represent a significant foreign exchange earner for Barbados, we are going to an offshore drilling programme.

The recent seismic data, Sir, and I repeat myself now, have suggested that Barbados has a good chance of making either an oil or a gas strike, or an oil and a gas strike, a large one but these are speculative matters.

Sir, we have been putting teasers in the marketplace but we will make two bid announcements. One bid in Barbados, roughly at the end of this month, and a second bid in Texas, United States of America - which in many respects is regarded as the oil capital of the world - either close to the end of this month, or certainly on or about the first week of July. I apologise that I did not bring the schedule to Parliament today, but will have an opportunity to speak about it again in the Chamber and I will, of course, make it public.

Sir, on the present schedule, if we observe the timetable that we have set, the bids for the offshore sector will be opened in Barbados sometime at the end of December or the beginning of January. The launch of the bid blocs in Barbados, which will take place at the end of June, will be opened to the public and certainly to the media. It is going to be a public and transparent process.

I have spoken at length, Sir, about our criteria; environmental protection, investment by Barbadians and making sure that Barbadians are trained for involvement in the sector. The National Energy Policy speaks to the issue of the avoidance of Dutch disease and I am going to talk about that in a minute, because that remains another one of our priorities. Sir, the opening of the bid blocs is very much a public matter and, I hope that I would be able to invite the Shadow Spokesman for the other side, so that he could see what the process is like. I am confident that somebody on this side will be involved in the opening of the bid blocs.

Asides.

Hon. Ms. H.E. THOMPSON: Sir, it is going to be public and equally, the launch in Texas will also be public. Sir, more information about that will be issued, as the time gets closer. The Chamber is aware, because I have made it public, that the Government is being advised by a very experienced British Company, called, I.H.S., in this matter. They are leading the process for us, because it is a matter that we really have no experience.

Sir, we are talking about negotiating and dealing with companies whose balance sheets show greater credits than that of the taxpayers of Barbados. We are dealing with heavy weights and we figured that we needed some international expertise to be at our side and to guide us through this process.

We are however seeking to ensure that there is a transfer of skills and technologies by involving Barbadians in the negotiation process, the decision making process and the learning process, so that in the future Barbadians will be fully cognizant of what is involved and will be able to give direction to the process.

In fact, Sir, there are other Caribbean countries, some in the eastern Caribbean, which are now doing seismic surveys. This suggests that they too, may have oil. Quite frankly, I hope that our experience would be such that when the time comes, we are able to sell some of our skills and services to the eastern Caribbean.

We have to see ourselves in the context of producers of energy and developing a level of expertise, which we can sell and share with other small island developing states. This would be an important growth and another important legacy of this whole exercise.

House 133, Sequence 09, 11:30:14

Tuesday, May 15, 2007

Hon. Miss. H. E. THOMPSON: In relation to the offshore, apart from the imperatives of which I have spoken at length in this Chamber before, which I would not want to repeat today, except to give the broad outline of Barbadian involvement; Barbadian investment; Barbadians training to take up the jobs; ensuring environmental protection; good track record by the company; a good environmental track record; a good track record in the industry...

Sir, the companies which win the bids - the process is completely open and transparent, we cannot yet say who they would be - must be companies which must have clout, credibility, experience and resources in the marketplace. An offshore drilled rig can cost US\$15 million per day. Therefore, to make it commercially viable, you would have to find a certain volume of oil or gas because there could well drill for a month or for weeks before they strike anything, so you are talking about vast sums of money which is not available to the Government of Barbados, but available to those companies which would be put at our disposal as long as they win the bids.

Mr. Speaker, the other consideration for the Government to which I have been turning my attention is the issue of Dutch disease. I was curious to see a magazine this morning, called "Contact" the premier voice of business in Trinidad and Tobago. I believe it is produced by the Trinidad Chamber of Commerce. I am going to read this Sir, because I would be curious to see what it says. Sir, it poses a very interesting question: "Does Trinidad and Tobago have Dutch Disease?" This is at page 14.

Mr. Speaker, what is Dutch disease? This is an important consideration for Barbados. Dutch disease is a phenomenon first identified in Holland and related territories, hence Dutch, in which an economy becomes focused on the production of a single mineral or natural resource, typically as in this case, oil. As a result, high inflation impacts the economy because oil prices skewed the prices of all other goods and services, and it then becomes uncompetitive to produce goods and services, so you tend to import them.

In addition to that, labour migrates from other sectors of the economy into the oil industry because of oil wages. You have an influx too of immigrants sometimes much more skilled than your own population, and when you use extract oil, and you have to extract to make it commercially viable, and you then throw the oil money back into the economy... We saw it in Trinidad.

Sir, do you remember the days of the petro dollar, when you heard in Trinidad, 'money ain't no problem', but very soon the economy was in problems despite the presence of the petro dollar. Typical Dutch disease, Sir.

Sir, you have a massive inflationary impact in the economy, prices go out of 'wack' and instead of the benefits of the petro dollars coming down to every sector of the country and the economy, you have an us and them kind of social existence; massive inflation; a majority of people unable to afford basic goods and services; and the economy, instead of showing growth, contracts.

Sir, an economist might explain it better, somebody else could articulate it better, but that is Dutch disease. Sir, it is an interesting phenomenon. It has been identified all over the world, Nigeria, Trinidad, wherever there has been oil. If you go to any oil-producing country, you would see grinding unbridled poverty and spectacular unbridled wealth, two severe extremes, and the economy not producing goods and services, depending largely on imports and on the mono-resource extraction and production.

Mr. Speaker, Norway has been one of the few, if not perhaps the only country, that has been able to manage its resources in such a way as to avoid, in a significant degree, the phenomenon of Dutch disease. In that context therefore, Barbados would attempt to look at how it could borrow from the Norwegian models, those elements that have caused the Norwegian economy to continue to do well, even as they produce oil.

Mr. Speaker, there are academic studies available which looked at the issue of Dutch disease, which seek to give reasons or possible measures that could be used for its avoidance. Sir, even though Norway has gone for maximum extraction of hydrocarbons, Norway does not

allow all of its petro dollars to flow back into the economy, which has helped the Norwegian economy significantly. They have established a pension fund with their petro dollars to stop them from going into the economy in an unrestrained and uncontrolled way so that they can plan social and economic development. This fund currently has in US\$300 billion. That is the kind of money we are talking about, and that certainly is one of the methods that Barbados is going to be using if we find oil.

Mr. Speaker, this is spoken to in the energy policy where we indicate that because hydrocarbon resources are finite, we do not intend to exhaust the revenues from them in a single generation, but intend to preserve the benefits of this resource for future generations and to protect the economy from very serious inflation and from the ravages of Dutch disease. That is the mechanism we are going to be using.

Mr. Speaker, we are going to hold some of the money back into a special reserve fund instead of just throwing it into the economy whilst at the same time using such percentage of the oil revenues as are necessary to ensure that every Barbadian has a substantially improved quality of life, that the social safety net for the poor remains, and that those persons who are most vulnerable in our society are moved from a position of dependency to one of being independent of other individuals. Sir, that put in the broadest possible context, is why we are here today. Mr. Speaker, I will, as promised, find out when last natural gas prices were raised in Barbados, I am not talking about petroleum prices, and I will share that with the Chamber in my wind up.

Sir, I have been expansive and I have been full and frank. Those are the issues and that is the policy. More particularly, in the context of what has been put out there to the public about barges being cheaper, I have given about 16 reasons why it is that the Government of Barbados, for economic, environmental, social and other reasons, has opted to start negotiations with the owners of the pipeline.

House 133 Sequence 10

11.40 p.m.

Tuesday, May 15, 2007

Hon. Miss H. E. THOMPSON: Mr. Speaker, let me say that in each case, the bulk of the investment will be that of the investors. Barbados would only be buying gas and there will be a cost to Barbados for the purchase of that gas. Equally, there will be a cost to Barbados for a new distribution network because once the gas comes on land, it has to be distributed across the island and therefore we will have to buy new pipelines, et cetera, for transporting it on land. Sir, I think that people are accustomed to that,

whenever there is a natural gas expansion to a community, there has to be new infrastructure put in place to do so.

Mr. Speaker, those are the reasons. That is the policy, that is why we are here today guaranteeing this loan. That is the rationale. Those are the circumstances under which the loan was incurred. We are avoiding being a guinea pig, in relation to the barging technology. We are staying with proven technology.

Mr. Speaker, I would want to thank Honourable Members, in advance, for the discussions that we would be having on this issue. It is important for the future development of Barbados. There are two considerations which will either help to fuel or to constrain future development. These are the availability of a source of energy and the availability of a water supply. There can be no development at all, without them.

Mr. Speaker, I recently returned from a meeting at the United Nations. Oil producing countries were still saying that only 20 per cent of their countries have electricity. It was an amazing experience. What we want to be able to do is to continue a level of national development, which allows for social equity and justice, which poises Barbados for future development. It is in this context that we seek this loan. It is in this context that Barbados will go forward to negotiate the pipeline arrangement. And we will keep the public fully in our confidence, as this matter proceeds and as negotiations in this matter proceed.

Mr. Speaker, I do not think that I could be anymore forthright with this Honourable House than I have been this morning. I am much obliged to this Honourable Chamber.

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

Mr. R. D. JONES: Mr. Speaker, the matter before us would appear to be quite simple. Therefore, I will not be uncharitable in suggesting that we have had quite a long explanation from the Minister on this. The Minister has stated this is basically to have a loan from the Bank of Nova Scotia, to liquidate a debt from the Barbados National Bank, which has proven to be quite cumbersome to the National Petroleum Corporation. Therefore, if one accepts that particular argument, one would or could, therefore, support the move from a loan that is proving cumbersome, to one which, hopefully, would provide savings over the terms of the loan, by the Bank of Nova Scotia, to the National Petroleum Corporation. Of course, the Honourable Member did not state what would be the quantum savings over time.

Asides.

Mr. Chairman, we have now been able to elicit a response of \$2.5 million. Therefore, one could conclude that this is a strategic move, on the part of the National Petroleum Corporation, to garner these specific savings.

When one looks at what were the terms and conditions of the previous loan, one would find that, in fact, the provisions were quite draconian in what had to be put up, to secure the loan; the assets, infrastructure of the MPC, including guarantees, et cetera. Therefore, this can be seen as a strategic move and therefore would not incur the wrath of this side.

Mr. Speaker, in the expansive declaration of the Honourable Member this morning, this is where we would want to pay some attention because we were essentially treated to the "what if" scenario. The Minister has stated that she will lead a delegation to Trinidad and Tobago, to sit with the principals, to work out the best deal relative to the conduct of gas via this pipeline. I think the Minister has stated it is to the tune of 30 million to 40 million cubic feet per day, and suggested that will impact on 13 000 more households, in the first five years, as well as to guarantee a supply to the Barbados Light & Power Co. Ltd., for the generation of electricity to Barbados.

Mr. Speaker, this, in itself, even in the first five years, based on 85 000 households and just under 17 000 households currently having coverage, we know that there is an exceptionally heavy demand for natural gas usage in Barbados. Therefore, 17 000 current use, plus the expected 13 000 to be provided by the flow - that too is a "what if" scenario - would bring us to some 30 000 households, which leave a substantial deficit of households to be serviced by natural gas in Barbados.

Sir, therefore, using the "what if" scenario, nothing as yet is written in concrete or in stone. Therefore, one would have to hope that the negotiations would have been successful, that the major private sector investors, starting with Guardian Holdings, would, in fact, conclude that arrangement, which would bring the much needed natural gas to Barbados.

Sir, it creates another dilemma for the National Petroleum Corporation. I have heard, from time to time, the voices of the Chairman of that Corporation and of the other principals involved there, where they have been asking for financial resources to expand the pipeline infrastructure in Barbados, so that they could bring more clients on line.

This \$14.4 million to be used, to retired or to liquidate a debt, does not bring any added financial resources to the National Petroleum Corporation, yet we are looking to bring in a pipeline, to ensure that 13 000 more households would get natural gas. Sir, the National Petroleum Corporation is already starved of resources, to

put new infrastructure in place, to bring these persons on line.

11.50 a.m.

Tuesday, May 15, 2007

Mr. R.D. JONES: Sir, from where is the money going to come, to put down the infrastructure in places like Kingslands where people have been screaming for natural gas. Sir, I know that some parts have natural gas but some old ladies have been calling me on a frequent basis, who have to beg persons to put the 25-lb cylinder bottle in their cars to drive to the service station. How is the National Petroleum corporation going to get the money to have the pipeline laid to facilitate these persons?

Mr. Speaker, we are doing one thing but there is a greater problem, which confronts the National Petroleum Corporation. It is not only the question of declining natural gas stocks here in Barbados, you are bringing new stock but you do not have the distribution network because of the issues which face the National Petroleum Corporation in order to meet the demands by the consumers, particularly the home-owning consuming public of Barbados. Mr. Speaker, the National Petroleum Corporation has been in an operating deficit situation for a number of years and available information would suggest that the losses are still mounting. This would suggest that the corporation is not operating at its maximum efficiency or maximum effectiveness, relative to the distribution of natural gas with Barbados. I look forward to hearing the Chairman of that Board speaks to these issues. It is all well and good to say that you have not increased the cost of natural gas over several years to the public but we would always like to find a situation where the consuming public is able to get energy at the lowest possible cost. You have a corporation where an entity is being starved and basically not proving to be efficient and effective in the distribution of natural gas to the consuming public. Therefore, if one wants that corporation to achieve its mandate, that is, to get natural gas distributed to the consuming public of Barbados, there must be new arrangements put in place in order for the National Petroleum Corporation to be effective in distributing the natural gas to those persons who want natural gas.

Mr. Speaker, I am sure that if you consider the books of the National Petroleum Corporation that the requests would be many, either coming by single letter, petitions or whatever else to the National Petroleum Corporation of Barbados. Therefore, let us come to grips with the current reality that we are faced with, rather than the hypothetical exercise, the "what if" scenarios that are being painted by the Minister responsible for energy.

We also have been regaled for some time with the promise, based on seismic data, of substantial finds of oil or natural gas off the coast of Barbados. Again, that is creating an expectation and a promise in the minds of Barbadians that somehow, something would happen. We are not yet satisfied that something is there and one would hope, for the energy needs and the foreign exchange needs of Barbados, that whatever is done can generate the kind of energy savings and the kind of foreign exchange earnings, which would be of benefit to Barbados.

One would also hope that there would be substantial generation of natural gas, which would further boost the capacity of the National Petroleum Corporation to ensure natural gas to both the ordinary citizen and to those

100-odd commercial enterprises, which the Minister spoke about in her presentation, to help them to fuel their businesses.

Mr. Speaker, one has seen situations in the past, where households have been bypassed in order to provide natural gas for commercial entities. One would hope that in the future, that places Marchfield, in St. Philip and areas in St. George, which have been bypassed, that these commercial entities would be provided with natural gas. One would hope that in the future that everybody who needs it would be able to tap in to be serviced by the National Petroleum Corporation.

Sir, the fundamental point I am making has to do with the future promise and, as a loyal Opposition, we would want to hope and dream as well that there is substantial deposit of both natural gas and petroleum oil in the offshore environment of Barbados and that Barbados would have substantial benefits, which would assist in the provision of enhanced social services to the citizens of Barbados as a result of major finds and that a buffer would be created in the cost of living, relative to the provision of cheaper fuel to the citizens of Barbados. Sir, if one uses Trinidad & Tobago as an example as a major supplier of oil and natural gas, where cheaper fuel goes to the commercial consumer so that cheaper prices would percolate downwards to the consumer in Barbados...

Mr. Speaker, from this end we hope that the "what if" scenario is translated into an "is" scenario, that these things are available; that in fact - I am not questioning the veracity of the Minister - there would be no cost to Barbados of the pipeline tracking off Tobago and ending up somewhere off the west coast. Sir, there should be cost but we will be paying for the end project; the natural gas arriving here in Barbados to fuel the consumption needs of Barbados.

Mr. Speaker, one cannot disagree that natural gas is general a cheaper, cleaner fuel and, therefore, there are

environmental concerns, relative to this. We do not think it is problematic because there are pipelines carrying fuel for years across some of the most rugged and permafrost terrains in the world. Therefore, the concern relative to the laying of pipelines under the sea should not be a major issue.

H133/12:00

Sequence 12

Tuesday, May 15, 2007

House 133, Sequence 14, 12.10 p.m.

Dr. W.F. DUGUID: Therefore, the National Petroleum Corporation (NPC) in its wisdom, along with the Ministry, went out to the industry and looked for ways of getting new supplies of natural gas to Barbados. We knew that the pipeline was around and people had mooted the pipeline but we were not seeing any action, so we decided to go and look for other entities. We found that there was another entity, called compressed natural gas or CNG, and looked at it as certainly an option to be considered.

I am very pleased and happy today to see that even although that entity has not been the proven entity, what it has done, it has given the impetus, certainly to the pipeline people and now the Cabinet and Government of Barbados, to be able to start the negotiations to get the gas to Barbados.

We heard the Minister say, and I agree with her one hundred percent, that the natural gas coming to Barbados is a good thing. It is a cheaper and cleaner alternative, and it is better for the environment and the economy.

Our projections indicate that if we are able to import natural gas into Barbados, we would be looking at a saving of about \$20 million to \$40 million on our gas energy bill. This is \$40 million in foreign exchange that we would not have to be looking for. Sir, we should have done it much sooner.

I heard the Honourable Member for Christ Church East Central speak about the cost of the infrastructure, but that is all tied up in the importation, and I go back to when we were selling gas to the Barbados Light and Power Company, Ltd., through Wagner. When we could sell gas to the Barbados Light and Power Company, Ltd., through Wagner, the excess benefits from profits made from that, were used to expand the grid.

Sir, by similar means, when you could sell gas in the large quantities to the Barbados Light and Power Company, Ltd. via a pipeline imported gas, those profits again, could be used to expand the grid. This means that we

could get natural gas, not only in the urban corridors or along the south and west coasts, but we might even be able to extend it all the way up to the north in St. Lucy. I would think that the Honourable Member for St. Lucy would be happy to hear this, Sir.

Mr. Speaker, there are other programmes. We looked at using canisters. What happens is that when you have rural districts, it means that you have far expanses of cane fields and areas where you do not have houses on both sides of the road, but you would have to lay a pipe to get to the rural areas. This is called, "dead pipe" because you cannot benefit from any economic activity, since nobody can benefit from that pipeline while it is moving from one rural district across a few miles to another rural district.

Sir, what do you do? You bring gas in canisters to that district. You locate a canister there, which you replenish on a regular basis and that canister with a compressor, can pipe gas to that district. We looked at a pilot project in Lammings. We were looking at one in St. Lucy, and I do not remember the district, but it has a large population base, where you can use a compressor and a storage facility to pump gas to that district. As I said, you save on "dead pipe", which is the pipe to connect from the grid to that district in between. I think that is an important initiative and project, which we need to look at, Sir.

Sir, there are tremendous opportunities for natural gas. There are many districts across Barbados that are crying out for it, and we at the National Petroleum Corporation would love to be able to get natural gas to every single district but we have two constraints.

The first constraint is the availability of the gas and if we could fix that constraint by virtue of having the pipeline bringing the quantities of gas, then we could fix the second constraint, which is the availability of cash to put in that infrastructure. Sir, by virtue of having the large quantities of gas, to be able to sell for power generation, this in itself will be a place to generate cash to be able to meet our mandate of getting gas to the households. I actually look forward to the day when we can see the first set of gas arriving here in Barbados.

Sir, let me clarify a few matters. A pipeline is tried and tested technology but it is also extremely technical. It is not like hooking up a garden hose from one house to the next. There will have to be a tremendous amount of work done in terms of surveys. I understand some have been done, and a lot more work has to be put into this but key, of course, must be the negotiation of the price.

We are aware of a price being negotiated for Jamaica, and then a change in that arrangement that put Jamaica in difficult times. The House may not be aware but I heard that Trinidad may not want to provide gas for

industrial use, but would be prepared to provide gas for power generation and domestic use only.

The negotiations into this pipeline are critical because the use of gas and the price of gas, whether it is going to be a take or pay situation. That is, we have to pay for the gas whether or not we use it, or we are going to pay for only the gas that we use. Therefore, this is critical and I would encourage the Minister to look carefully into these matters. I am sure she and her team will get the best contract for us.

Sir, unlike any of the other ways of bringing gas into the country, when you put down an investment, I believe \$185 million, \$186 million or whatever, to lay a pipeline to bring a commodity, it is not something you would pick up and move somewhere else and say after ten years that we are finished and we could go to something else.

Sir, we also have to be cognizant that if we are selling bid blocs offshore of Barbados, there is an opportunity that may present itself, where we may hit gas offshore, and we may want to use our gas from offshore. Sir, all of these things have to be looked into and taken into consideration, when the Minister and her team go to the negotiating table.

Therefore, I am happy to be a part of this Barbados Labour Party team that is opening greater opportunities for this country. This debate here will prove to be a watershed in the economy and development of this country. I say that because this project of bringing natural gas into Barbados, will be a tremendous developmental move by this administration. This will help this country to realise its goals of becoming one of the smallest developed nations.

Mr. Speaker, it is with great pride that I look forward to that day, when we could see natural gas arriving here on these shores. Sir, you know, the Minister was not political, and the Leader on the other side who led off the debate was not political, but I have to be political here because, if it was up to the other side in the early nineties, they would have privatised the National Petroleum Corporation. They would have privatised BNOC. They would have taken the price of natural gas from being the small number of cents, I believe, 20 cents or whatever per cubic foot, to maybe \$2 and \$3. They would have hurt the domestic users.

House 133, Sequence 14, 12:20:14

Tuesday, May 15, 2007

Dr. W. F. DUGUID: I have seen the papers. I have made them documents of the House. They wanted to sell the National Petroleum Corporation and the Barbados National Oil Company Limited (BNOCL) for \$10 million when they had evidence that they were valued \$16 million

each. That is what that side wanted to do. Sir, we know that is what they would have done, because they did it with Heywoods Hotel and with the Arawak Cement Plant.

Mr. Speaker, I am so happy that two members of the staff of the National Petroleum Corporation took it upon themselves to bring an injunction against that administration and stopped them from selling the National Petroleum Corporation and the Barbados National Oil Company Limited. Mr. Speaker, if that did not happen, we would be out to sea today without a paddle.

Asides.

Dr. W. F. DUGUID: It is going to be political too because that is what they wanted to do and that is what they were not allowed to do. Mr. Speaker, I challenge any of them over there to get up and deny the matter.

Mr. Speaker, I just want to make one other point if you would allow me. I have to again congratulate the staff of the National Petroleum Corporation and the BNOCL because you would be aware that a month and a half ago, we had to move a very substantial pipe from one side of the highway further off to another side of the highway. Mr. Speaker, at that time, we had to shut down the supply to the whole of the West Coast where you would find many hotels, restaurants and houses.

Mr. Speaker, I am happy to report that manoeuvre was completed uneventfully with no other difficulties and with no interruptions to the users other than during the period. I commend the staff for really organising that procedure. It had never been done in Barbados using new technologies to be able to provide a service and enhance the highway expansion.

Mr. Speaker, I support them and I look forward again to this debate.

I thank you.

SUSPENSION OF SITTING

Hon. R. R. FARLEY: Mr. Speaker, with the hour being 12.22 p.m., I beg to move that this Sitting be suspended until 1.30 p.m. today.

Hon. G. A. CLARKE: 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 133 Sequence 15

12.24 p.m.

Tuesday, May 15, 2007

RESUMPTION

Mr. SPEAKER: This House is resumed. The Honourable Member for St. Lucy.

Mr. D. St.E. KELLMAN: Mr. Speaker, I will begin my debate where the Honourable Member for Christ Church West has ended. Sir, the point made by the Honourable Member for Christ Church West is that the Democratic Labour Party in the 1990s, wanted to sell the NPC and the Barbados National Oil Company (BNOC). The evidence will show that the NPC and the Barbados National Oil Company (BNOC) are two organisations that have created substantial losses. What the Honourable Member, did not tell this Honourable House, that if one wanted to have a comparison, one would then have to have an analysis between the decision to sell the BNOC and the NPC, versus the Barbados National Bank and the Insurance Corporation of Barbados.

Sir, clearly if the Democratic Labour Party wanted to sell the NPC and the BNOC and these were two entities that were making losses, then there would have been justifiable reasons why any Government would want to sell any entities that were making losses. The Honourable Member, would now have to equate and give the reason, as a Member of the ruling Government, why he would have made the decision to sell entities that are now making substantial profits.

Mr. Speaker, we are not here to quarrel over these matters because when one looks at the evidence of the Arawak Cement Plant and that of Heywoods, clearly their contributions to the Consolidated Fund, would demonstrate that the decision by the Democratic Labour Party to sell Heywoods and the Cement Plant, has been positive to the economy of Barbados and that ruling, even though they might have lost a Government based on those factors, the evidence is now clear that was not a bad decision.

Mr. Speaker, as we go further north, one would have thought that in a debate dealing with natural gas and an oil line coming from Trinidad and Tobago, one would have used that as a major point, to substantiate the reason why we should have had that oil line, not in the promise, but why we should have been speaking about the workings of the oil line.

1.40 p.m.

Tuesday, May 15, 2007

Mr. D. St.E. KELLMAN: Asides.

Mr. D. St.E. KELLMAN: Mr. Speaker, there is direct relationship between natural gas and oil but we will not discuss it at this point in time. Sir, it is clear that the natural gas line is of some benefit to the Barbados Light & Power Company and also the Arawak Cement Plant. Sir, when one considers the tremendous cost that would have to be incurred by the Arawak Cement Plant, to the best of my reckoning, it would be \$15 million that the Arawak Cement Plant would have to fork out, it is in the interest of the Government of Trinidad and the Government of Barbados to ensure that natural gas line is laid and that it becomes operational as soon as possible. It will have tremendous effect on the economy of Barbados. Sir, you know that construction is now one of the leading indicators in the growth of the economy of Barbados and if we encourage that to continue, then it would have effect on the growth of the construction sector and also on the growth of the economy. Sir, we will see a slowing down in the growth of the economy because of the natural gas line and we cannot afford to allow it to occur.

Mr. Speaker, my comrade said that this side would offer critical support but that is the kind of critical support that we offer because we have recognised that this decision is not one that could easily be sold to the public of Barbados.

Mr. Speaker, it is rather interesting that this natural gas line was on, then it was off and now it is on again. Sir, it took a smart writer in Barbados to indicate that this natural gas line was on the table...

Mr. SPEAKER: Honourable Member, are you referring to yourself?

Mr. D. St.E. KELLMAN: Sir, you cannot refer to yourself in here, so how dare you ask me to break the Rules. I will not break the Rules. I will abide with the Rules.

Mr. Speaker, this debate today is much higher than one thinks when one really looks at it. This has a lot to do with the PetroCaribe oil deal. I heard a lot of talk about the problems as it relates to Jamaica and not having the ability to get natural gas from Trinidad. I think it would be unfair of us not to look at the total picture because Trinidad was supplying oil to the whole of the Caribbean and just because somebody was able to dangle a carrot, the Caribbean cut loose from Trinidad, went to Venezuela and ignored all the CARICOM principles, but would now expect Trinidad not to sell them oil but to sell them natural gas. Sir, we have to be fair about this. This is why is not surprising when the Trinidadians decided that instead of having Venezuela as the enemy that they would now go strike a deal with Venezuela.

Mr. Speaker, the time of that was not surprising either because I found it rather strange that as soon as the Minister of Energy in Barbados announced the oil finds in our territorial waters, that the two decided they were coming together to be partners because the way international politics operate, somebody felt they had to come together with each other to ensure that when Barbados finds its oil that Barbados would have to look for a market in which to market the oil.

Mr. Speaker, the Minister looks surprise but if the Minister believes that my assumption is wrong, I think she would have to take some advice from the Minister of Foreign Affairs, the Senior Government Minister and have a lesson in international politics as to how these things are played out.

Mr. Speaker, we have to be very careful because even though we want this natural gas line, there must be an agreement with Trinidad, in case we find the amount of oil we expect to find and that we can supply our share to Barbados, that we are not locked into this agreement in such a way that we have natural gas and have to burn it off and then we cannot supply it to our own economy.

Mr. Speaker, it is okay to sign the agreement but one has to be very sure how the agreement is signed because we cannot find ourselves in the same situation that we found ourselves with the Venezuelans. Sir, as you know, when you hear the word "Venezuela", you have to be very careful because, as a Parliament, we have already fork out large sums to Venezuela, even though they were in breach. Sir, I have been in here long enough to understand these things and, as a guardian of this Parliament, I have to ensure that we do not find ourselves in a position, where this situation replays itself and we are on the losing end.

Mr. Speaker, the Minister is right at this point in time in seeking to get the gasoline but the Minister needs to tell the people of Barbados that if we have this find, why are we delaying the process. Sir, one would have expected that we would have seen a more concrete situation where if we are going to have these large oil finds and we know that one of the by-products would be natural gas, that there would have been some budgeting for the natural gas that would come out of it. Sir, I can understand why the Chairman of the National Petroleum Corporation would be happy to get these new finds because when one looks at the balance sheet, one would understand that the Chairman would not want the balance sheet to reflect his performance and, Sir, we understand all these things.

Mr. Speaker, as we are here today dealing with the loan, it is mind-boggling that the loan we are now seeking to liquidate was negotiated some three years ago. I find it rather interesting that a Government so fortunate would negotiate a floating rate loan and would not have

recognised that in these conditions, that a floating rate loan was not the best thing to occur. It is interesting, based on the information given by the Minister that the rate of that loan is still not as high as what we would pay on this new loan. I am told that the rate is 9.75 per cent and if I looked at my documents well, this new loan is now at 10.25 per cent. Sir, if that is correct, it tells me that this loan...

Hon. Miss H.E. THOMPSON: Mr. Speaker, on a point of order. The original loan started at 6.45 per cent and the rate went up to 9.45 per cent and the rate on the new loan is 7.25 per cent.

Mr. D. St.E. KELLMAN: Mr. Speaker, somewhere in the document I saw a figure of 10.25 per cent but we will not quarrel about that because if there is an error there is room for correction and I think the Minister would move the necessary amendment to correct that particular error. Sir, you cannot blame me for reading and going with what is in the document because, Mr. Speaker, as you know, what comes before this House is made a document of the House and we must accept it. If the Minister is telling me that we cannot accept the document of the House, then there is a need for the appropriate amendment to be made.

Mr. Speaker, when one looks at the various interest rates, there is no big different and one would have to question the real reason why this loan is now being brought before Parliament.

133/13:50

Sequence 17

Tuesday, May 15, 2007

Mr. D. St.E. KELLMAN: ... Is it that we have a situation where the National Petroleum Corporation failed to uphold its obligation to the bank and the bank put some pressure on it, forcing the Government to step in, or is it the bank initiated some penalties on the National Petroleum Corporation? Sir, when one looks at the interest factor alone, that cannot be the reason. There has to be another reason.

Asides.

Dr. W.F. Duguid: On a point of order. The Honourable Member is misleading the House, but I will try to assist him. This is a totally strategic position by the National Petroleum Corporation to save funds. We intend to renegotiate a loan on better terms to reduce the repayment that is all it is, a savings of \$1.2 million.

Mr. D. St.E. KELLMAN: Clearly, when one looks at a loan, considering it is not a floating loan, it is fixed in principle, it is not fluctuating in rates, the only other factor

one can look at is the interest factor. That is, when one looks at the interest factor and sees a figure of 10.25 per cent as against 9.45 per cent, 9.45 per cent cannot be more. It has to be less. If the original loan is at 9.45 per cent and the current loan is 10.25 per cent, it cannot be a saving. It has to be an additional charge. That is all I am saying, based on figures.

Sir, if the Government has another way of turning a higher interest rate into a small interest rate, I will have to give way to the Government. I would hope that when the Honourable Minister gets us, the Minister would be able to explain to this Parliament how 10.25 per cent is less than 9.45 per cent.

Mr. Speaker, that is not all. We have to be very careful how we move interest rates in this country. I want to make this point again. It is in the interest of Government to have a low interest rate regime, a point that I have consistently made to this Parliament. The reason is that it cannot be about savings, it has to be about investments. A low interest rate regime allows a country to have better investments than savings. As long as you allow banks to have floating rates, high interests, you will get this particular problem. I am telling Government not expect me again, in this Parliament ... I know that if I go back to the debate, I can tell you exactly what I said, even though I have not seen the debate, because I could not have accepted this, a floating rate regime for loans.

I hope that Parliament would not again, come here, based on the policy of the Government, and have a floating rate regime. It is not the loan. It is the agreement of the loan. There is nothing wrong with starting at 6.45 per cent. The problem arose, because it was a floating loan, and we now find ourselves in this particular position. The problem is not the present rate, it is where the rate will go.

Sir, if we are at 9.45 per cent and the Government is worried, it tells me that the Government expects interest rates to be as high as 13 to 14 per cent. That is what the Government is worried about, not the current position, but the future position. Mr. Speaker, based on the current position, there is no reason to renegotiate this particular loan. It is the future position and it is because of the floating position.

Sir, we have to understand that a country like Barbados needs investments. It needs to increase workers production. There are people in Barbados who believe that investors and workers should not be given latitude, that we should oppress workers and investors. That is wrong. A country that is small like Barbados, needs to have a situation where we encourage investments and savings, because one knows that in terms of investments, you can get dividends and capital gains, providing you do the right things within the economy. We must be sure that we do not

encourage people to take investment out of the economy and transfer it to savings.

Sir, based on what is going on here today with this floating rate regime, we are encouraging people who would normally have invested in the National Petroleum Corporation, not to invest in NPC, but to put the money in the bank to enjoy higher interest rates. I am saying this is wrong. We need to encourage more persons to move their money from the banks into investments. It would create a better business atmosphere, more work and improve the name of Barbados as an investment climate.

Mr. Speaker, we need to ensure that we understand the importance of local investments as opposed to local savings. Too often, we mix up savings and investments, which is wrong.

Mr. SPEAKER: Honourable Member, do not go into that now, please. It is irrelevant.

Mr. D. St.E. KELLMAN: It is irrelevant? I will have to abide by your judgement.

Mr. SPEAKER: It is good to hear it, but it is not the right time.

Mr. D. St.E. KELLMAN: Sir, you said that it is irrelevant. I am finding it a problem to discuss higher levels in this Parliament.

Asides.

Mr. D. St.E. KELLMAN: Sir, if my principal tells me that I should not expand my knowledge, I have to agree with my principal.

Sir, another point made was the Wagner Drilling Programme. No one can dispute after hearing the Honourable Member speaking on this particular issue, that one would have to agree that we need to get back to drilling new wells, because, clearly, if the present Government is not drilling new wells, then it could only blame itself. Based on the Wagner Drilling Programme, it is clear that the National Petroleum Corporation was in a better position when it was drilling new wells, because it had something to sell. Currently, what the present Government is doing is starving itself to protect somebody else's interest. Why is there no a drilling programme when evidence shows that whenever we have a drilling programme, we can sell approximately \$300 000 to the Barbados Light and Power Company Limited.

Mr. Speaker, I am saying that the evidence is greater, because it is not only the housing demand for natural gas, it is not only the Barbados Light and Power Company Limited that would like to buy natural gas, but there is a

dire need for the Arawak Cement Plant to be able to get some of this natural gas too. There is sure revenue coming from the Arawak Cement Plant if we were to supply them, considering that the gas line is not too far away from the Arawak Cement Plant. Sir, as far as my memory serves me, it is either by the Heywood or the Fish Pot. If that is so, we need to do the necessary.

Mr. Speaker, the Honourable Minister has to answer. What is the expected floating rate of the Barbados National Bank loan? That is the problem. The Barbados National Bank loan, clearly based on these figures, could have gone as high as 14 or 15 per cent. The Minister was prudent, recognising that when she looks down the road, the servicing of this loan would be very high. The Honourable Minister needs to level with the Honourable House, by providing these figures.

Sir, it has also brought on a very substantial point. Are you aware that if we had still owned the Barbados National Bank, we would not be in here discussing this, because we would just transferred it from the left hand to the right hand, and we would not have to worry whether the bank would be holding security or whether they would sell out the National Petroleum Corporation or anything like that.

Sir, we would have been doing...

Mr. SPEAKER: Honourable Member, I do not think there is any need for you to go into that, because that argument could be use for so many other things.

Asides.

Mr. D. St.E. KELLMAN: Sir, I now see why you retired from politics. The same person that set it up, is the same person that sold it.

Asides.

14.00 p.m.

Sequence 18

Tuesday, May 15, 2007

House 133, Sequence 19, 2.00 p.m.

Asides.

Mr. D. St.E. KELLMAN: I am a believer in divestment, but at the same time I am not double standard believer. I am not criticising. I am just showing politicians how they have to be very careful when they want to double talk. Everybody knows that I am one of those who believe

you should sell State assets to buy State assets, but I do not believe in selling State assets to buy goods and services.

Asides.

Mr. D. St.E. KELLMAN: No. I was making the point.

Mr. SPEAKER: It would have to be double talk.

Asides.

Mr. D. St.E. KELLMAN: Mr. Speaker, I cannot argue with you, because you are not political, but I can argue with the Honourable Member for St. James South. I have to respect your position, so I will abide with your ruling.

Sir, it is clear that we have now come full circle, and we have to recognise that these debates are not simple. Our debating has to be taken to another level, which they have gone.

It is clear that in three years, the NPC was able to repay \$1.2 million of that loan, because to the best of my knowledge it was \$15.6 million that would have been borrowed originally, and now it is at \$14.4 million. Sir, based on the evidence, they were servicing the loan without any problems and the interest rate has not reached what we are now getting from the Bank of Nova Scotia, so the Minister needs to tell this Parliament what was the expected interest rate, which would have caused the Ministry to make a decision not to continue with the Barbados National Bank, but to renegotiate this loan, and to go with the Bank of Nova Scotia.

Sir, an assurance must be given that this loan from the Bank of Nova Scotia is not a floating loan either, because it would not make sense to move from one floating loan to another floating loan, and then to have to come back later on and do the same thing. I saw where there is a difference of 2.5 per cent and I will have to study that more carefully to ensure that we are not putting ourselves in a position where there is a possibility of a float again.

Mr. Speaker, too many people believe that the interest rate is the only factor. Sir, as I said already, when you are dealing with fixed loans, the interest rate is the factor. But when you are dealing with fluctuating loans, that is, loans in currencies where the interest rates fluctuate, the interest rate is not the only factor, and one has to look at the appreciation or the depreciation of the loan.

Mr. Speaker, I have said to this Parliament already, we had a good example of that with the Japanese loan, and the EURO loan, even though experts gave the impression that the Japanese loan was the positive and the EURO loan

was the negative. Mr. Speaker, you know that I have told this House that the opposite occurred.

Mr. Speaker, it is true now that the Pound has gone passed \$4, we will now have to worry a little about the EURO loan. Sir, I now have to demonstrate and people would now be able to appreciate the point, now that it has climbed over the \$4 we are having to service a little higher than normal on the EURO loan. The compensation factor of that, we have been able to do it now for 17 years at a discount. Therefore, if you do it for one year or a couple of months at a premium, it is nothing to be alarmed about, Sir.

Asides.

Mr. D. St.E. KELLMAN: You have not seen it for a long time? That is the right and that is the point. When we borrowed the loan, it was at \$4 but it never reached that level, so it means that the loan was discounted. Therefore, even though the interest rate was 13 per cent, the true effective interest rate was really 7 per cent, because of the discounting of the loan. What you would see now that the rate has increased to over \$4, the effective interest rate would now be a little more than 13 per cent, but nothing to shout about, because you had 17 years of savings.

Mr. Speaker, you can better understand what I have been saying about the EURO loan and the Japanese loan. Sir, we will find it difficult, based on what was said before, to accept what was told to us earlier this morning. The Minister will now have to come and justify to this Parliament, the real reason for the shift from the Barbados National Bank to the Bank of Nova Scotia. The Minister would also have to demonstrate that the Barbados National Bank's interest rate would have been higher than that of the Barbados of Nova Scotia. Sir, as it stands right now, based on the statistics before us, those statistics are lower and not higher, and the Minister can only be speaking about a future plan and not a current plan.

I thank you, Mr. Speaker.

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

Hon. G.A. CLARKE: Mr. Speaker, I want to speak briefly on this particular Resolution before the House. I commend the Minister, who has outlined a programme for the NPC in the short...and indeed, she has explained to us today what is expected in the long-run period. I want to commend this proposal to the Honourable House.

I believe that any entity that looks at its financing package, when you look at the interest rate of loans today, you see that most loans are really of a floating nature. Very seldom do we have a fixed rate for the entire duration of a loan. It is commendable that the NPC would seek to

refinance a loan, which was moving from approximately 6.2 per cent to 10.2 per cent. I believe one has to commend that entity for doing such.

Sir, when you look at how we borrow money today, those of us who have mortgages know that most mortgages are maybe for a three-year period, and then you have to negotiate the interest rates. Therefore, I would say that interest rates are important and we have to be cognizant of the fact that very often we have to refinance loans. Sir, I want to support this wholeheartedly.

I want to also commend the NPC for having to maintain the price of 30 per cent cheaper than the other fuels. It is important when you look at a situation where the NPC, as the Honourable Member for St. Lucy said some time ago, was making losses so they wanted to sell it.

We, since coming to office, have recognised that the NPC is not only an entity to make substantial profit but also to provide a service to the people. Mr. Speaker, we have demonstrated, like other industries and service providers that we have to provide a service to the people of this country. Sir, not often we have to look at the pricing mechanism to create profits, as the Honourable Member for St. Lucy would want us to believe, and we are not going to sell of the silver of our country, just because an entity is not making profit.

Therefore, we believe that the NPC has a role to play, not only in the urban area for big business, but also for the people of this country. I was very heartened when I heard that the NPC has been doing some expansion, not only in the urban area but the suburban and indeed the country areas.

I remember seeing the pipeline in the St. George Valley, when I was a boy. Sir, since 1994, we have seen the NPC line moving towards Salters, St. George, into Charles Row Bridge, and into Parish Land. As I understand it, the natural gas will now move further afield to the Lower Estate and Rowans Park areas. I want to commend this type of programme to Honourable Members.

It is true, and I made the point before, that the Minister has outlined a long term strategy for the industry. I believe that the demand for natural gas is really an elastic one.

House 133, Sequence 19, 14:10:15

Tuesday, May 15, 2007

Hon. G. A. CLARKE: Persons out there want natural gas. Natural gas is important not only to industries but to households. Families used it for heating and water. In North America, families cannot do without gas. In

Barbados we mainly use energy as a source of heating water and cooking. Mr. Speaker, I believe that more use can be facilitated through the use of natural gas when it is used in its entirety.

Mr. Speaker, we look forward to the further expansion of the natural gas service. We want to thank the National Petroleum Corporation for the expansion that they have done so far. We heard the Chairman of that entity made the point today that they were involved in changing a number of lines across our busy streets without much disruption. Mr. Speaker, it is important that we work together in order to provide a happy mix for all concerned.

Mr. Speaker, I want to commend this new arrangement with the pipeline with Trinidad. Mr. Speaker, the cost of energy could be reduced if we are able to provide this service with the pipeline from Trinidad.

Sir, while we are in this expansion mode, it is important for us to recognise that as we move forward as a country, we need to properly protect not only our industries but also our people.

Mr. Speaker, the Honourable Member for St. Lucy made the point before, that this is not the first time we have worked with the Trinidadian Government and the people of Trinidad to provide a proper integration programme for both countries.

Mr. Speaker, as we work together for this to ensure that households across Barbados get the natural gas, the capital works programme must be outlined. We have to know up front when the work would be carried out. Sir, over the past year or so we have worked with the utility companies - when I say utility companies, I do not only mean the provider of natural gas, I mean the provider of all utilities - in order to provide that happy mix, because we know the disruptive nature of the installation of utilities.

Mr. Speaker, in the past three or four years, we have established a working committee where we know up front the programme of the Barbados Water Authority, the programme of the National Petroleum Corporation, the programme of the Barbados Light and Power Company Limited and of course the other service providers.

Sir, we have seen the disruption that had been caused in the Christ Church area when we had to dig up the roads in the St. Michael area. In some areas across Barbados, we have noticed that when the capital works programme is not known by the Ministry of Public Works and Transport, it can cause serious disruptions not only to family life but also to the smooth running of the transportation system in our country.

Sir, that is why we have to work together because once the pipeline is here, we would prefer to work and map out a strategy where the pipeline are fitted outside of the carriageway. Today, we are in an expansion mode. As you would have noticed, Mr. Speaker, we have been expanding our highways and so on. This would help because the National Petroleum Corporation and those entities would be able to place their lines outside of the carriageway where the disruption of traffic would be minimised.

Mr. Speaker, the Ministry of Public Works and Transport looks forward to working with the National Petroleum Corporation in order to provide service to the people of Barbados with less disruption and less cost.

Mr. Speaker, in order to keep the cost down for the people of Barbados, we have worked out an arrangement with the National Petroleum Corporation, where the Ministry of Public Works and Transport would be digging the tracks across some of our busy streets, not in every case, and they would lay the mains and then provide the technical facility in terms of backfilling and ensure that the pipelines are properly secured.

Mr. Speaker, this programme, as outlined by the Minister, is futuristic. We could look forward for good things coming from the Ministry of Energy and the Environment, not only for my constituency but for all constituencies across Barbados, because energy is important to the well-being of our people.

I thank you.

Mr. SPEAKER: The Honourable Minister will now wind up.

Hon. Miss. H. E. THOMPSON: Mr. Speaker, I would wish to thank all Honourable Members on both sides of the House who spoke in this debate. I wish to assure the Honourable Member for St. Lucy that the rate of the loan is in fact as I gave it to the House today. The original loan with the Barbados National Bank was 9.45 per cent, the rate with the Bank of Nova Scotia is 7.35 per cent.

Mr. Speaker, I do not think that during the course of the debate there were any issues that I did not traverse in my opening.

I beg therefore that this Resolution do now pass.

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

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

ORDER No. 12

RESOLUTION TO APPROVE THE COMPULSORY ACQUISITION BY THE CROWN OF PARCELS OF LAND SITUATE AT FONTABELLE IN THE PARISH OF SAINT MICHAEL IN THIS ISLAND FOR THE PUBLIC PURPOSE OF FACILITATING THE EXPANSION OF THE EXISTING WASTE WATER TREATMENT PLANT UNDER THE AMBIT OF THE WEST COAST SEWERAGE PROJECT

Hon. R. R. FARLEY: Mr. Speaker, this matter before us concerns the acquisition of some 10 885.9 square metres of land, which is approximately 2.83 acres of land at Fontabelle. This is land directly west of the existing Bridgetown Sewerage Treatment Plant, bordered on the other side by Lakes Folly; on the other side by the Fontabelle Main Road; and on the north side by the property of Almanac Trading.

There are essentially three commercial properties involved: the property which is best known as Pizzaz Pizza, the business that was there, but the property is owned by one Ishmael Mohammed; the property of Caribbean Fibreglass Products; and the property of Cave Shepherd, where many years ago, they had their warehousing and distribution operation.

As you would be aware, Sir, this area had been the subject of acquisitions on several occasions previously. Indeed, in addition to the lands on which the existing Bridgetown Sewerage Treatment Plant is located, there would have been lands directly east of these lands to be acquired, which were also acquired. These lands have been identified as being required for the proposed West Coast Sewerage Project. Indeed, that project is very much integrated with a necessary expansion of the Bridgetown Sewerage Project.

House 133 Sequence 20

2.20 p.m.

Tuesday, May 15, 2007

Hon. R. R. FARLEY: Indeed, you may recall that the proposals for the construction of the new facility, to enable there to be a West Coast Sewerage Treatment System, to take effluent from as far north of St. Lucy, coming down the west coast, into Bridgetown, would have also included a complete replacement of the existing plant, once the new plant was functioning. Mr. Speaker, this 2.83 acres of land, directly west of the Sewerage Treatment Plant, is, therefore, required for that purpose.

You would want to be aware that the Bridgetown Sewerage Plant has made a significant difference, not only in the lives of residents in the impacted areas of Bridgetown but it also has...

MR. SPEAKER: I hope you are not punning on those word?

Hon. R. R. FARLEY: No, Sir.

MR. SPEAKER: Do they make difference?

Hon. R. R. FARLEY: Not at all, Sir. As you know, these sewerage treatment plants are intended to improve the conditions of public health, both onshore and offshore because much of the areas around Bridgetown were areas, which were below sea level. Many of them had a high water table and it was difficult to use the traditional means of human waste disposal in Barbados, that of suck wells in these areas. In fact, there are some areas not included in the Sewerage Treatment Plant, which, today, have that problem. For example, Ellis Village, Halls Road and other areas around Bridgetown but it has made a substantial difference.

Additionally, in terms of the water quality of the coastal waters around the Bridgetown area, all tests have indicated not only higher quality water but a return of much of the sea life, which has been absent during the years before the Bridgetown Sewerage Treatment System, when Cowell Street was the popular dumping ground for waste from septic tanks and other wells, which were pumped; that, as well, contributed to no end of environmental challenges. Sir, it is the same positive benefits which have been derived from the operations of a Bridgetown Sewerage Plant, which has caused the Government to have spent some time in planning for a West Coast Sewerage Treatment Plant.

Mr. Speaker, these acquisitions of lands are, therefore, intended to produce benefits to the Barbadian public along the west coast. These benefits would include a reduction of pollution and potential beach erosion along the west coast; less damage to our coral reefs in that area, as has been the case around Bridgetown; and the reduction in the number of septic tanks and suck wells, which are in dangerously in close proximity to our near coastal areas. In addition, the improvement in the quality of water, which is used heavily for sea bathing by Barbadians and visitors alike in those areas.

The need for additional lands around the Bridgetown Sewerage Plant is justified, not only in terms of the proposed construction of a West Coast Sewerage Treatment System but the reality is that two things have changed: one is the nature of technology used in sewerage treatment plants and the other is our environment consciousness. Therefore, at a time that the Bridgetown Sewerage Treatment Plant was designed, the use of a primary treatment facility was pretty much standard and acceptable. These days, environmental consciousness, as well as more widespread availability of high technology,

would mandate that today, any new treatment plant that we build, would not only have to treat to a tertiary level but that we would want to retrofit existing facilities, to be able to take the treatment of the waste to that level. That, of course, requires additional space for new equipment and for additional treatment.

The other issue is that the change in the solid waste profile has seen an increase in the level of septic, which now has to make its way to our sewerage treatment plants, in addition to the waste generated from the waterborne toilet system in houses and residences. Therefore, there is every good reason why we need to move in the direction of the acquisition of these properties for West Coast Sewerage Projects, as well as for necessary expansions and improvements to the existing Bridgetown Sewerage Treatment Plant. In effect, this will represent a natural extension of the existing operations there.

Mr. Speaker, you would recall that the facilities there, which include this 2.83 acres now to be acquired, the existing acreage on which the Bridgetown Treatment Plant is located is also to be expanded on the north and western sides, by the relocation of residents living on those two sides of the plant. That process will not require an acquisition of land because the land, on which those residents are located, is already Government's land. The land to the north, between the Emmerton Playing Field and the Sewerage Treatment Plant, is Crown land, and the majority of persons on that side of the facility have been there for a very long time. Therefore, even though there are very few formal arrangements with the Crown, they are residents of longstanding located there.

By contrast, several of the residents on the western side of the Sewerage Treatment Plant are, in fact, persons who would have moved on to the facility after the relocation of the 1980s, when properties, which were privately-owned, were acquired and persons relocated, in the first instance, in the 1970s and 1980s to Claphams and then in the 1990s, to Bartlett's Tenantry Road, both in Christ Church. The present expansion, therefore, in addition to this acquisition, will include the relocation of those residents.

I will take this opportunity to let Parliament know that relocation is moving full speed ahead. Even as we speak in this Parliament today, the land which Parliament had acquired at Lower Barbarees Hill, obliquely opposite the area which the Pickwick Gap relocation had gone, the roads are at an advanced stage of completion, the drainage is already in place, the wells have been dug and the water mains are being installed in the Lower Barbarees Hill location. We will shortly be in a position to start the construction of the houses, which would be provided for the current residents of the north and west of the existing Bridgetown Sewerage Treatment Plant.

Mr. Speaker, you would remember that relocation has been occasioned by the need to have additional space around the existing Sewerage Treatment facility for the expansion into a West Coast facility, as well as to create what was always intended to be a buffer zone between the existing sewerage facility and the next logical use of the area. It will also provide an opportunity for the expansion of the exiting Emmerton Playing Field southwards and the creation of additional green areas, which could be used as community space within the environs of the Bridgetown Sewerage Treatment Plant.

Mr. Speaker, this action taken on these three properties is both to permit the natural expansion of existing sewerage facility but more important, to implement plans, which the Barbados Water Authority, on the behalf of the Ministry of Health, will provide details for and will do the implementation. I am sure the issues which Honourable Members will have concerning the actual implementation of that project, would be dealt with at the appropriate time by the relevant ministries. That is not the subject of discussion here today, as we are dealing with the acquisition of lands at the Fontabelle location.

2.30 p.m.

Tuesday, May 15, 2007

Hon. R. R. FARLEY: We are dealing with the acquisition of the land at the Fontabelle location but there are other measures, which would come, which relate to the design, the implementation and the construction of the facilities from St. Lucy, through to Bridgetown and which would obviously have a positive impact, when it is completed, on residences and businesses in the area. Sir, naturally, there would be concern about potential negative impact during the construction phase but those issues would be addressed by the relevant ministries at that point in time.

Mr. Speaker, in terms of the cost to the Government, these properties have been valued by the Commissioner of Land Tax and the overall value of the acquisition, some \$6.642 million and, based on the advice of the Commissioner of Land Tax, it is a fair market value for the subject properties and a necessary investment to ensure that we are able to have the space, which is required to properly operate both the existing and proposed sewerage treatment facilities. Mr. Speaker, I am satisfied that this is in keeping with the provision of the Land Acquisition Act.

I beg to move that this Resolution do now pass.

Hon. Miss H.E. THOMPSON: I beg to second that, Sir.

Mr. SPEAKER: the Honourable Member from St. Michael South Central.

Mr. R.L. SEALY: Mr. Speaker, the Resolution before the House relates to the importance of the treatment of our wastewater, in this case, from the west coast area. I think that all Honourable Members of the House are in agreement, given how precious our environment is, that it is necessary that we do such. I really must confess, having paid an interest in these matters for some time now, that even before I was a member of this House, I was surprised to hear that the West Coast Sewerage Treatment Project would see that the sewage would have been treatment by an expanded Bridgetown facility. Sir, I learnt that through this Resolution.

Mr. Speaker, I always understood that there was going to be a separate treatment plant for the West Coast Project with its separate disposal facility and while I understand that the Ministry of Housing and Lands is mainly dealing with the Land Acquisition Act and the acquisition aspect of this, he did venture into the details. Sir, given the recent history of this particular Bridgetown Sewerage Treatment Plant...

Hon. R. R. FARLEY: Mr. Speaker, on a point of order. The Honourable Member is inadvertently misleading the House. I did indicate quite clearly that this acquisition was required for two purposes (1) for the creation of the West Coast Sewerage Project and (2) for the natural necessary expansion and upgrade of the existing Bridgetown Sewerage Treatment Plant. There are, as I indicated, physically on the same compound and I also indicate that there was a Bridgetown Sewerage Project and a West Coast Sewerage Treatment Project, both which required work and land. I did not say that the Bridgetown Sewerage Plant would be burdened with the load of waste from the west coast.

Mr. R.L. SEALY: Mr. Speaker, I think that is understood. We understand that you need to have an expanded facility because there is a larger collection area. The West Coast Sewerage Treatment Project will be the largest of the three in terms of the square area that is being covered. The west coast is going through some tremendous changes in terms of its demographic. We are moving away from hotel plants into the longer stay villa type plant and that has implications for the level of liquid waste being generated and I am concerned that all these factors have been considered.

Mr. Speaker, originally a separate facility for treating the waste from the west coast was on the table but now we are understanding that all the liquid waste is going to be brought down into Bridgetown to be treated at an expanded facility with a buffer zone, et cetera. I think it is a concern, given what we heard about some the explanations

of the Barbados Water Authority for the problems we have had with Bridgetown and not being able to anticipate the load that the Bridgetown Sewerage Treatment Plant has had to deal with.

Mr. Speaker, we need to be very clear here. I understand it is a land acquisition Resolution but the Resolution reads very clearly that the land is being acquired to allow for the necessary expansion and it is nearly 2.5 acres of urban land, so we are talking about a fairly huge industrial establishment for the purpose of treating not only our liquid waste but we are collecting waste from the actual sewers and also from the septic that come from our landfilling operations from the solid waste end, as the Minister quite rightly mentioned.

Mr. Speaker, we are talking about an even larger establishment set up in the middle of our Bridgetown area that has been earmarked for other types of development. I am curious how this fits into the image that has been painted for Bridgetown. The Honourable Member for the City says she is going to speak and I am curious to hear about this because, quite frankly speaking, while I am not suggesting that you cannot have a properly run sewerage treatment system in the area of houses, the south coast is a good example, we have had one our two hiccups but, by and large, residents in the area have not had any complaints about that facility.

Mr. Speaker, I still think that a new multi-acre establishment like this does not fit in, to my mind, with the streetscape and with the lovely plan for the redevelopment of the Bridgetown area. Sir, that is just what I think.

Mr. Speaker, maybe I can be convinced. The Honourable Member for the City wants to say that the Democratic Labour Party came up with the Bridgetown Sewerage Treatment Plant but I am saying that one has to have a limit. Presumably, we would not want to have a huge facility in the middle of our lovely capital city, yards away from the central district. I remember hearing that the abattoir had to be moved because it was not appropriate to have something like that so close to the central business district in Bridgetown. Sir, I am just trying to understand because I do not think that in a matter like this, that we should be learning by chance from reading the Addendum of a Resolution.

Mr. Speaker, at the very least, there should have been some sort of discourse with the residents of the area because these residents have been through a lot. Sir, in that neighbourhood, they have had to deal with the manner in which the Kensington matter was dealt with and they have had to deal with the problems of Bridgetown Sewerage Treatment Plant. Sir, I am not opposing the Project, I am just trying to understand the way it which it has run and the extent to which the people, especially the residents have

been brought into the confidence of the Government. If nothing else, maybe it will spark a much needed debate about our liquid waste.

Mr. Speaker, the Minister quite rightly mentioned that it could have an impact, not only on our terrestrial environment but on the marine environment. I think we have had a lot of debate in this country about the solid waste side of it but our liquid waste has the potential to impact our aquifers, our drinking water supply et cetera and maybe some of these issues can come up when we have the other debate on the overall part of it.

Mr. Speaker, I just needed to understand spending \$6.6 million on 2.5 acres and no one in the area understanding exactly what is happening. Sir, far from hearing that the Bridgetown Sewerage Treatment Plant would be improving its operation just to deal with its capacity, which has given it trouble lately, we are now hearing that sewerage would be brought all the way from St. Peter and St. Lucy in an area that could, eventually, develop and would have again, implications for the capacity of the plant.

Mr. Speaker, I am not making up anything as I go along. I am saying that we need to be clear on it.

H133/14:40

Sequence 22

Tuesday, May 15, 2007

Mr. R.L. SEALY: Sir, I would give the Government the credit for suggesting in its Sustainable Development Policy, that under the West Coast Sewerage Treatment System, wastewater treatment and reuse would be looked at. The Honourable Minister mentioned tertiary treatment. Am I to understand, now, that policy has been shelved, or, if in fact, we would be looking at the use of water at that new facility, for non-portable application, irrigation, et cetera.

Sir, I am just trying to understand, because right now, at the Bridgetown Treatment facility, that is not occurring. We are to understand that it will not be occurring, now, so all of the sewerage from Bridgetown, as well as the West Coast Sewerage Facilities, will, in fact, be treated and put into use for a non-portable application. If that is what I am to understand, then so be it. It was just to say we were not clear. We always understood that a separate facility would have been established for the West Coast Project and this would have been the best of the three, because this is the one that would have seen the disposal in the most creative ways, the tertiary treatment for non-portable applications, or even the ground water recharge, and improving the life of your aquifers. This is

what we understood was going to be happening with the West Coast Sewerage Treatment. I just need to understand, because in this apparent change and shift to Bridgetown, if we also had a shift or a change in the policy, is it because it is an area that, I think, needs to be looked at a lot closer. Sir, as I said, we have had lots of debates on solid waste, land filling operations, but we tend not to understand the importance and impact of this one.

Mr. Speaker, apart from that, as I said, the Honourable Member for the City of Bridgetown mentioned that it was the Democratic Labour Party that had first established...

Hon. Dame Billie MILLER: On a point of order. I have not yet spoken in this debate, but I will.

Mr. SPEAKER: The Honourable Member has not spoken as yet.

Mr. R.L. SEALY: Sir, the Honourable Member has not spoken, but soto voce we did hear.

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

Mr. R.L. SEALY: Sir, I withdraw the remark that the Honourable Member spoke. Sir, sotto voce remarks were made to the effect that the Democratic Labour Party was, in fact, behind the Bridgetown Sewerage Treatment Project. I can say that the Democratic Labour Party was also behind both the South Coast and West Coast Sewerage Treatment Projects. We do not need to be lectured on its importance. We accept that. No one needs to get up to pretend that this is soimportant. We understand that, on this side, but we are just trying to appreciate the shifts and changes, in the apparent policies of the Government, and how they will impact on the people, particularly the people who have already had to deal with so much, from that facility at Emmerton.

I am obliged to you.

Mr. SPEAKER: The Honourable Member for the City of Bridgetown.

Hon. Dame Billie MILLER: Mr. Speaker, it pleases me to be able to make a contribution to the matter before the Honourable House. This is a very important Resolution. I first want to congratulate the Honourable Minister of Housing for the relocation of those persons who lived at Emmerton, and who should have been relocated many years ago, they were reluctant to be relocated in those early years, hence, the "Mighty Gabby's" song "Emmerton". If you listen to the lyrics, you will understand exactly how people felt at that time, about the relocation.

The majority of people have been happily relocated to Clapham and made good lives there. They have been subsequent smaller relocations, but in the area on the Norther perimeter, as pointed out by the Honourable Member for Christ Church East, the buffer zone was long in being demarcated, and the people finally have come to wish now... Sometimes in this life you have to wait until people are receptive to an idea or concept, but the time has come.

Sir, the time has come. I am satisfied that the location at Barbarees Hill is an excellent one. It is cool. It is not as busy a main road as it used to be, when I was a child. I went to primary along there, at Richmond Gap. I used to wait for the bus at Barbarees Hill. It was part of the Highway 1 traffic, which we all took. These were the days before Highway 2A and many other sub-highways. It is not as much traffic nowadays, as, perhaps, it was then. It is not as residential as it used to be. It pleases me greatly that more residences will be established at that part of Barbarees Hill.

Sir, I am pleased to hear that roads, wells, water and all of the utilities have been installed, but I wish, Mr. Minister, to appeal for the replanting of trees and the retention of as many trees as the design will allow. When I was a child, that area had several trees. There were many beautiful urban Great Houses along Barbarees Hill, several doctors lived there. Sir, as always been the social history of Barbados, juxtaposed with those grand houses, with long driveways, were people living in humble chattel houses and that continues to be part of the social fabric of Barbados.

Sir, I believe that people are going to be happy there. Some are already very clear as to where they are going to be on the site and what kind of construction is going to be undertaken for them. I wish to congratulate the Honourable Member Minister of Housing on that. It has taken a long time. Former Ministers of Housing have made their contribution in time, but the actual relocation is now in process.

These additional lands, the subject of the Resolution, have a long history. The question of the location of what is known now as the Bridgetown Sewerage Project or the Plant, was a vexed question in the mid 1970s. There were several options which were before the Government of the time, the Democratic Labour Party. Sir, where we are now seeing the relocation of the Barbados Coast Guard, on reclaimed lands, north of the Bridgetown Port, that was one of the options, but a decision was taken that in the middle of an old longstanding tenantry, at Chapman Lane and Emmerton, that is where the location would be. Of course, the word on the ground, at the time was beacause, a general election was imminent, that as was said of a former Mayor of the City of Bridgetown, that if you could not get the Mayor out of the City, you would take the City out of the

Mayor. It was believed that because Chapman Lane and Emmerton were strongholds of the Barbados Labour Party, that if you relocated enough people from that district, the City of Bridgetown would fall to the Democratic Labour Party.

Sir, it so happened that I became, in a by-election on May 12, 1976, exactly thirty-one years ago, last Saturday, the new Member for the City of Bridgetown. Sir, within a week I was invited to become the Minister of Health, into whose portfolio would fall the very vexed question of the construction of the Sewerage Plant and the relocation of a large number of persons from the district, which had been the strongest support for the Barbados Labour Party, for many years, and continue to be during the thirty-one years that I had the distinct privilege and honour of representing the City of Bridgetown in this Place.

14.50 p.m.

Sequence 23

Tuesday, May 15, 2007

House 133, Sequence 24, 2.50 p.m.

Hon. Dame B.A. MILLER: Mr. Speaker, even in the year when I lost my seat in 1986, I won the Chapman Lane box. I never lost it and I have no doubt that he who will carry the flag of the Barbados Labour Party at the next general election will do even better than I did, right across the City of Bridgetown because he is one born in that district. Sir, worse things could happen to it, but the history has other aspects to it, Sir.

Mr. Speaker, when I became Minister of Health and this matter came before me, I felt it was a cruel injustice, and it remains today, a cruel injustice that the people of Chapman Lane, Cats Castle, Emmerton and across Kensington New Road into the ten avenues of the New Orleans, who over time would be most affected first by the building of the Sewerage Plant and then by the functioning and the malfunctioning of the sewerage plant, would be people who would not benefit in anyway from the fact that the plant was there.

The only part of Bridgetown not sewered and not meant to be sewered was the very Chapman Lane, where the Plant is located, Emmerton and the whole of the New Orleans. I thought it was patently unfair then and I think it now. I have always felt it, and the hand that signed that agreement with the InterAmerican Development Bank for the Bridgetown Sewerage Plant to be built, in the middle of a residential tenantry - a whole patchwork of tenancies, indeed, the whole of Bridgetown, the whole of St. Michael is a huge quilt of urban tenancies - was the hand of Lloyd Erskine Sandiford, now Sir Lloyd, who was at that time,

the Minister of Health. I am never going to forget it as long as I live. It was a cruel, cruel injustice to those people.

Mr. Speaker, we have to face facts. The west coast and the south coast of Barbados are coral terraces, and over the eons they rise up, but at the lower level of what you would call the sea level, we need to remember that two-thirds of Bridgetown is below sea level. Sir, along the west coast as indeed we saw along the south coast, is where all of our significant hotels, restaurants and villa plants are located. It is also where the majority of Barbadians live and have their being. This is where the density of our population lies.

Mr. Speakers, when the options for the location of the Sewerage Plant were being considered, and the type of sewerage plant that you would have along the west coast, there were several options and locations considered. One of them was the possibility of secondary treatment of effluent. The effluent at Emmerton now goes out of an outfall line, just beyond Fontabelle.

There was a proposal among other proposals that the effluent, the least cost option, appeared to be bringing the secondary treated effluent back to the Emmerton location, but with a different kind of plant, not the kind of plant that we have now, where the tanks are opened and it is a biological, chemical process that takes place...Sir, these would be covered and there would be an entirely different kind of installation.

I looked at them all. In the Planning and Priorities Committee, these things were brought before us. I went out of my way to be personally and very closely briefed on these matters. I told my constituents that I gave my agreement to the support of the west coast effluent being brought to Bridgetown to be treated in a different kind of plant, but with a conditionality. I am glad it is going to get a chance now to be entered into Hansard yet again, because this is not the first time that I will be saying it on this Floor. The condition is that Emmerton, Chapman Lane, Cats Castle, the whole of the New Orleans and all of the intervening streets off Baxters Road, which have not been sewered, would have to be sewered. Mr. Speaker, that is my conditionality, and I am prepared to lie down in the road for it, Sir, but I hope that day would never have to come.

Mr. Speaker, it is entirely possible that other options may still be under consideration, because in the meanwhile, demographics have been changing, and traffic patterns have been changing. In the event of a west coast sewerage, there are many preliminary road works which would have to be undertaken, in order to accommodate diversions of traffic away from Highway 1, which as we saw with Highway 5, would have to undergo a great deal of construction over several years.

The point is, Sir, that any modern Government installation in today's world needs, from inception, to be undertaken now with a view to future expansion, because of the rapid rate of population expansion everywhere, in most countries of the world. There are just still a few countries where it is going in the other direction, but it is not the same as it was 100 years ago, even 50 years ago. Sir, I will utter my concern again that we in Barbados have to be very careful because we have a situation where the majority of the Government's major installations are all in and around the City of Bridgetown, and many in flood prone locations.

For example, the Bridgetown Port, the Central Police Station, the Central Fire Station, the Queen Elizabeth Hospital, which was sensibly built on a high cusp of rock, the Sewerage Treatment Plant, even if you go on up to the Garrison, where there are other major installations, the Barbados Defence Force and so on, it is a serious consideration, and CERO, which must be viewed as a major installation, now hopefully moving away to a more suitable location outside of the City of Bridgetown

House 133, Sequence 24, 15:00:14

Tuesday, May 15, 2007

Hon. Dame Billie MILLER: Mr. Speaker, all of these considerations will come over time before the Planning and Priority Committee and many other committees of Government. I am sure that many technical committees would give their attention to this matter.

Mr. Speaker, the matter of the acquisition of land against the day of future expansion is something that we need to give more careful attention to. When I was Minister of Tourism and International Transport going back to 1996, I remember at times making the point that we needed to earmark lands around the Grantley Adams International Airport, against the day of future expansion. Mr. Speaker, more and more we are going to have to be doing that.

Mr. Speaker, it is the same thing with the Bridgetown Port. The Bridgetown Port has sprawled as far south as it was possible to do. It is now sprawling north. There is not much possibility for it to sprawl eastward. These are things which have to be taken into consideration. Sir, we may well find ourselves having to acquire lands, as we are doing here, for the change of use to accommodate major installations. The Port may well in time be acquiring more lands which are now under other usage to the east of it because the only other place for expansion would be the west, which would mean now further reclamation of lands. These things have to be taken well into account.

Mr. Speaker, I think that the Government is wise to acquire these parcels of land to accommodate future

expansion of Bridgetown and greater Bridgetown. The present Sewerage Plant is way above capacity, so you are not only thinking of the expansion of the Bridgetown Sewerage Plant itself, but anything which may come from the West Coast, and then further expansion. Mr. Speaker, over 100 years from now, we all would be gone, but other things may be put in place.

Mr. Speaker, I am aware that there are in place proposals. Several options are being considered for the reuse of the effluent. Mr. Speaker, as I said, you are down below sea level, therefore any efficient use of the effluent will require a pumping up. Mr. Speaker, there is a great energy cost involved in pumping that to wherever you may want to recycle it for all kinds of usage, flushing usage, street cleaning usage. Mr. Speaker, depending upon the degree to which it is treated, there are all kinds of possibilities, there is an energy cost involved.

Mr. Speaker, all of these things are on the table and are under consideration, but the first step that a Government has to take is to do precisely what the Government is doing today, that is, the acquisition of the land which is, bearing very much in mind, a completely rebuilt and reformulated Fontabelle.

Mr. Speaker, there was nothing like it was when I was a child. When I was a child, water came up to the back of houses where the Nation Newspaper and the Advocate Newspaper is now. I lived through that period when we acquired the land - we are very good at doing that now - for the building of the Bridgetown Port. The Democratic Labour Party opposed that at the time too. They refused to come to the opening ceremony of the Port. I was there at the first opening of the Port. I was 14 years old, I remember it well. There is something to be said for longevity, Sir. Sir, this is what the Government is involved in doing. I cannot imagine that anybody would want to speak in opposition to it.

Mr. Speaker, reference was made to the abattoir. The Honourable Member for St. Michael South Central must recognise that the relocation of the abattoir was not so much because it was not in a suitable place, but because it was on premium waterfront land. That land is now earmarked for the building of what is going to be called Seafood City, right next to the fish market, with restaurants upstairs and people could go downstairs, beautiful cold fronts, and buy any kind of seafood that they could think of.

Asides.

Hon. Dame Billie MILLER: When you think of waterfronts, you are looking at fisheries. We do a lot more development of the waterfront right here in Bridgetown. There is a lot more that has to be done at Oistins, and a lot

more that can be done at Holetown and indeed at Speightstown.

Mr. Speaker, that is really why the abattoir had to be relocated from where it was. This is a way of letting people know that the Government also has very important plans for that piece of property on beautifully reclaimed waterfrontage in the heart of the capital.

Mr. Speaker, the last point I want to make has to do with something that appears in the Addendum to this Resolution, that has to do with the people from whom these lands have been acquired, some individuals, some companies.

Mr. Speaker, it is very important that these people be properly compensated and in a timely manner. This process has been going on for some time. The first Section 3 Notice was first published in March of 1999. Subsequent to that, there were individual parcels of lands which had to be acquired from a number of my constituents and it is very important that they should be compensated in good time.

Mr. Speaker, I am going to trust this Minister of Housing and Lands, whom I have praised so highly, to make sure that these persons are not going to be appended to a very long list of persons who for many years have been waiting to be compensated for lands which the Government has had to acquire for one purpose or another, usually road building, road expansion, sidewalk building and that sort of thing.

Mr. Speaker, in the case of a major acquisition like this, well over two acres of land belonging to several owners, I would want to just put in that word for those people, some of whom are very amble and have already undergone the process of displacement. It would be an added cruelty if they would have to wait for any extended time to be suitably compensated.

Mr. Speaker, I welcome this. There is a confluence of issues which attend this Resolution. It has come now, I welcome it and I commend it to all Honourable Members.

I am much obliged to you, Sir.

Mr. SPEAKER: The Honourable Minister will now wind up.

Hon. R. R. FARLEY: Mr. Speaker, there is not much more that I need to say. However, it would be remiss of me if I did not commend the Honourable Member for the City for her leadership in this matter relating to the Bridgetown Sewerage Treatment Plant. In fact, as she pointed out, it was her baptism of fire. Indeed, the strongest steel emerges only from being wrought in the hottest fire.

Asides.

Hon. R. R. FARLEY: Throughout the years, she has not resiled from dealing with the issues, either from the first Emmerton relocation, to the second and now the third.

House 133 Sequence 25

3.10 p.m.

Tuesday, May 15, 2007

Hon. R. R. FARLEY: Indeed, in all these matters, the Honourable Member has only sought to work for the improvement of the conditions of the residents of her constituency and her homeland, the City.

I want to assure the Honourable Member that in terms of the work that is being undertaken for the relocation of the residents of Emmerton, that every care will be taken, to ensure there is an enhanced quality of life, not only individually but on a community basis. Therefore, the planting of trees, making sure there is adequate space and amenities are important. Indeed, one of the objectives that we had, which we have met, is that of keeping the community together, we are relocating them in an area not too far away. They are city folk, they love the city and we were able to locate the land at Barbarees Hill, relatively a stone's throw away from their current location at Emmerton.

I would also want to assure the Honourable Member that I have given very clear instructions, with respect to matters relating to acquisition, that an acquisition matter is not considered complete, until persons are paid. Sometimes Government can fall into the practice of treating the two parts of acquisition separately; one which gives the Government the legal right to enter on, to use and to have the benefit of the land, and the second is one of compensation, sometimes which is subject to disputes over values. Sometimes there are legal matters, especially relating to the estate of owners who have passed on, where sometimes the owners' relatives are a bit slow in wrapping up the estate matters, relative to an administrator of the estate. Sir, it is our responsibility to make sure that the matter is brought to a final and happy conclusion, with the compensation of the beneficiaries of the estate, and that will most certainly be done in this and indeed other cases.

Mr. Speaker, as indicated at the beginning, this matter is one which, even though the land is adjacent to the existing facility, the proposal, as I understand it, has always been for the construction of new facilities for the West Coast Sewerage Project. Indeed, the Honourable Member for the City is quite correct that one of the advantages of location relates not only to topography but the reality is that outside of the present geographic spread of the existing

sewerage system, there are northern St. Michael communities, even northern city communities, which also need to be included in the treatment facility.

Sir, that is an issue which the Ministry of Health and the Barbados Water Authority, in their wisdom, will work out. There is no final solution on those matters, as I understand it, but we have to lay the foundation. We have to ensure that the land required for the facility is adequate. This additional land will also give the Barbados Water Authority the opportunity to expand and to upgrade their existing facility.

Mr. Speaker, the bottom line is that if, for some reason or the other, there were not going to be a West Coast Sewerage Project - and there would be - there would still be the need for additional land, to allow for the upgrade and expansion of the existing facilities. Those facilities were built in a previous generation and with older technologies. For example, today we would not use open-tank technology based on bacterial systems and aeration, there will be covered tanks and different approaches. Therefore, we have to ensure that with this land being available now, that it is acquired and made use of, so that if we do not move now to make this acquisition and the lands were to fall into other use, then the cost of acquisition would go even higher. It might even rendered it more difficult and impractical.

Asides.

Hon. R. R. FARLEY: Mr. Speaker, I know the Honourable Member for St. Lucy appreciates the time value of money, especially as far as land is concerned.

Asides.

Hon. R. R. FARLEY: Sir, the reality is that this a fit and proper public purpose and we would be moving along very smoothly, especially on the relocation of the residents of Emmerton. I look forward to the completion of that aspect of the work during the course of this year, so that there will be improved and upgraded circumstances. There will also be a smooth operation of the Bridgetown Sewerage Project and at a time to be decided by the Barbados Water Authority, for the inauguration of the West Coast Sewerage Project.

Mr. Speaker, with that I beg to move that this Resolution do now pass.

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

The question was put and agreed to in the affirmative, without division.

ADJOURNMENT

Hon. Miss M. A. MOTTLEY: Mr. Speaker, this brings us to the end of Government Business for today's Sitting.

I beg to move that this Honourable House be now adjourned until Tuesday, May 22, 2007, at 10.00 a.m.

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

The question that the Sitting be adjourned until Tuesday, May 22, 2007, at 10.00 a.m., was put and resolved in the affirmative without division and Mr. SPEAKER adjourned the Sitting accordingly.

3.16 p.m.

CONTENTS

MINUTES

Hon. Miss M.A. MOTTLEY.....	1
Hon. R. R. Farley, 1.	

ANNOUNCEMENTS BY HIS HONOUR THE SPEAKER

PAPERS

Hon. Miss M.A. MOTTLEY.....	2
1. The Duties, Taxes and Other Payments (Exemption) (Barbados Tourism Investment Inc.) Order, 2007.	

SUSPENSION OF STANDING ORDERS

Hon. Miss M.A. MOTTLEY.....	2
-----------------------------	---

ORDER OF THE DAY

GOVERNMENT BUSINESS

ORDER NO. 15.....	2
Hon. Miss. H. E. Thompson, 2, 3, 4, 5, 6, 7, 8, 9, 10; Mr. R. D. Jones, 10, 11; Dr. W. F. Duguid, 12, 13, 14.	

RESUMPTION

ORDER NO. 15 (resumed)

Mr. D. St.E. Kellman, 14, 15, 16, 17, 18; Hon. Miss. H.
E. Thompson, 16, 20; Dr. W. F. Duguid, 16; Hon. G. A.
Clarke, 18, 19; Hon. R. R. Farley, 20.

RESOLUTION TO APPROVE THE COMPULSORY
ACQUISITION BY THE CROWN OF PARCELS OF
LAND SITUATE AT FONTABELLE IN THE
PARISH OF SAINT MICHAEL IN THIS
ISLAND FOR THE PUBLIC PURPOSE OF
FACILITATING THE EXPANSION OF THE
EXISTING WASTE WATER TREATMENT
PLANT UNDER THE AMBIT OF THE
WEST COAST SEWERAGE PROJECT

Hon. R. R. FARLEY.....	20
Hon. Miss. H. E. Thompson, 22; Mr. R.L. Sealy, 22, 23, 24; Hon. Dame Billie Miller, 24, 25, 26; Hon. A. P. Wood, 28.	

SUSPENSION.....	14
-----------------	----

ADJOURNMENT.....	28
------------------	----

Hon. Miss M.A. Mottley, 28; Hon. Dame Billie Miller,
28.

SPEAKERS IN THIS ISSUE

CLARKE, Hon. G. A.

DUGUID, Dr. W. F.
FARLEY, Hon. R. R.
JONES, Mr. R. D.
KELLMAN, Mr. D. St.E.
MILLER, Hon. Dame Billie
MOTTLEY, Hon. Miss M.A.
SEALY, Mr. R.L.
THOMPSON, Hon. Miss. H. E.
WOOD, Hon. A. P.

DISCLAIMER. *This transcript was prepared with the assistance of artificial intelligence tools and is provided for reference only. It has not been reviewed, verified or approved by the Hansard Department of the Parliament of Barbados and does not constitute an official parliamentary record. It may contain errors or omissions, including inaccuracies in wording or speaker identification. For authoritative quotations or confirmation of proceedings, consult the official Hansard record when available.*

EDITORIAL NOTES — NOT PART OF THE REPORT

Prepared with the transcript; for checking against the recording and the Minutes.

EDITORIAL QUERIES

Points noted while preparing this report from the edited transcript. The text has not been altered except where stated.

Q1. Masthead. The session is not stated in the source, so no session line is printed.

Q2. Order No. 15, take-slips about 12.00-12.10 p.m.. Mr. R. D. Jones's speech stops after take-slip 'H133/12:00', and the next take-slip ('House 133, Sequence 14, 12.10 p.m.') opens with Dr. W. F. Duguid's speech beginning 'Therefore, the National Petroleum Corporation (NPC) in its wisdom...'. Sequence 13 appears to be missing, so the end of Mr. Jones's speech and the start of Dr. Duguid's may have been lost. Please confirm.

Q3. Order No. 15, interest rates. On a point of order the Minister gave the rate on the new loan as '7.25 per cent'; in her reply she gave it as '7.35 per cent'. Mr. D. St.E. Kellman also cited a figure of '10.25 per cent' from the document. Printed as in the source.

Q4. Take-slip about 12.20 p.m.. Two consecutive take-slips are both numbered 'Sequence 14' (12.10 p.m. and 12:20:14). Printed as in the source.

Q5. PRESENT. The list has 'Deputy Prime Ministr' and 'Minister of Social Transforamtion'. Printed as in the source.

DEBATE SUMMARY

(Editorial summary — not part of the record.)

The House of Assembly met on Tuesday, 15th May, 2007 at 10.15 a.m., with His Honour I. A. Roett, Speaker, presiding; prayers were taken by Rev. Canon Ivan Harewood. The Minutes of 8th May were confirmed, and the Speaker announced that Mr. Wayne Jones had been appointed to act as Deputy Marshal in place of Mr. David Best. Hon. Miss M. A. Mottley laid the Duties, Taxes and Other Payments (Exemption) (Barbados Tourism Investment Inc.) Order, 2007, and Standing Orders were suspended for the rest of the Sitting.

Order No. 15 was the Resolution to approve the guarantee by the Crown of the payment by the National Petroleum Corporation of \$14.4 million and interest to the Bank of Nova Scotia, to discharge a debt owed by the

Corporation to the Barbados National Bank. The Minister of Energy, Hon. Miss H. E. Thompson, said Government had committed itself to bringing natural gas to every householder who wanted it: of about 85 000 properties, some 19 per cent, or 16 223 domestic and 656 commercial customers, were served by about BDS\$70 million of pipe. She explained how barge and pipeline proposals for new gas supplies had been evaluated, and said the bulk of the investment would be the investors', with Barbados buying gas and paying for a new distribution network.

Mr. R. D. Jones accepted the case for moving from a cumbersome loan to a cheaper one but asked where the money would come from to lay pipes in places such as Kingslands. Dr. W. F. Duguid described the NPC's search for new gas supplies, said the previous administration had wanted to sell the NPC and the BNOCL for \$10 million when they were valued at \$16 million each. After a suspension from 12.22 p.m. to 1.30 p.m., Mr. D. St.E. Kellman replied on the sale of the NPC and questioned the interest rates, drawing a point of order from the Minister that the original loan had risen from 6.45 to 9.45 per cent. Hon. G. A. Clarke supported the Resolution. In reply the Minister gave the Bank of Nova Scotia rate as 7.35 per cent, and the Resolution was agreed to without division.

Order No. 12 was the Resolution to approve the compulsory acquisition by the Crown of land at Fontabelle, St. Michael for the expansion of the existing waste water treatment plant under the West Coast Sewerage Project. The Minister of Housing and Lands, Hon. R. R. Farley, said it concerned some 10 885.9 square metres, about 2.83 acres, west of the Bridgetown Sewerage Treatment Plant, and explained the plants' public health purpose in low-lying areas around Bridgetown.

Mr. R. L. Sealy said he had learnt only from the Resolution that west coast sewage would be treated at an expanded Bridgetown facility; Mr. Farley, on a point of order, said the land served both the West Coast project and the upgrade of the Bridgetown plant. Mr. Sealy withdrew a remark about sotto voce comments when directed by the Speaker. Hon. Dame Billie Miller congratulated the Minister on the relocation of the Emmerton residents, recalling the Mighty Gabby's song 'Emmerton'. Mr. Farley replied, praising her work for the residents, and the Resolution was agreed to without division.

Miss Mottley then moved the adjournment, seconded by Dame Billie Miller, and the House was adjourned until Tuesday, 22nd May, 2007 at 10.00 a.m.