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Dire results predicted if Belize dam delayed

Newfoundland's Fortis backing project

Environmental groups seek assessment

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LONDON—A dam in Belize backed by Newfoundland-based Fortis Inc. is fundamental to the country's economic development, Belize's attorney-general says, warning of dire consequences if Britain's Privy Council delays the project.

As a poor country, Belize relies on foreign investment to build public projects, but Godfrey Smith fears the money would evaporate if the Privy Council orders the dam to undergo a second environmental assessment, possibly postponing construction for years or even causing it to be abandoned.

"Belize simply cannot afford for the world financial community to know that there is this kind of indecisiveness," he told a five-man judicial committee hearing an appeal of the case yesterday brought by a coalition of environmental groups.

The Cahill Dam on the Macao River has been approved by local environmental protection agencies, but the Belize Association of Non-Governmental Organizations believes plans for the hydroelectric project are flawed. The group says the dam's approval was granted on plans that showed the facility would be built on granite, but geological surveys indicate the site chosen consists of sandstone and shale, raising questions about safety.

The group wants the Privy Council to order a new environmental assessment. Construction on the project, which is upstream from the town of San Ignacio, began earlier this year.

Belize Electric Co. Ltd., a subsidiary of Fortis, concedes bedrock was originally misidentified as granite, but says the sandstone at the site can safely support the dam.

The environmental groups also argue the project, valued at \$30 million (U.S.), which was worth about \$39 million (Canadian) at yesterday's exchange rate, will damage surrounding rain forest that has been left untouched by human beings for 500 years and destroy the habitat of threatened species, including jaguars, tapirs and scarlet macaws.

The Privy Council, which serves as the final court of appeal for Belize, reserved judgment on the case. A judgment could take weeks.

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