

REMARKS BY SENATOR PHILIP C. GALANIS
TO THE TOWN MEETING ON THE
GRAND BAHAMA PORT AUTHORITY: IN TRANSITION
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Thank you, Mr. Carter. Distinguished panelists, my fellow Bahamians, ladies and gentlemen, good evening.

Let me say at the outset that whilst I am a PLP Senator, my views tonight do not represent those of the Government of the Commonwealth of The Bahamas. I am here tonight as a citizen of our great country and a licensee of the Grand Bahama Port Authority, whose professional accounting firm has operated here since August 2002.

The Grand Bahama Port Authority, Limited was established under the laws of the Commonwealth of The Bahamas. The Port Area is a comprehensive term which was defined in the Hawksbill Creek Agreements. The first of these was concluded on August 4, 1955 and is often referred to as "the First agreement". It was subsequently amended on July 11, 1960 by what can be referred to as "the 1960 Amendment" and was further amended on March 1, 1966 by "the 1966 Amendment." They will be collectively referred to as "the Agreement." The enabling legislation that was commenced on June 20, 1955 is referred to as the Hawksbill Creek, Grand Bahama (Deep Water Harbour & Industrial Area) Act.

Through a series of land transfers from the Crown, the Port Authority acquired its first tranche of 50,000 acres at a purchase price of 1 Pound Sterling (approx. \$2.86) per acre. An additional purchase of 88,402 acres was acquired also at 1 Pound Sterling in 1960 so that by that date (1960) the Port Authority had

acquired a total of 138,000 acres from the Crown. To put it in perspective, that comprised nearly 230 of the 530 square miles that make up Grand Bahama.

I would like to begin by reflecting for a moment on how the formation of the Grand Bahama Port Authority enabled its founders to transform a tract of land on a barren, sparsely populated and neglected northern Bahamian island into the second city of the nation, creating an infrastructure to support what they envisioned as a city to industrially and economically rival many other cities in the region. As we look back at those men, we also need to ask ourselves whether this vision was realized and at what human and national expense.

This examination of the Grand Bahama Port Authority is particularly relevant at this point in time as today's Bahamas embarks on the establishment of anchor projects throughout our far-flung archipelago, on similar barren islands whose populations have fled to Nassau or the U.S. It is disturbing to me that there are many in our land who view the GBPA as a model of how to create a metropolis out of sand and bush.

I would like to caution those persons to carefully examine the painful history and shaky future that exists in Freeport and Grand Bahama today as a result of the shady maneuvers that took place to fulfill the goals of the owners of the GBPA, as well as the failure of the GBPA to change and grow with the times. I would ask them to give long consideration before advocating the duplication of the soulless quality of Freeport elsewhere in our Bahamas.

From a Commission of Inquiry into Gambling in Freeport and Nassau and a Royal Commission of Inquiry to investigate secret and questionable business practices, to clear and unchallenged breeches of the Hawksbill Creek Agreement, for more than a half century, the Government of The Bahamas has been a very silent partner as the GBPA built, then degraded its initial vision. And because the ultimate victims of this unchecked business entity called the Grand

Bahama Port Authority are Bahamians, regular hardworking men and women who believed in the vision that was Freeport and aligned their futures with what they thought was a solid, upstanding entity, I today entreat the Government to look more closely at what is happening today at the GBPA.

A careful reading of the Hawksbill Creek Agreement, as well as the reports from both Commissions, will reveal that the Government of The Bahamas is supposed to be far more involved in this company than some would have us believe. And that makes complete sense since the GBPA directly affects the everyday lives of many people and not just their employees. Whether you wish to do business, to live, to purchase goods and services or to license an automobile, the tentacles of the GBPA extend into these seemingly simple transactions, taking a government-like place in the lives of those who live and function within its jurisdiction. And this company should not be taken to task about its hiring and firing when those staff changes directly impact the well-being of the good people of Freeport?

The role of the Government in the GBPA must be closely scrutinized. In fact, it was the former Prime Minister, the Right Hon. Sir Lynden Pindling, who realized that there could never be Independence for The Bahamas until Freeport was, as he said, "brought back into The Bahamas." He was aware then, as we all still should be today; that the Government of The Bahamas has a very distinct and important part to play in insuring that the GBPA does not overstep its position and once again attempt to become the government of Freeport.

I do not believe that the Government of The Bahamas can disassociate itself from what happens in Freeport. I do not agree with those who characterize the GBPA as a private company whose actions are a private matter. This is a very unique and powerful company whose decisions impact not only their employees and customers, but also the lives of thousands of Bahamian citizens who live and work in Freeport. At this time of transition from the days of Edward St. George, I

believe the actions of the GBPA must be closely monitored in order to protect these Bahamians and ensure that their rights and privileges as citizens are safe.

That is why I believe that the Government and the people of Freeport should be heard regarding who is selected to lead the Port. It is not an ordinary post, with duties that embrace only corporate matters. It is a post whose responsibilities touch everyone in this city, for good or for ill. And, as our brothers and sisters here in Freeport suffer, so, too, do all Bahamians feel their pain. We must all be vigilant that the person who is selected to guide the Port and, by extension, the lives of Freeporters, is qualified and with an unblemished and stellar business background.

That is why the person who is chosen to lead the Port must be free of any claims of potential conflicts of interest and should also demonstrate superlative managerial skills and proven business acumen. So the question is: what transitional arrangements should be implemented in order to ensure that the GBPA acts in the best interest of the community which it regulates? There are, in my opinion, several.

- 1) Because of its regulatory function, there should be a prohibition to ensure that the Chairman of the GBPA does not act as a licensee and regulator at the same time. This is important because it places that person at an unfair advantage because of the preferred position that he occupies by virtue of having first-hand knowledge of the investments that will be made by investors in the Port Area and of finding himself in the position as shareholder of such investments – silent or otherwise.

- 2) As was indicated in the letter dated September 14, 1968 on behalf of the PLP government (under the signature of the Secretary to the Cabinet), the Government ought to require the books of the GBPA to

be audited on a periodic basis by an independent accountant in order to ensure transparency and accountability by the GBPA. If banks, trust and insurance companies are statutorily required to be audited, if the Government of The Bahamas itself is statutorily required to be audited each year by the Auditor General, it seems to me that the same should be required of an entity that so significantly impacts the live of so many in order to ensure transparency and accountability by that institution. **I FIRMLY BELIEVE THAT THE GBPA SHOULD BE AUDITED AND THAT SUCH AUDIT REPORT SHOULD BE PRESENTED THE GOVERNMENT ANNUALLY.**

- 3) By virtue of the aforementioned Agreement, the Government should have the right to appoint a Director to the Board of Directors of the GBPA;
- 4) The Government of The Bahamas should make it patently clear to the existing shareholders of the Port Group of Companies **THAT UNDER NO CIRCUMSTANCES WHATSOEVER WOULD IT EVEN CONSIDER AN APPLICATION BY A FOREIGN PURCHASER OF THE PORT GROUP OF COMPANIES IF IT CAN BE DETERMINED THAT THERE ARE BAHAMIANS WHO ARE CAPABLE OF COMPLETING SUCH AN ACQUISITION, ALL THINGS BEING EQUAL.** It is now time for Bahamians to have a greater stake in the development of our country, not through jobs, but through ownership.
- 5) Finally, I would hope that the licensees of the Port Area would organize into a more cohesive element that truly recognizes that their real strength reside in their numbers and that it is far more likely that they will become more empowered by banding together.

Thank you.