

*Leave of Absence**Tuesday, March 16, 2004***SENATE***Tuesday, March 16, 2004*

The Senate met at 1.30 p.m.

PRAYERS[MADAM PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Madam President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Howard Chin Lee and Sen. Basharat Ali from today's sitting of the Senate.

SENATOR'S APPOINTMENT

Madam President: Hon, Senators, I have received the following correspondence from His Excellency the President, Prof. George Maxwell Richards:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS,
T.C., C.M.T., PhD, President and Commander-in-Chief
of the Republic of Trinidad and Tobago.

/s/ G. Richards

President.

TO: MRS. JOAN HACKSHAW-MARSLIN

WHEREAS Senator Howard Chin Lee is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, JOAN HACKSHAW-MARSLIN, to be temporarily a member of the Senate, with effect from 16th March, 2004 and continuing during the absence from Trinidad and Tobago of the said Senator Howard Chin Lee.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 8th day of March, 2004.”

Oath of Allegiance

Tuesday, March 16, 2004

OATH OF ALLEGIANCE

Senator Joan Hackshaw-Marshlin took and subscribed the Oath of Allegiance as required by law.

LEAVE OF ABSENCE

Madam President: Hon. Senators, under “Announcements by the President”, I was also supposed to mention that I have granted leave of absence to Sen. The Hon. Dr. Lenny Saith from today's sitting.

METROLOGY BILL

Bill to re-enact and revise the laws respecting Weights and Measures and to give effect to the International System of Units (SI units), brought from the House of Representatives [*The Minister of Trade and Industry*]; read the first time

PAPER LAID

Second Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Institutional Strengthening Programme of the Women's Affairs Division of the Ministry of Culture and Gender Affairs (now Ministry of Community Development and Gender Affairs) for the year ended September 30, 1999. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]

ORAL ANSWERS TO QUESTIONS

Visit to the United States of America (Details of)

41. Sen. Wade Mark asked the hon. Prime Minister and Minister of Finance:

Would the Prime Minister provide this Senate with details of the agenda in connection with his recent visit to the United States of America and meeting with the National Security Adviser, Dr. Condoleeza Rice including any matters raised or discussed with the President of the United States of America, who participated in that meeting with particular regard to:

- (i) the United States opposition to the International Criminal Court;
- (ii) the economic relations existing between and among the Governments of Venezuela, Cuba and Trinidad and Tobago?

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift): Madam President, the question comes in two parts. I would deal with the first part

the question dealing with the United States opposition to the International Criminal Court. That matter was not discussed at all. It never arose in the bilaterals between the President of the United States and the Prime Minister of Trinidad and Tobago and his delegation.

On the question of a detailed agenda, no detailed agenda was set as such. It was an occasion for what you might call free discussions. That was precisely the course the dialogue took. We touched, during our meeting, with the President and his National Security Adviser, among other things, on such issues as Venezuela, Cuba, Haiti, energy and energy security, security and drugs, from a regional standpoint, HIV/AIDS, training, trade, the CSME, access of Caricom goods to the United States market and the possibility of engaging in a free trade agreement and bilateral arrangements with the United States of America.

No great detail was entered into on the question of discussions regarding Cuba and Venezuela. The President of the United States of America simply recorded, what you might call, his lack of satisfaction regarding the course of events taking place both in Cuba and Venezuela. His point was that those two countries were yet to show the meaning of true democracy.

As far as Trinidad and Tobago's relations went, I believe it would be correct to say that both sides were seized of the need for the continuing collaboration between both governments, particularly from the standpoint of energy security in the United States of America and the means that it would take to ensure that. In general, the discussions were very cordial. There was an ample show of mutual understanding on either side.

Sen. Mark: Could the Minister of Foreign Affairs indicate to this Senate whether he can share with us the position of the President of the United States position as it relates to our relations specifically with the Governments of Cuba and Venezuela? Did they, for example, object to our economic ties and trading relations with those two countries in question?

Sen. The Hon. K. Gift: Madam President, specifically on the question of the relations between Trinidad and Tobago and Venezuela, I believe that the major point of reference there was of great interest to the United States because we focused, as far as that point is concerned, on the question of energy security for the region, not only for the Caricom region but for the Caricom region and beyond. Indeed, we made it clear that as far as the bilaterals go with Venezuela, any arrangements that would be entered into would only contribute further to the energy security needs, expectations and requirements of the hemisphere.

Madam President: The question included relationships with Cuba.

Sen. The Hon. K. Gift: On the question of Cuba, the comment was very short on the part of the President of the United States of America. As I said earlier, he simply remarked that he was not convinced that true democracy was functioning in Cuba.

Sen. Mark: Could the hon. Minister indicate, on the issue of Venezuela—given the fact that we know that there were elections there—whether the Government of the United States of America is concerned with our relations and support for the Government of Venezuela, given the fact that the Minister has indicated to us that the President of the United States of America did express concern on the course of developments in that country, particularly as it relates to the democratic process? Could he share with us?

Sen. The Hon. K. Gift: Underlying the discussion about Venezuela, we took the opportunity to remind the President—of course, he did not need to be reminded—that like Trinidad and Tobago, the government in Venezuela was a constitutionally, democratically elected government and that the arrangement that was in place was namely to seek the referendum recall so that the requisite number of signatures would be obtained. That arrangement was very much in progress. Indeed, all that is to be done was for the world at large to wait and see what the outcome of that referendum process was.

In essence, we were at one since the President himself was democratically elected—some people might challenge that thought—so were President Chavez and the Government of Trinidad and Tobago.

Sen. R. Montano: One final supplemental. Having regard to what the Minister has just said, would the Minister please state, concerning the recalled referendum, whether or not the Government of Trinidad and Tobago is concerned over the allegations made by the Opposition in Venezuela with respect to fraud concerning the counting of the signatures?

Sen. The Hon. K. Gift: Madam President, as you know, one of the basic tenets of our diplomacy is the non-interference in the internal affairs of other states. It would seem to me that all we can do from this distance is to follow the developments in the newspaper. Each would have his own private opinions, as does my goodly friend, Sen. R. Montano.

Sen. Mark: Madam President, through you, could I ask my hon. friend whether he can share with us—given the meeting that took place between the

Governments of Trinidad and Tobago and the United States of America—whether there is any extreme pressure being brought to bear on Trinidad and Tobago to break relations with the Republic of Cuba by the United States of America?

Sen. The Hon. K. Gift: Madam President, that issue has never come up. I am sure that—given our position at all the world major fora such as the United Nations and the Organizations of American States, where we operate in these sovereign, independent and self-respecting states, respecting the Constitution and the legality of other governments—such a request would not be made of us at any time. Thank you.

**Commonwealth Heads of Government Conference
(Zimbabwe's Exclusion)**

42. Sen. Wade Mark asked the hon. Prime Minister and Minister of Finance:

Would the Prime Minister inform this Senate as to the stance taken by the Trinidad and Tobago delegation headed by him, at the recently concluded Commonwealth Heads of Government Conference held in Nigeria on the question of the continued exclusion of Zimbabwe from the Commonwealth family?

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift): The traditional format of the Commonwealth Heads of Government meetings is that there is really no formal, written speeches or discourses by heads participating in these sessions. What obtains is what you might describe as caucus sessions—some of them formal, some informal—where there are exchanges among heads on particular issues. The Trinidad and Tobago delegation, of course, participated fully in these informal caucus exchanges. Indeed, the consensus emerging was what we saw in respect of the decision taken on Zimbabwe.

Sen. Mark: Could the Minister indicate, in a very clear way, what was the position taken by the Government of Trinidad and Tobago, insofar as the continued exclusion of Zimbabwe from the Commonwealth family of nations?

Sen. The Hon. K. Gift: Madam President, I tried to highlight the informality in the discussions that usually take place at the Commonwealth Heads of Government Conferences. We must remember that the Commonwealth is an organization without any written or set rules. Consequently, you do not have a charter, such as you do in the case of the United Nations or the Organization of American States. It is what you might call a club.

The positions taken there are usually taken on the basis of consensus. The consensus, as I indicated earlier, that Zimbabwe should remain suspended from the Commonwealth, was the one arrived at during the Commonwealth Heads of Government meeting in Abuja, Nigeria.

Sen. Mark: Could the hon. Minister indicate whether Trinidad and Tobago was supportive of the position that was promoted by the Government of South Africa, to keep Zimbabwe within the fold of the Commonwealth family of nations?

Sen. The Hon. K. Gift: Madam President, it would be correct to say that that was the line being taken, not only by Trinidad and Tobago but by a number of other countries there. Of course, the Commonwealth is a 54-nation club, and on the basis of consensus, naturally, the majority opinion would have prevailed.

Sen. Mark: If the Commonwealth operates on the basis of consensus, could the hon. Minister explain to us how is it that the Government of South Africa was not part of that consensus, having regard to its own position during the Commonwealth Heads of Government Conference in Nigeria, in which they promoted the re-entry of Zimbabwe into the Commonwealth family of nations? Could he provide us with some clarification on that position?

Sen. The Hon. K. Gift: Before the end of the debate/discussion on the Zimbabwe issue, the Government of Zimbabwe announced its withdrawal from the Commonwealth. Indeed, one event overtook the other, in terms of the timing. Even if the governments there had wanted another determination in the way the debate was going, that was overtaken by the announcement by Zimbabwe before the end of the meeting.

Sen. R. Montano: Would the Minister please state whether or not the Government of Trinidad and Tobago at any time expressed any concern whatsoever over the reports of oppression, dictatorship and brutality coming out of Zimbabwe, relating specifically to the Mugabe regime?

Sen. The Hon. K. Gift: Madam President, one thing that was clear at the discussions in Nigeria was the lack of any written substantiated evidence to the charges that were being levelled against Zimbabwe. Without that information, no head of government, to my recollection, made any pronouncement in that vein.

**Gulf of Paria
(Steps Taken Against Piracy)**

43. Sen. Wade Mark asked the hon. Minister of Foreign Affairs:

Could the Minister state what steps are being taken by the Government of Trinidad and Tobago to curtail the recent resurgence of piracy in the Gulf of Paria and other territorial waters of Trinidad and Tobago?

The Minister of National Security and Rehabilitation (Sen. The Hon. Martin Joseph): Madam President, according to the information provided by the Commanding Officer of the Trinidad and Tobago Coast Guard, there were three reported instances of robbery at sea, which were recorded in 2003 and two for 2004, which occurred on February 10 and February 20, 2004 respectively.

Brief details of the incidents are as follows:

Date and time of Incident	Location	Type/name of Vessel	Number of persons on board	Circumstances of the Incident
August 20, 2003; 2130 hours	Granville	Fishing pirogue, no name, no registration	Not given	Four Spanish-speaking men held fishermen at gunpoint and stole the engine of their pirogue
September 03, 2003; between 2100 and 2200 hours	Just off Erin point	Fishing pirogue, no name, no registration	Not given	Fishermen were robbed of their nets
November 02, 2003	2 nautical miles off Morne Diablo	Fishing pirogue, Kelly, no registration	Not given	Four armed Spanish-speaking men stole the engines along with fuel torch light and 200 pounds of carite

Date and time of Incident	Location	Type/name of Vessel	Number of persons on board	Circumstances of the Incident
February 10, 2004; 200 hours	8 nautical miles off Five Islands	Fishing pirogue, Xena Hot Wire 2, no registration	Not given	Four armed Spanish-speaking men robbed fishermen of their engine flashlights, cellphone and battery.
February 20, 2004	Felicity River	Fishing pirogue, no name, no registration	Three persons	Stolen by three persons. Pirogue and engine were recovered by the coast guard

Madam President, immediately upon receipt of the above report, the information was relayed to all bases and units on patrol to respond accordingly. Only in the case of the February 20, 2004 incident, a tangible result was achieved, in that both the pirogue and its engine were recovered by the Trinidad and Tobago Coast Guard.

Every reported robbery is transmitted to the Maritime Services Division, Ministry of Works and Transport. The maritime community is kept informed of these instances via shipping notices in the newspaper, which recommend course of action.

While the above reports do not, as such, reflect a resurgence of piracy in the Gulf of Paria and other territorial waters of Trinidad and Tobago, I wish to advise hon. Senators that the Government of Trinidad and Tobago, through the Trinidad and Tobago Coast Guard, the agency responsible for maritime law enforcement, is sufficiently equipped to deal with all unlawful activities in the Gulf of Paria and other territorial waters of Trinidad and Tobago.

To deter criminal activities of the type described earlier, and in order to respond to any reports of observed unlawful action in the Gulf of Paria and other

territorial waters of Trinidad and Tobago, the Trinidad and Tobago Coast Guard has strategically positioned the following bases in Trinidad and Tobago: Staubles Bay, in the western peninsula; Cedros Bay, south-western peninsula; Galeota Base, south-eastern peninsula, Tobago and the air wing in Piarco.

In addition, a total 573 well-trained officers and ratings are assigned to the above-mentioned bases with nine patrol vessels and three fixed-wing aircraft, two of which are specifically outfitted with radar equipment to carry out a 24-hour flight, air and surface operation.

I am also pleased to advise this Senate that, in keeping with the strategic objectives, the Ministry of National Security and Rehabilitation is currently in the process of increasing its maritime fleet by adding two specially equipped offshore patrol vessels.

From an international perspective, Trinidad and Tobago has adopted the International World Maritime Organizations Resolution A683, which deals with the issue of prevention and suppression of acts of piracy and armed robbery against ships. That resolution invites government to inter alia, increase their efforts as a highest priority to suppress and prevent acts of piracy and armed robbery against ships in or adjacent to their waters. Parties to the resolution must also ensure that prompt action, including strengthening of security measures is taken against pirates and armed robbers reportedly operating in their waters.

I thank you, Madam President.

Sen. Mark: Could the hon. Minister indicate to this Senate where the Government is, as it relates to the acquisition of two new coast guard vessels? Can he tell us which agencies are involved in assisting the Government in acquiring these vessels and how soon can we see these vessels patrolling our waters?

Sen. The Hon. M. Joseph: The agency that is assisting us right now, as it relates to the security of those two vehicles, is the IADB. As to how soon we will be in a position to have those two vessels operational, I am not in a position to say at this particular point in time, but we are working assiduously to ensure that those vessels are delivered to the Government of Trinidad and Tobago in the shortest time possible. For security reasons, I do not think that I need to indicate the precise time frame, especially in light of some of the circumstances that the Government of Trinidad and Tobago finds itself in at this particular point in time.

Sen. Mark: May I also enquire whether the steps announced by the hon. Minister would be extended to include prevention of illegal fishing in our territorial waters?

Sen. The Hon. M. Joseph: Sorry, I did not hear you.

Sen. Mark: What are the various steps taken to protect our fishermen from bandits and pirates operating in the Gulf of Paria and within our territorial waters? Would those measures be extended to ensure that illegal fishing within our territorial waters would also be prevented? I want to know if those measures would incorporate that as well.

Sen. The Hon. M. Joseph: To the extent, yes.

WRITTEN ANSWER TO QUESTION

The following question was asked by Sen. Wade Mark:

Memoranda of Understanding

(Details of)

17. Could the hon. Minister of Foreign Affairs provide this Senate with copies of all Memoranda of Understanding signed by the Hon. Prime Minister and Minister of Finance on behalf of the Government of the Republic of Trinidad and Tobago during recent visits to Nigeria, Spain, the United Kingdom and the United States of America?

Vide end of sitting for written answer.

2.00 p.m.

**DEPORTED PERSONS TO TRINIDAD AND TOBAGO
(SOCIO-ECONOMIC IMPACT)**

The Minister of Social Development and Gender Affairs (Sen. The Hon. Mustapha Abdul-Hamid): Madam President, today I take the opportunity to address Senators of this honourable Senate on the issue of deportees in Trinidad and Tobago and the initiatives of the Government to treat with the situation.

The data collected by the Ministry of National Security and Rehabilitation indicated that the number of persons deported to Trinidad and Tobago rose from less than 50 in 1996 to an average of 213 between 1996 and 2001. It should also be noted that from the data available at the Trinidad and Tobago Consulates in New York and Miami and at the Trinidad and Tobago Embassy in Washington, the total number of deportees processed showed that there were 154 deportees in 1998, 193 in 1999 and 177 in 2001. The total number recorded as at November 2002 was 202, and as at December 2003, the total recorded number was 273.

Madam President, 90 per cent of the deportees came from the United States, a country that has intensified its deportation policy since the attack on the World

Trade Centre on September 11, 2001. Anti-terrorism measures in the United States of America have involved, inter alia, the passing of laws redefining misdemeanours as aggravated felonies, increasing criminal penalties for many offences, deporting all aliens who falsely claim United States of America citizenship and permanently barring readmission for deported aggravated felons.

It is relevant to note the proportion of criminal to non-criminal deportees. Eighty-five per cent of the total number of deportees for all sending countries have criminal convictions, with categories of crime including possession and/or trafficking in illegal drugs, possession of firearms, armed robbery, arson, murder, rape, financial fraud, possession of stolen goods and child abuse. With specific reference to deportees from the United States of America, the ratio of criminal to non-criminal deportees is approximately 3:1.

Deportees are generally in the age group of 16 to 53 years old, and many of them are persons who migrated as minors. Upon arrival many are confronted with a country that is unfamiliar to them and they may not have effective family or other support mechanisms immediately available to assist them. There is no money, accommodation or psychosocial support. As a result, some deportees have difficulty integrating into the mainstream of society and could fall prey to negative influences, thus inducing them to a life of crime in Trinidad and Tobago. There is also the risk that they may transfer the know-how of new types of criminal activities to local criminals.

Trinidad and Tobago is now confronted with the urgent need to handle the serious issues occasioned by the inflow of deported persons.

While we recognize the need for the conduct of a survey to determine the impact of the inflow of deportees into our society, there is, however, a general consensus that the current situation may pose a threat to the security of the nation, as many of the deportees have a background in criminal activity and they could exacerbate the problem of social displacement due to a lack of family and social programme support, unemployment and problems associated with social reintegration.

In response to the dearth of effective formal arrangements to deal with this problem, the Government has recently commenced initiatives to remedy the situation. I wish to take this opportunity to apprise Senators accordingly.

I should mention at the outset that many deportees avail themselves of the range of existing social services offered by both non-governmental organizations (NGOs) and the Government. These include services at drug treatment centres,

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centres for socially displaced persons and the social welfare services. It is recognized, however, that these agencies do not as yet possess the full capacity to provide adequate assistance for this group of persons.

Madam President, during 2003 the Ministry of Social Development and Gender Affairs, in collaboration with the Ministry of National Security and Rehabilitation and other ministries and agencies, formulated a proposal to treat with the deportee issue. This proposal was submitted for Cabinet's consideration at its meeting on February 05, 2004.

The proposal outlined a range of immediate, short-, medium- and long-term strategies aimed at transforming persons deported to Trinidad and Tobago into productive citizens and effectively reintegrating them into the society. The recommendations provide for the effective monitoring of deportees, skills training, rehabilitation and counselling and assistance in securing employment. The major recommendations of the proposal are as follows:

Strategies for immediate implementation: The establishment of a Multi-Sectoral Committee (MSC) under the auspices of the Ministry of National Security and Rehabilitation to serve for a period of two years in the first instance, with the following Terms of Reference:

- (a) To formulate a comprehensive national policy to address the problem of deportees; and
- (b) To oversee the implementation of strategies aimed at treating with the social economic impact of deportees to Trinidad and Tobago. This would involve working with stakeholder ministries and agencies to facilitate ongoing and future activities toward achieving this objective.

The Multi-Sectoral Committee would comprise senior representatives from the following ministries or agencies:

- ❖ the Ministry of National Security and Rehabilitation - Chairman;
- ❖ the Ministry of National Security and Rehabilitation - Immigration Division;
- ❖ the Ministry of National Security and Rehabilitation - Interpol;
- ❖ the Ministry of Social Development and Gender Affairs;
- ❖ Office of the Prime Minister (Social Services Delivery);
- ❖ the Ministry of the Attorney General;

- ❖ the Ministry of Foreign Affairs;
- ❖ the Ministry of Housing;
- ❖ Tobago House of Assembly;
- ❖ Trinidad and Tobago Association of Social Workers; and
- ❖ representative from the private sector namely, the Trinidad and Tobago Chamber of Industry and Commerce.

Strategies for short-term implementation: These are activities aimed at reducing the flow of deportees into Trinidad and Tobago. The following are recommended for implementation by the Ministry of Foreign Affairs:

- (a) renegotiate the Memorandum of Understanding of June 2000 between the Government of Trinidad and Tobago and the United States of America for "Criminal Returns";
- (b) establish linkages with international organizations such as the International Organization for Migration (IOM), which facilitate discussions between sending and receiving states to resolve problems of migration, including deportation;
- (c) have missions abroad to facilitate activities such as education of nationals living abroad on the need and the process to apply for citizenship; and
- (d) negotiate with sending states the payment of social security benefits to which deportees may have become entitled while living abroad.

Establishment of a reception unit at Piarco International Airport: The reception unit will be the focal point for receiving and registering the entry of deportees, after they have been processed by immigration authorities. The functions of this unit will include:

- assessing the needs of deportees;
- establishing links with family and/or friends;
- in cases where deportees do not have a place to stay, making referrals to appropriate facilities or care centres for accommodation, food and clothing;
- liaising with the Elections and Boundaries Commission to facilitate the acquisition of identification cards;

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- establishing an emergency fund to facilitate immediate assistance to deportees; and
- providing counselling or making appropriate referrals for counselling and rehabilitation.

This unit would be staffed by officers of the Office of the Prime Minister (Social Services Delivery).

Referrals to existing care facilities are as follows:

- (a) in the short term it is recommended that deportees who require assistance be referred to suitable existing non-governmental organizations. Assistance will include provision of accommodation, food, clothing, counselling and skills training; and
- (b) in order to facilitate these referrals by the reception unit, the Office of the Prime Minister (Social Services Delivery) will provide financial and/or technical support to NGOs to whom referrals are to be made including drug rehabilitation centres and other health care providers.

It should be noted that in both (a) and (b) above, accommodation and care facilities could be provided for a transitional period of about six months, during which time the reception unit, in collaboration with care givers, would assist deportees toward rehabilitation and social integration; for example, reestablishing family ties, obtaining support group assistance and independent living.

Madam President, in addition to providing funding to assist NGOs in meeting the cost of the upgrade of their facilities, the Government proposes to assist in meeting the recurrent costs for accommodation, care and rehabilitation of deportees. This is testimony to this Government's recognition and appreciation for the important role that NGOs could play, as we address this very critical issue, and our willingness to partner with them in remedying the situation.

Development of an information brochure to assist deportees: A user-friendly brochure, providing deportees with information on social support services and other information on Trinidad and Tobago is to be developed by the Office of the Prime Minister (Social Services Delivery) and disseminated to deportees through the reception unit and missions abroad.

Establishment of support groups for deportees: The Office of the Prime Minister (Social Services Delivery) will collaborate with non-governmental organizations and other social support agencies to facilitate the establishment of support groups for deportees.

Strategies for medium-to long-term implementation: The major activities to be undertaken during this period are as follows:

Legislation: Subject to the advice of the Attorney General, legislation would be proposed and drafted to:

- ❖ facilitate the establishment of an adequate system of monitoring of deportees;
- ❖ make mandatory the interview of deportees by police and social work staff at the relevant ports of entry to facilitate processing and determination of needs; and
- ❖ allow for foreign criminal records to be admissible in local courts.

Establishment of a transitional facility: The Government has approved the construction of a transitional living facility for socially displaced persons by the Office of the Prime Minister (Social Services Delivery). It is recommended that the targeted clientele, for which this facility is intended, include deported persons. The facility is expected to become operational in about two years.

Madam President, I want to sincerely thank you for the opportunity to share this information with hon. Senators of this Senate and the nation at large. [*Desk thumping*]

**TRINIDAD AND TOBAGO POSTAL
CORPORATION (AMDT.) BILL**

[Second Day]

Order read for resuming adjourned debate on question [March 09, 2004]:

Madam President: Hon. Senators, after the Minister had spoken, only Sen. Mark spoke on the Bill.

Sen. Mark: Madam President, I have 15 minutes more.

Madam President: Yes, thank you for refreshing my memory.

That the Bill be now read a second time.

Question again proposed.

Sen. W. Mark: Madam President, from my last contribution, you would have noted that I spent a considerable amount of time focusing on some internal weaknesses within the Postal Corporation of Trinidad and Tobago. I must also indicate to you that in that same Auditor General's report, there is a section that

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deals with institutional strengthening by the corporation. We learnt in that report that the corporation recruited consultants to assist them with its accounting process, particularly in the areas of finance and accounts and internal audit functions. I would imagine that the hon. Minister, who is here with us today, would provide us with some up-to-date knowledge of what is taking place with the institutional strengthening by the corporation since the employment of these consultants.

We have only a couple of months before the expiration of this delegated management contract or lease, and I understand that this delegated management contract or lease expires in June. I think we need to get from the hon. Minister, before she leaves this Senate, what is the Government's thinking on this matter. In fact, the Government should have given us a position a year ago, and we are now a couple of weeks away from the expiration of this management's contract. We would like to know what is the Government's thinking with respect to this matter; what are its options or how it has assessed or evaluated the performance of this TTPost Transend Incorporated International management team from New Zealand. I think it is incumbent upon the Government to share with us in this Senate, the state of play and how they are viewing Transend Incorporated International, insofar as its performance, its options facing the Government and its future.

I also think it is important for the hon. Minister to tell us what is happening with the Postal Savings Bank. The Postal Savings Bank was an integral part of the old postal services. I understand that there is an abundance of money in the Postal Savings Bank, and the Minister of Finance would know about that. We need to know what is the Government's policy with respect to this particular matter. Is the Government hiving off this particular Postal Savings Bank? What is the Government doing with the money in the Postal Savings Bank? The Government should let us know because there must be a policy perspective. We would like the hon. Minister to share with us the future of the Postal Savings Bank, and what direction the Government intends to take insofar as that particular institution is concerned.

Madam President, whilst I have been highly critical of the internal controls and weaknesses of this particular institution, there is no doubt that it is one of the best examples of public sector transformation that we have experienced in this country over the last few years. I must say that I have a good supporter, a good admirer and a person who would have known a little more than me, because that person was the former Minister of Public Utilities and the Environment and that is my dear friend from Tobago, Sen. Rennie Dumas.

In an article published in the *Business Guardian* dated May 22, 2003 headlined “Public deserves better public utilities”, the hon. Minister at that time praised to the heaven this very important institution. I hope the Government is not sending home these workers. Madam President, hear what the hon. Senator had to say, and I quote:

“In fact, he said if they want to know how to step into modern times...”

He was referring here to the Water and Sewerage Authority (WASA), Trinidad and Tobago Electricity Commission (T&TEC) and the Telecommunication Services of Trinidad and Tobago (TSTT):

“all they need to do is take a page from the book of TTPost.”

That was the hon. Minister of Public Utilities.

Madam President, it meant that our former Minister of Public Utilities and the Environment was highly satisfied with the operations of TTPost, and he was recommending to the world and all other public utilities to take a page out of TTPost. I agree with him. He went on state:

“Now it is State-owned privately managed company that Dumas sees as the standard by which all State public utilities should operate.”

Whilst I have been highly critical of TTPost’s internal controls and weaknesses from a financial accounting standard and perspective, I think that the former Minister—who should know a little more than me because I did not have all the information at my disposal—seemed to have given TTPost high marks for its performance. I just wanted to share this with the incoming Minister of Public Utilities and the Environment, because the former Minister was in high praise of what was taking place at TTPost.

Madam President, I also want to indicate—the Minister would have to share her thoughts on this matter and provide us with some facts—that in the July/August issue 2003 of *The New Executive Times*, there is an article headlined “TTPost to declare early profits” and I quote:

“Boasting one of the most remarkable turnarounds in the regional state enterprise sector, Trinidad and Tobago’s Postal Agency (TTPost) is poised to surpass its targets by delivering a profit for the first time in its long history...”

The five-year contract between the Government of Trinidad and Tobago and the New Zealand postal giant Transend, stipulates that TTPost must achieve profits of at least TT\$17.5m in its fifth year.”

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Madam President, their fifth year ends in June.

Hon. Beckles: Madam President, I did not get the article that the Senator quoted from.

Sen. W. Mark: Okay. It is *The New Executive Times*, July/August issue, 2003 and the headline is: “TTPost to declare early profits”. I would like the hon. Minister to tell us what is the state of play, and as far as the Minister is aware, is TTPost close to declaring a profit consistent with its target of \$17.5 million under contractual arrangements? I think the Minister needs to tell us what is taking place with TTPost. In the audited accounts up to 2003, I am seeing a deficit of \$2.2 million. They made a loss. I do not know if in 2003/2004 TTPost made the \$17.5 million target. I would like the hon. Minister to tell this Parliament what is the state of play insofar as the profit levels are concerned.

I also want to deal with the issue of workers at TTPost. TTPost has a Postal Workers Union. I understand that workers are experiencing some difficulties. Madam President, back pay was made available to all public servants when the last collective agreement was signed, which involved a 15 per cent increase. The arrears of moneys owed to postal workers were promised since October 2003, and as we speak, these workers—close to about 450—have not yet received their arrears. I want the hon. Minister to investigate this matter, because it is symptomatic of a kind of contempt and disrespect meted out to workers throughout this country. I would like the hon. Minister to indicate to this Senate, why it has taken so long for these 450 workers at TTPost to get their arrears, when all their counterparts and other sectors within the public service—apart from teachers who are still negotiating—have received their arrears. Why are postal workers yet to receive their arrears? Why? Let us know!

This PNM regime has demonstrated on a consistent basis its contempt and disrespect for workers in this land. One only has to read today’s newspapers to see the Government’s attitude toward workers in this country. The Government sent hundreds of soldiers and police officers from the Crime Suppression Unit (CSU) and the Guard and Emergency Branch (GEB)—to do what? To confront the Venezuelans, the Bajans? Or our citizens who are workers of this country and fighting for a decent wage and a dignified way of living in this land? They are prepared to brutalize workers in the interest of big business and big capital in this land. We find that is wrong! That is why we are saying that what is happening at TTPost is not inconsistent. It is the first time that I have seen a government using the heavy hands of the police to escort workers out of Caroni Sugar Manufacturing Company Limited. That happened yesterday and the day before.

Sen. Yuille-Williams: Madam President, I just want to find the relevance of what the Senator is saying—

Sen. W. Mark: I am talking about the brutality of workers at TTPost.

Madam President: Senator, please come back to the Bill before you.

Sen. W. Mark: Madam President, I am of the view that there is need for the Minister to take urgent action to address the deficit that exists in the framework at the postal services involving these workers. I would like to issue an advisory to this Government, they cannot treat workers in the way that they are now doing.

We have been reliably informed that this Government is secretly planning to declare a partial state of emergency in Point Fortin.

Sen. Yuille-Williams: Madam President, I think we may have to delete some of the things that the Senator is saying.

Madam President: Sen. Mark, I think that it is not only irrelevant, but you may be imputing improper motive.

Sen. W. Mark: Imputing improper motive?

Madam President: It is irrelevant. Let us just move on. Sen. Mark, you have two minutes.

Sen. W. Mark: Madam President, I am trying to utilize my time but I am being interrupted. This Government does not like to hear the truth! The truth is that this Government is brutalizing workers in this country! [*Desk thumping*] That is what they are doing.

[*Both Senators on their feet*]

Madam President: Senators, both of you cannot stand at the same time.

Sen. W. Mark: I would allow her to stand.

Madam President: Sen. Mark, in fact, you are ignoring my ruling, and you have come back to the same thing. You have only one minute left, so would you please wind up.

Sen. W. Mark: Madam President, because of the number of interruptions I had, I want to beg you to give me an extension.

Madam President: No, you know that is not allowed.

Sen. W. Mark: Madam President, the Leader of Government Business and you have eaten into my time. Anyway, I am not giving way at all, except for you, Madam President. [*Laughter*] I call on the Minister of Public Utilities and the

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Environment to take steps immediately to correct that situation at TTPost insofar as the workers are concerned, and to ensure that their arrears are paid promptly. These workers should not have to wait five, six or seven months to get their arrears. The Government may wish to stop me now.

Madam President: Actually, I would have to stop you now because your time is up.

Sen. W. Mark: Madam President, well, I would certainly get another opportunity, under your watch, to deal with the enemies of the poor, that is the PNM. [*Desk thumping*]

Sen. Mary King: Madam President, one is aware that tax exemptions on profits and material inputs are usually granted to foreign companies and multinationals to establish subsidiaries in countries. This is done sometimes to alleviate things like chronic unemployment such as what was done in Ireland, China and other places and, also for example, to initiate the development of our own downstream energy sector in Trinidad and Tobago like methanol, urea, ammonia, et cetera.

2.30 p.m.

Madam President, in all cases these tax exemptions are for a certain time only. However, what we have seen, generally, is that when the concession time runs out for these corporations, the firm can pack its bag, leave and go on to another developing country to continue its exploitation. We, in Trinidad and Tobago, can just look at what happened to Carlisle Tyre very, very recently. In the energy sector, the very massive investment in plant and the existence of our rich natural resources can persuade multinationals to keep their subsidiaries in the country. That will probably happen in Trinidad and Tobago whilst the going is good; so we would probably be able to keep some of them.

What we have in front of us, in this case of TTPost, a foreign company which has been hired to manage the postal services for five years; a company owned by the Government of Trinidad and Tobago. These companies, that do get management contracts, can be compensated in various ways: management fees, subsidies, profit sharing and a series of reimbursements. On examination of the accounts of TTPost since 1999, there are some very frightening statistics emanating from these accounts, which have been audited by the Auditor General; some of these statistics I want to bring to the attention of this Senate today. At the end of the examination of the statistics, I think it would be only right and fitting

that we ask the Government to call for a commission of enquiry to be established into the operations of TTPost. [*Desk thumping*]

The statistics will explain why we are asking for such an enquiry and why it is absolutely necessary. If we do not set up an enquiry into the operations of TTPost then something is very seriously wrong with this country, but let us look at the statistics. In the opening year 1999, a loss was made of \$4.3 million. Funds employed by TTPost at the end of their first financial year were \$30 million. Salaries and benefits paid were \$44.6 million, and liabilities were \$31 million; current liabilities was \$3.9 and long-term was \$27.7.

By the end of their second year of operations they had made a loss of \$14.8 million. They had paid salaries that year of \$49 million. They had long-term and current liabilities at the end of that year of \$63 million. They had expended additional funds of \$12.7 million, and had a bank overdraft of \$3.4 million. When we look at what the Auditor General's comments were we would see that some of these things were not properly approved.

Madam President, in July 2002, the third year of their operation, they made a loss again of \$13.599 million. They expended funds of \$21.7 million; their liabilities were now up to \$77 million, long-term and short-term. Their salary bill jumped to \$57.8 million, and their bank overdraft jumped to \$8.9 million. From the last year of accounts that we have, they had employed funds of \$40.9 million. Salaries paid out were \$48 million. Their liabilities again jumped to \$82 million, and their loss was the least loss that they had, to which Sen. Mark referred today, \$2.2 million. Their bank overdraft was still \$7.8 million at July 2003. So we employed total funds over the four years of \$125.5 million, just to make a loss totalling \$35 million.

That was a foreign company brought in to manage TTPost. The auditor's comments at the end of July 2003 that accounts receivable—that is people owing them—of \$21.9 million, was not accompanied by any age analysis and, therefore, we do not know the potential level of bad debts. Now, they are managing TTPost. They have fixed assets, they say, of \$39 million, but the Auditor General could not find a fixed asset register in which to check or verify.

They said that they had sales of \$83.7 million, but, again, there were no general ledgers for sales. Worse still, the Auditor General points out that they seemed to have arrived at this figure by apportioning receipts over a small period, March to June, and based their annual income on that. Something is very seriously wrong at TTPost. The Auditor General states it. It is, therefore, obvious

that “there is an inherent risk that the sales figure is not accurate”. So we do not know, really, where we are.

A commission of a million dollars was paid, but it could not be verified; no records were presented, so we do not know. This was only for 2003 so we do not know who got it, what it was for, because there are no records. Salaries and allowances for that year were \$48 million. The examination revealed various weaknesses in the systems and procedures relating to salary and allowances, so it looks like there was very little recording at all. For other records, the Auditor General said they neither had a cashbook nor a general ledger. At least if they had them they were not produced for the audit. Payment vouchers were not properly authorized or even stamped “paid”.

A pension fund plan was to have been established within two years from the date of the incorporation of the new company in 1999; that should have been brought into place by February 10, 2001. The corporation appears to have only now begun to look at a pension plan. So all the agreements that we signed have been to no avail, as far as TTPost is concerned. The Auditor General said that property should also have been vested in TTPost within 12 months. Property should therefore have been vested as at July 01, 2000. Evidence of any vesting has so far not been seen.

General comments are: “weaknesses in the system of internal controls and the financial accounting systems in several areas including entries, trade receivables, customs duties, sales, salaries and allowances”, and it goes on and on, and on. Also, the Auditor General has been asking specific questions regarding items included in the TTPost accounts, very serious items; very serious matters. Project cost is an item in the accounts—\$16.8 million. This figure represents management/operator fees paid and refund of project preparation advances under the reform project.

However, Madam President, the Auditor General pointed out that these expenses were incurred by the Ministry of Public Utilities for a loan, which they obtained as the Government, and the basis for reflecting this amount in the financial statements of the corporation as “an intangible asset” is something that cannot be understood or determined. To this day, in spite of the Auditor General’s questions over the period, that project cost remains on the books of TTPost. There is another major item, a World Bank loan of \$18.7 million, which was also between the Government and the International Bank for Reconstruction. This loan is reflected in the Government’s public debt and, therefore, the Auditor General is

asking the question: What is the basis for including this loan as a liability of the corporation? This has still not been determined as at July 2003. It is still on the books.

TTPost has been managed by Transend Worldwide since 1999; I say “managed” very guardedly. Their DMA was supposed to finish in February 2004 and, as was asked earlier today, we do not know what is the Government’s intentions, whether this contract is being renewed or what. Yet, by this Bill today, we are extending their tax-free status until July 2004. What we should be having is a full investigation into the company from its inception. We appear to be in the very same state when Severn Trent finished their management contract, and they left us in a worse position than we were before it started. It is passing strange, perhaps, that it is the same Minister who was responsible for signing both of these contracts. We have to look at what is happening today, and we cannot allow that to continue.

Madam President, the TTPost fund, which is Government equity, after this whole period, has drastically reduced from \$20 million—actually, it was \$19.9 million—in 1999, to a little over \$5.9 million at July 2003. God knows what it is today; it might be much worse. I ask that we have an investigation into the operations of TTPost; its drawdowns from all those loans; details of its subsidies and all matters pertaining to its management, including its management staff, their curriculum vitae (CV) and all the contracts that have been awarded over the last five years.

In closing, the hon. Minister informed us in her introduction of the Bill, that the World Bank loan commenced a couple of years later. It is a pity that they ever got their hands on it, and now to talk five years late about achieving high quality standards and a highly motivated work force, I think it is too little, too late. Thank you.

Sen. Dana Seetahal: Madam President, as my colleague has just said this Bill, the one section before us, is to extend to the Trinidad and Tobago Postal Corporation (TTPost), exemption from the payment of tax and VAT for an additional period.

In the original Act, which came into effect on February 10, 1999—at least most of it came into effect and, in particular, section 34 of which we speak came into effect on that day—TTPost was exempted under section 34 from paying taxes, duties, fees or other charges for a period of three years, which means that in February 2002 that would have expired. It means that all now TTPost should be paying taxes, duties and all of that, which means that in their failure to pay that,

they have been breaching the law for two years, and, therefore, should be charged under the requisite legislation.

Instead of doing that, what we have come to do here is to give efficacy, to legalize that illegal act or illegitimacy, for want of another word. Why should we do that? The Minister has said that TTPost advised that due to the late commencement and delay in finalizing arrangements related to the World Bank loan, 21 months of tax exemptions have been lost. They said that they were lost because of the delay in the drawdown and the protracted negotiations. Even if we wanted to give them the 21 months back, by my calculations, that would expire in November 2003. I do not see why we are even coming here to give them until June 2004.

If they had done something to deserve this, we might feel generous. We, representing the people of Trinidad and Tobago, as I see it, might feel, “Okay, yes, let us exempt them from paying these taxes, fees and whatnot.” Do they deserve it? To determine that I would suggest that we look at what they promised to do, what they were supposed to do and whether or not they have come anywhere near that, in any real or meaningful fashion.

My colleague has gone through the accounts and has shown that, in fact, the body corporate that is TTPost has been losing money. In fact, it is not just bankrupt, that is too nice a way of putting it; it is minus, minus, minus, in debt. That is, indeed, ironic, because the purpose of establishing the Trinidad and Tobago Postal Corporation was stated in December of 1998, when it came before this Senate that it was to establish a corporatized post office—meaning a sort of corporation—not only to be financially self-sufficient, but to provide the owners with reasonable financial returns. So we are talking about having a post office system that was going to be self-sufficient, and that was going to provide returns. Have we seen any sign that TTPost is self-sufficient or is providing returns?

They had a monopoly, and still do, for five years, established under this legislation. The monopoly came into effect on July 01, 1999, and will expire on June 30. That monopoly under section 9 of the Act was to carry any letters weighing two kilograms or less, to produce and sell stamps, to rent or lease post offices and so on. It did not extend, of course, to electronic mail, but they had the substantial monopoly to transport letters and little packages and to rent out post office boxes in Trinidad and Tobago until June of this year. What have they done? It is my contention that despite these five years of monopoly, despite the three years of exemption from taxes, TTPost has not been doing anything that it had been contracted to do.

According to debates recorded on December 15, 1998, of the targets that TTPost was supposed to reach in the first five years—and some of them were included in the presentation by the hon. Minister last week—the first one was to provide universal delivery. That would mean, according to them, everybody getting mail at their home. It is a social service where one has the comfort of receiving mail at one's home.

Just as an aside, I had a discussion with some Members last week; this matter of providing mail at one's home has actually been working in a very funny way. I have had mails addressed to me at my home, and I have received them at the law school. I have had mails addressed to me in one place and, through some kind of personal initiative by mail carriers, I have received them at the *Guardian*, for instance, places I have never given out as my mailing address. That may be an interpretation of universal delivery. [*Laughter*]

In any event, at the end of one year, there was supposed to be 60 per cent universal delivery service to houses; year two, 69 per cent; year three, 85 per cent; year four, 90 per cent and year five, 94 per cent. We are in year five; has TTPost achieved 94 per cent universal delivery? I have not seen it anywhere. The Regulated Industries Commission was touted as the organization that would be able to tell us whether this was achieved. I think they have just come into their own, so I do not know if they have done anything.

The second benchmark that New Zealand Post had proposed and was supposed to deliver was time sensitivity, that the transit time was supposed to be the delivery of mail within 24 hours in Trinidad and Tobago; in the first year there was to be 80 per cent delivery. So everybody in Trinidad and Tobago would get his or her mail in one day—24 hours. I do not know how many of you get that, but let us deal with that now. By the second year, 85 per cent; by the third year, 93 per cent; by the fourth year, 95 per cent and by the fifth year, which is this year, 96 per cent of all of us here are supposed to get mail in 24 hours, and 48 hours within the remote areas, which would be the other 4 per cent, I guess. Have they delivered this?

The third thing is that they were supposed to provide revenue from new business. They were required not to sit back on their letter mail monopoly. I do not know whether they have done anything like that; it seems to me that they are very well sitting back on their letter mail monopoly.

My colleague referred to certain amounts of money that were losses she found in the annual reports: in the second year, \$14.8 million; in the third year, \$13.5 million; in the fourth year, \$2.2 million, and there is nothing for the fifth year.

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These were the projections based on which TTPost was given this five-year monopoly and three-year exemption. In year one there was a projected loss of \$6.5 million. In year two there was to be a profit of \$754,000, instead there was a loss of \$14.8 million.

I am reading from page 835 of the *Hansard* of December 15, 1998 in this Senate. In year three there was a projected profit of \$10 million. What do we have in year three? A loss of \$13.9 million. The fourth year, a profit of \$16.5 million was projected; instead we have a loss of \$2.2 million. In year five, we do not know what is going on yet, but a profit of \$23.4 million was projected. It is clear that TTPost has not been keeping to any of these so-called benchmarks, any of the things promised. It is instructive that it is in this year we begin the process of the payment of the World Bank loan with interest. In year five we begin the process, so we are beginning to pay for this, and they are losing money.

Madam President, albeit that this arrangement was entered into by a different government, we are dealing with the Government of the day. The Government of the day is planning to excuse them, it seems, from paying any taxes, fees or anything, and they are bleeding us dry, as it were. They are not producing any profits; they are not doing anything they are supposed to do and we have to pay that loan.

There is a reason that it should not be forgotten why we entered into this arrangement. Do you know the reason that was touted us? Because of losses in the past several years. Before 1999 we had losses in the postal services. They said that it was public servants; that the public servants could go to their unions and they could not discipline them, so you moved them out. They said that the service was poor, and there was a lack of public confidence. So you shifted people; people had to take voluntary separation of employment (VSEP) and get out; a lot of people have not gotten their money. I know that because my sister—I declare my interest—was a postmistress.

I know a lot of people suffered from the movement, but the movement was supposed to be of such that the country would benefit, that we would get something from it. We would have confidence; we would see money; we would see mails in 24 hours, because we would get everything. We would not have to wait until our credit statement came a week late, some of us, and have to pay interest. I feel very strongly about that last one. [*Laughter*]

The aim of this whole legislation, Act No. 1 of 1999, the reason for it was to provide greater accountability, transparency, speedier delivery, and in exchange we gave them a monopoly and exemption. It is my contention that if we have not

gotten any greater accountability, because we have annual reports and according to the Auditor General a lot of things were not shown to the Auditor General, where is the accountability? We are talking about transparency. I do not know what happens when people, whichever people, form the government. It is the same thing with people when they get power and positions of authority, they think they can blatantly refuse to answer you, pretend to be dumb: I cannot speak.

It is the same way that TTPost is not disclosing anything. TTPost, like the Government, has a duty to the people of Trinidad and Tobago; they must explain what is going on. They must tell us. If they were in another developed country, do you think that a corporation, a body corporate like this, could get away with what they are doing? Do you think that any public institution, a government, a Prime Minister for instance, could get away with saying nothing: "I have lost my voice"? TTPost has effectively lost its voice; they are not telling us anything. This is a shame!

I have to be perfectly convinced before I can vote for this Bill. I do not want to hear about which government did this and which government did that. We are here now, and we are supposed to be voting to extend this. For what and why? If we have to extend it, even to make things good, why until June 2004? I think it is a disgrace, and I really cannot vote for that.

Thank you, Madam President.

Sen. Prof. Kenneth Ramchand: Madam President, it looked as if this was going to be a very, very simple matter of granting an extension that should not have been granted. As my colleague pointed out, nothing in the performance of the management company deserves such a concession. I do not intend to support the Bill.

When this matter came up in this Senate in 1998, I had the honour to oppose the award of a management contract to manage the postal service to what was then called New Zealand Post. I opposed it on a number of grounds; the first of them was that it would have been more patriotic and more of a vote of confidence in the University of the West Indies to award the contract to a management team graduating from the University of the West Indies. People sniggered when I said it; total lack of self-respect and total lack of confidence.

I also took the line that there were cultural issues relating to the nature and historic function of post offices in Trinidad and Tobago, which a foreign management team would have to have the humility to learn about before they

could try to envision a postal service for us. Things like the difference between rural and urban post offices; things like the fact that we had a post office savings bank; things like a pensioner could collect his pension at the post office; things like in the rural areas the post office was a community centre. All these are things to be borne in mind by anybody organizing our postal service. I felt that nationals would have been in a better position to do this.

There were also technical issues that were brought up. It is very clear that we have a very literate and sophisticated population. In the homes we have all moved to electronic correspondence; people hardly write letters nowadays. Anybody going to develop the postal service has to have a plan to show us that they are aware that the post office has to be a kind of electronic cafe as well; that people must have the option to go there and write and receive their letters electronically.

I saw nothing in the discussion; nothing that the then Minister said to imply that there was any such plan for an imaginative development of a postal service appropriate to the needs of Trinidad and Tobago or to any developing country such as ours. What we had from the then Minister, was a diatribe against the inefficiency of the post office; the irresponsibility of the workers; the incompetence of the Postmaster General; how they never made a profit; how they were always making a loss, and they were always coming to the Government to beg for money.

I said to the Minister, at the time, "If you give the PostMaster General a quarter of what you are giving to these people: give them a quarter of the money and a quarter of the power, let him charge a little more for the postal service, he could produce and deliver better than them." That was laughed at with, "People have good reasons for awarding contracts." [*Interruption*] I am not going to read and write for people here.

I did not want to be parochial, because the then Minister accused me of being parochial. He used a word that I do not remember, but he implied that I was being parochial in trying to ask for it to be done by nationals. I said that if other countries with similar conditions to ours had developed a postal service, it would be very good to send people there for three to six months to see how their system operated, and we could learn and try to do our own. But we should not import them lock, stock and barrel and we should not put all our eggs in one basket. You can look at the postal service in many different parts of the world and learn when we want to learn to supplement the principles and natural instincts that we had here.

I have to tell you, I am glad that this thing has come to the Parliament today, because I am a “bad mind fella”, I like to say, “I told you so.” I am saying now, “I told you so.” The reports of the Auditor General from year to year have shown blatant financial incompetence. They have shown a lack of management skills, and I do not find that the postal service has improved.

I do not like to go into a pokey little shop to buy stamps, and “fellas” are buying pens, other “fellas” buying brassieres and people buying other things. There are all kinds of general shops in which the post office is now tucked in. The Curepe Post Office is like a morgue; instead, you have to go to a pokey little place on the Eastern Main Road when you want TTPost. If they are doing this all over the country, that is a destruction. You feel just because you have one big airport by Piarco that is all we need?

I do not want those selling me just seeing it as their duty to supply me with envelopes, writing paper, pens, pencils, rubber, white out and Lotto tickets. I want postal services. I want to come there and finish writing my letter. I want to come there and make up my parcels. I want to be at peace when I am doing all that. I am not going there to be hassled. Madam President, we are not getting that.

I am in total agreement with my colleagues about the failure of TTPost, or New Zealand Post International, to deliver what was stated in their management contract. I repeat the point of Sen. King about the renewal of this contract. The agreement says that when the time comes, this contract is a precursor, as it were, to a long-term contract, and if New Zealand Post International delivers, as they have promised, they would have the first option to negotiate with us. But the clause also says that the Government has the prerogative, in its own interest, to put this out to international tender and take new people, and if we are going to do that, we must serve New Zealand Post International notice in writing 180 days before the contract of our intention so to do.

I am a little worried, maybe the Minister can tell us what steps are being taken to do this, but I certainly recommend, not only that there should be—I do not even want a commission of enquiry, the facts are clear. A commission of enquiry would just delay the process. I think these people should be booted out and this thing should go for international tender, and special consideration should be given to a national management company taking over the postal services of Trinidad and Tobago.

Thank you.

Sen. Dr. Jennifer Kernahan: Madam President, allow me to make a short intervention on this very important Bill before us today, the Trinidad and Tobago Postal Corporation (Amdt.) Bill. The whole question of postal service always evokes a lot of emotions in people, because an efficient postal service is fundamental to modern life as we know it. It is a service that is equally important to all classes in society, all aspects of our society: in business class; the financial sector; the commercial sector; housewives; pensioners; everybody; rich and poor, upper, lower and middle income people have a vested interest in an efficient postal service in these modern days.

Notwithstanding the advent of technology and the whole revolution in communication services, notwithstanding, perhaps, the advent of e-government and e-commerce, an efficient postal service will always have a very important part to play in the development of society. So it is not surprising when people get very emotional. The term has been coined that you have “gone postal” on someone. I think this is what is happening here this afternoon, we are all a little bit postal with respect to the requirement of this Bill before us to extend the exemption of TTPost from taxes and other liabilities.

The Trinidad and Tobago Postal Corporation (No. 2) Bill was passed in 1998. It changed the postal services from a public organization to a private organization, a corporate organization, to be managed by the then New Zealand Post, now Transend Worldwide Limited. The legislation established the Trinidad and Tobago Post which would have the exclusive right to carry any letter weighing above two kilograms and exclusive right to produce postage stamps.

This sort of exclusivity, this sort of monopoly that has been established, as mentioned by my hon. colleague, Sen. Seetahal, carries with it certain important responsibilities, and I believe this is why there is so much negative flack this afternoon with respect to this application by TTPost. It is the perception this afternoon, based on the annual accounts of the Auditor General and the absence of other accounts which were to be laid in Parliament, but which we are unable to get hold of, the performance indicators of TTPost, and the presence of fundamental weaknesses in the internal financial situation of TTPost, that have drawn the sort of remarks that have been made this afternoon. So TTPost has to recognize that this exclusivity, this monopoly, brought with it certain obligations, and once it is perceived that these obligations are not being fulfilled, they will not have easy passage.

We have to put also the whole question of what is happening with TTPost now into perspective, because of the reason for the Bill and the reason for the

implementation of private sector management of the postal service of Trinidad and Tobago. There were very concrete reasons for taking that particular path. Although there are very serious questions that have to be answered before people are satisfied that exemption from taxes and so on are justified, and that another five-year term will be given, that extension of their services will be given to Transend Worldwide Limited or not, we have to put it in perspective that we have come a long way.

I quote from a World Bank document, *The Postal Industry in an Internet Age, Case Studies in Postal Reform*. The headline for this particular paragraph is “Pre-reform public operator structure performance”, this is with respect to Trinidad and Tobago:

“In 1996, the public operator employed 1,526 employees in 169 permanent offices. The Trinidad and Tobago Post Office and Postal Savings Bank were divisions of the Ministries of Public Utilities and Finance respectively. Service was poor, customer confidence low, and many business customers had switched to private mail service providers. The Post had lost money for many years and revenues typically covered only $\frac{2}{3}$ of costs. The postal infrastructure and equipment were in bad shape (particularly the vehicle fleet) and deteriorating rapidly. Financial losses severely limited investments in network modernization, resulting in a predictable downward spiral in service quality and mail volumes (a 20% per cent loss between 1995 and 1999).”

This is where we were in 1996 and this was the reason for the then UNC government initiating the reform process in the postal service, which was seen by the World Bank as a positive step and by the other international postal unions, mentioned in this document also, as positive steps in developing the postal service in our country.

Notwithstanding the remarks by Sen. Prof. Ramchand with respect to the then government's vision for TTPost, there is a document in which the then Minister, when he piloted the Bill, mentioned that technology would have to transcend mail delivery, as such, and that they would also have to take into consideration e-commerce with respect to the operations of the postal service. I cannot seem to find the document right now.

This was recognized by the then Minister of Public Utilities, when he piloted the Bill. He recognized the fact, as the goodly Senator seemed to have missed, that the whole question of technology, e-mail and advanced technology, would have to be incorporated into the postal service. This was on Friday, November 12,

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when he made his contribution in the honourable House. All these factors were taken into account when the then government decided to bring in a private management service for TTPost.

This historic step was taken after years of suffering by the public with respect to the poor quality service, and we understood that the classical postal administration, which had remained unchanged for years, would have had to evolve in a climate in which telecommunication was undergoing tremendous revolution, and changes in the customers' requirement demanded that the traditional postal service be upgraded and advanced. It was acknowledged that because of the new technologies, millions of customers were being lost to traditional postal services and, therefore, in order to compete, in order to stay afloat, the postal service would have to come in line with modern technology.

It was also recognized that globalization was breaking down national barriers, and that these new forms of technology and communication would have serious impact on the financial standing, on the income of the traditional types of services offered.

Some of the major problems that plagued the postal service before 1996 had their genesis also in the attitude of the postal employees to the service provided to the customer. It was imperative that new attitudes be engendered. I think the Minister also mentioned that when he piloted this Bill, that new attitudes had to be engendered, more customer oriented, more customer driven attitudes to service. These attitudes were, to some extent, cultural, because according to the history of a country: the industrial history or the social history, we would have different problems. Certainly, in our environment, the history has been, and still is in the public service, as a whole, that a lot of ordinary people are very dissatisfied with the attitude public servants display in serving customers, in attending to the public. This was also very evident in the postal sector. It is still evident, very much so, in other aspects of the public service in Trinidad and Tobago, and this is not going to go away overnight.

The problems of the postal services operated by the Government are not going to go away overnight, just because it is managed by a private company. It has to do with our emancipation, also our development as a people, the development of our culture, which sees that service to our own people, in our own country, is of the highest value; that we should give value for money; that we should give a fair day's work for a fair day's pay. Although in private enterprise arrangements it tends to be a little more efficient. Actually, when you come down to it, it is up to the individuals who operate in these environments to display that sort of cultural maturity.

It is not going to happen overnight just because it is a private corporation. We as a people have to take some responsibility also for the way we conduct business, the way we approach customers, the way we attend to our public. I had reason to be dissatisfied with the TTPost outlet in Arima. There was no sign actually saying that you could only pay for your service with cash, therefore, I had to wait in a long line, of about 10 or 15 people, with my daughter. When we actually reached the cashier, the service provider, she informed us that they do not accept a basic facility like the Linx cards. I would have thought that in the year 2004 that would be basic to the financial system and, therefore, that should have been accepted. We had to wait for about 20 minutes to understand that they do not take the Linx cards.

It was disappointing in the sense that in the face of the competition from other service providers in parcel post and so on, when we enquired about the cost of posting a letter by express mail, we understood that TTPost took four days to do so, while the other private service providers would take two days, and it was more expensive by TTPost than the private service provider. So we walked out and went to another service provider.

These are issues which have to do both with TTPost and the cultural environment in which we live; the attitude of workers to the job they do, and how the management organizes to serve the public in the best possible way. The poor quality of service and customer-oriented attitudes have to change, and as a society we have to change that.

Some of the goals of the new approach to providing postal services included: more financial sustainability; the achievement of financial targets of profitability; the ability to forecast capital expenditure and borrowings; performance goals in terms of quantifiable and measurable forms; human capital development; technology development and the establishment of performance indicators; some of the issues which were part of the agreement between the Government of Trinidad and Tobago and TTPost.

Madam President, I want to quote from this document, *Agreement For The Delegated Management Arrangement, The Government Of The Republic of Trinidad and Tobago, 'Ministry of Public Utilities, Trinidad and Tobago Postal Cooperation & New Zealand Post International Limited*. My colleague, Sen. Seetahal, went through some of the issues. This is the agreement between the Government of Trinidad and Tobago and the New Zealand Post International Limited for the development of postal services in Trinidad and Tobago. In it there are a number of agreements that the New Zealand Post International Limited and

the Government of Trinidad and Tobago agreed to; what is TTPost's obligation, the financial arrangements and so on.

I would like to deal with two of the issues under "Scope of NZPIL's Obligations" to set this in context:

"NZPIL shall:

- 3.1.1 On behalf of TTP and in TTP's name to the best of its ability undertake the management and operation of TTP during the term of this Agreement in a professional and business-like manner, and in conformity with international best practices for postal service management and delivery.
- 3.1.2 Nominate and provide suitably skilled and qualified personnel, including the Key Personnel, to be seconded to TTP who shall render the Services, provide technical and management leadership, and provide monthly Performance and Project Objectives to the Board of TTP and GORTT. These monthly reports are to form the basis of any quarterly, semi-annual or annual reports. The reporting requirements shall be in a form to be approved by GORTT and TTP..."

Under these obligations, as Sen. Seetahal pointed out also, I, as a lay person not having any particular financial expertise, right away would want to know what the agreement was, what had they contracted to deliver to the Government and people of Trinidad and Tobago, how have they delivered, in what manner have they performed their obligations and, therefore, how are we to judge their performance.

As part of the agreement an annual report was supposed to have been laid in this Parliament with respect to the performance targets of TTPost. We have not been able to get any information on how these performance targets are being met or have been met by TTPost, therefore, it is very difficult to judge whether or not TTPost is justified in coming to the Parliament to ask for an extension on the waiver of taxes.

I think a couple of these issues were mentioned by Sen. Seetahal: the universal delivery service, where in year one it was supposed to be 60 per cent, then 69 per cent in year two, 85 per cent in year three, 90 in year four, and 94 in year five. We have absolutely no information, no annual report from TTPost before this Parliament in order to see to what extent this is being accomplished.

You drive through the country and see lots of mailboxes. I live way out in the country in Cumuto, and I, of course, pass through areas like Las Lomas, really

deep country areas like Cunupia, in the back of San Raphael, Brazil and Talparo. When you see all the mailboxes in the front yards with the names and so on, there is this perception that mail is actually reaching people in these areas, where before these were not in evidence. We do not know to what extent we can judge in terms of the quality of the service.

We know that there is a delivery service to areas where there was none before, and you get the impression that there is a more efficient organization for the delivery and receipt of mail, because in Cumuto we get mail every day. The postman comes on a little motorbike. He goes through the area on his motorbike delivering mail to all the houses. Everybody has a post box now. Sometimes where people live very far away from the road, you find that they have their post boxes close to the road with their names. So there is the perception that there is an improvement in the delivery of mail in the country areas by TTPost. I suppose we do not have the figures, so it is very difficult to judge.

3.30p.m.

With respect to customer satisfaction it was enunciated in this loan agreement that, given the baseline customer satisfaction of only 50 per cent at the start of the intervention of TTPost, in year one the customer satisfaction would be 50 per cent, year two, 55 per cent; year three, 65 per cent; year four, 75 per cent and year five, 84 per cent.

Madam President, apart from just talking to people whom you know and who can give you an idea of how they feel about TTPost, there is no way for us as parliamentarians to judge whether these standards are being met. I know I have a serious complaint and I have mentioned it to the Senate already.

My daughter was sent a package from a university in the United States of America and it never reached us. That was in June last year. She was applying to go to that particular university and if we did not telephone and if it were not for the facility of fax and so on, we would have never received any information from that university. Up to this time, the parcel has never reached us and I do not believe that a university would say that it sent information and had not. It is one of the most reputable universities in the United States, the St. John's University, and this is the situation. It is now a year later and we still have not received our mail.

So there are causes for serious dissatisfaction with TTPost, but, as I said, it is very difficult to take these isolated reports or experiences and translate them into an overall conception of what is really happening. It is very unscientific to do so

and, therefore, the necessary figures have to be provided because that is what TTPost said it would do.

Madam President, with respect to transit time, I know for a fact it was said that transit time would be D+1 or D+2, delivery date plus one or two depending from where you were getting your mail. I know that does not happen and basically it would take about seven or eight days for inland mails to reach, sometimes up to two weeks. So D+1 and D+2 are not applicable to me and some people whom I know. We have a population of 1.2 million and I do not know what the overall figures are unless TTPost provides the information to let us know what is happening with the transit time.

Madam President, with respect to revenue growth, TTPost had contracted to achieve growth in new business revenue and in total revenue at targeted levels specified. In year one, total revenue, 36 per cent; year two, new business revenue, 6 per cent and total revenue 16 per cent; year three, new business revenue, 10 per cent, total revenue, 10 per cent; year four, new business revenue, 8 per cent, total revenue 11 per cent; year five, new business revenue, 6 per cent, and total revenue, 9 per cent.

Again there is absolutely no information for us to judge whether this has been achieved but it says under Revenue Growth:

“Monitoring will be based on ongoing financial reporting statements of TTP. A monthly report tracking Revenue Growth will be provided to GORTT starting with the end of the third month of operation of this Agreement.”

Madam President, perhaps the Minister should have brought this information before the House when she piloted this Bill, because according to the agreement, it was based on monthly reports going to the Minister on the status of the different delivery services that would be provided.

For example, under Universal Delivery Service it says:

“A monthly report showing the percentages of total delivery points receiving mail delivery by type shall be provided to GORTT, starting at the end of the third month of performance under this Agreement.”

And under Customer Satisfaction it says:

“A twice-yearly report is to be submitted to GORTT starting with the end of the first six (6) months of performance under this Agreement.”

With respect to Transit Time it says:

“Starting with the second year of performance under this Agreement, an externally conducted, end-to-end measurement system must be instituted. Reporting of the results of this system shall be quarterly.”

And revenue growth as I said before would be monthly.

So it seems to me that the Minister alone is in possession of all the answers as to the performance of TTPost and she should have provided Parliament with those answers in order for us to make a more comprehensive and coherent response to its operation.

With respect to the Change Management Strategy, it was agreed that it would have been implemented, and also a Human Resource and Training Plan, Capital Investment Plan, Management Information System, and Post Office Savings Bank would have been addressed.

It says in 3.1.9:

“Provide quarterly project status reports to GORTT on the Change Management Strategy, the Human Resource and Training Plan and each project specified... Recommendations with respect to the Post Office Savings Bank must be presented to GORTT within six (6) months of the Effective Date.”

A couple of Senators today asked: What is happening with the Post Office Savings Bank? So from this document, it seems that the Minister really is the only one who knows exactly what is happening with TTPost and we are all in the dark. That is why we are all going a bit postal on this question.

Madam President, one of the interesting things I noticed as a layman, is that in this document there are penalties attached to non-performance by TTPost, and we have seen that the annual reports by the Auditor General show that there is non-performance in terms of the financial revenues and status of TTPost.

I therefore ask the Minister if the penalties as stated in this document with respect to non-payment of management fees have been actually invoked by the Government and applied and, if not, we want to know why not because all these issues are addressed in the loan agreement. And, therefore, the Government is obligated to come to Parliament to tell us if TTPost has not fulfilled its obligation under this loan agreement, why it has not invoked the penalties as clearly stated in this loan agreement.

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One of the issues raised by a number of Senators with respect to the Bill establishing TTPost's corporation when it first came before the Parliament was what was going to be the long-term agreement for TTPost after the initial management agreement that is in force for five years—as Sen. Mark said before—and which would be terminated in June.

I think one of the major issues that Senators would have liked to hear from the Minister today is the Government's plan for the long-term arrangement for TTPost. Because under section 5 of this document "Scope of GORTT's Obligations" it says:

- “5.1.1 Assume responsibility for all liabilities and obligations of TTP existing or accrued and payable to the Effective Date.
- 5.1.2 Provide financial guarantees, where required by international funding agencies in respect of the Capital Investment Plan, as outlined on page 6 of the Supplementary Proposal dated December 28, 1998.
- 5.1.3 Develop the Long Term Arrangement for TTP during the term of this Agreement.
- 5.1.4 Subject to all applicable statutory requirements, and upon timely submission of all appropriate information, facilitate the obtaining of all necessary permits, licenses, visas, customs clearances, authorisations or other approvals required to enable NZPIL to perform the Services under this Agreement.”

Madam President, it is clearly stated that it is the Government's responsibility to develop the long-term arrangement for TTPost. The fact is that it is going to be a very critical issue in the coming month after review of its performance when this agreement is up for termination and the Government is not satisfied with the performance.

Madam President, in order to give us an idea of what the Government's plans are, Senators have expressed the view that there is local expertise available to manage TTPost and, at the time this Bill came into force, that there should be private sector involvement. So I am asking—given the views expressed and the performance, although we do not have all the facts, but the Minister certainly does—what is the policy of the Government with respect to the long-term arrangement for TTPost.

Under “The Long Term Arrangement” it says:

- “10.1 The Delegated Management Arrangement is intended to serve as the predicate for the Long Term Arrangement. It is the intention of GORTT to provide NZPIL the first opportunity to negotiate the Long Term Arrangement with TTP/GORTT provided NZPIL has successfully met all the Performance and Project Objectives and provided that such negotiations are carried out on a transparent, arms length and fully commercial basis.
- 10.2 GORTT reserves the right to award the Long Term Arrangement through competitive international tender should it determine, in its sole discretion, that doing so would be advantageous to the citizenry of Trinidad and Tobago.”

Madam President, this is where we are and the question of the long-term agreement has to be brought before the Parliament at this time because this is where the road forks. This is where we are going to determine if we are going to go forward with a view to developing our postal service with local expertise, and with management that can be obtained locally to develop our own human resource, to develop our own managerial techniques, or whether we feel we are at that stage, or we are going to continue with the New Zealand Post, or have another foreign company to manage TTPost.

We are at a very critical stage, and the factor that is missing for us to assess these issues and comment with any sort of intelligence is information with respect to the performance of TTPost, which we do not have.

As was said, the delegated management arrangement is a transitional one and the development of this into a long-term arrangement with New Zealand Post International can be based only on the performance objectives as promised in the agreement.

Madam President, I think these are some of the major issues which I raise; the absence of information, whether the Government has invoked penalties on TTPost with respect to non-compliance and non-performance, what types of reports have been forthcoming to the Government, because there is a whole annex in this agreement that clearly spells out the reporting format. So I do not think there is any excuse for either TTPost or the Government not to have abided by this written agreement.

We have the first “Performance and Project Objectives” which are:

Performance and Project Objectives	Monthly	Quarterly	Twice Yearly	Yearly	Other
Universal Delivery Service	/				
Customer Satisfaction			/		
Transit Time	/	/			Quarterly Transit Time Report to commence from Year 2
Revenue Growth	/				
Net Income			/		
Change Management Strategy		/			
Human Resource and Training Plan		/			
Capital Investment Plan		/			
Post Office Savings Plan					Recommendation at the end of first six months.
Corporate Plan					Six (6) months after the commencement of section 19 of the Trinidad and Tobago Postal Corporation Act.

Performance and Project Objectives	Monthly	Quarterly	Twice Yearly	Yearly	Other
Financial Plan					Six (6) months after the commencement of section 19 of the Trinidad and Tobago Postal Corporation Act (in conjunction with Corporate Plan).
Annual Report					Within three (3) months of the end of each financial year.

Madam President, if the schedules of these reports were adhered to, and if the Government indeed is in receipt of all these reports, then there is ample information within them to determine whether or not the agreement was managed to the best of its ability, and if the delegated management authority framework should be discontinued, or if the long-term arrangement will continue with TTPost with local private enterprise or foreign private enterprise.

These are some of the questions that need to be answered and I think the Minister has the obligation this afternoon to deal with these issues and not just to come before the Parliament to get a majority to extend the period of exemption from taxes at TTPost. We are very vehement in our view that we are not rubber stamps here, and we need information to exercise our authority given to us by the people of Trinidad and Tobago to be Members of this Parliament. It is a part of the democratic process and information is basic to that process.

We cannot do our jobs, we cannot ask the questions or make the analysis we need to make if we do not have the information. And, according to this document, the Minister has all the information we need and we call on her this afternoon to give us the information, to make it clear as to what is happening with TTPost and let the Parliament know if these reports were produced, and what is their nature so we can approach the question of extending the period of exemption of taxes and give it a more thoughtful response.

Thank you, Madam President.

Sen. Brother Noble Khan: Thank you, Madam President, for allowing me these few moments to make my comments on the Bill before us to amend the

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Trinidad and Tobago Postal Corporation Act, 1999 to extend the period of exemption from taxes and other charges.

It raises certain points which I would like to share; one is the concept that the creation of this corporation before us—and in my limited knowledge concerning corporations—was mooted about and how it took its place in the system of governance. I think this was just part of the progression of governance and the mechanics to ensure delivery to the people.

It was in the United Kingdom, which is possibly one of the good models that we have been following for some time, I do remember as a young boy I heard that if a letter was posted anywhere in England, within 24 hours it was delivered. These thoughts still hold good with me when I think of Great Britain being about 83,000 square miles or thereabouts, and Trinidad including Tobago just over 2,000 square miles and how much time it takes before a letter is delivered in our country when that standard had been established so many years ago.

Also, the post office is one of the organizations that wanted to be a separate body; I think this was in the 1950s or thereabouts. The Postal Service, or what it had been called, had become an independent body a few years after the attempts were made.

I do recall someone in the area of the technology they had brought into it at the time, and which I think might be going guns. I expect some attempts would be made to go that way too, but the very concept of having these bodies moving from the central government services and putting them into the independent bodies, one wonders how well we have had that experience in our country.

I do remember as a young person, hearing about water departments which were incorporated into the Water and Sewerage Authority (WASA), or the National Housing Authority (NHA) being formed out of what has been referred to as the Government Housing Loans Board where loans were made available specifically for government civil servants. The NHA has widened its scope of government employees and also the nation as a whole.

The Trinidad and Tobago Electricity Commission (T&TEC) was a state enterprise and there was the Electricity Commission in San Fernando and some of these satellite bodies were all incorporated to make a state organization that supplied the grid.

When we think of health, there are the Regional Health Authorities, also transport, the Public Transport Service Corporation (PTSC) where they had the old

“TGR” and all the bus services coming together. Some of the things that struck me as we moved into this area when the money was pumping into the economy by outside influence, the oil and what have you, we had what was referred to as a government-to-government arrangement.

We are thinking in terms of the mechanisms that were established in the government system to deliver goods and services to people and how they have worked, and I think this one that is before us offers the opportunity to share some thoughts on that.

I do remember within the government-to-government arrangements we had money coming in, planning had gone haywire because before we used to have beautiful plans and no money to finance them, but when the money came we had plans which were put aside and it was a question of getting things put in place with this money. One of the techniques adopted was the government-to-government arrangement and I think we have alluded to it today and the long-term funds that were used for what they were not really meant.

So we had this arrangement and basically how I understood it was that the Trinidad and Tobago Government related to some of the countries outside and they got companies there to service us. I had personal experiences with one of them; I used to be in the public service and one of the government-to-government arrangements was to build a jail and I used to monitor it and I was invited to a meeting at the Ministry of National Security.

When I mentioned that as far as I know of our history in Trinidad and Tobago, going as far back to the Spanish presence, that we did all our jail building by ourselves in Trinidad up to that time, they never invited me to any more meetings. Even up to now the prison on Frederick Street—the English had built that—but even before that, the Spanish had one on Edward Street and that is how it was then.

So we have seen attempts being made by the past administration to bring mechanisms to get deliveries even on the international scene, and I think this corporation was involved in this through the International Monetary Fund (IMF) and the World Bank, and it even had other ways of raising funds that were directly linked to projects, even if not directly linked to the creation of them.

I had glimpses of that taking place when it was said even in the accounting, that apparently there were some discrepancies—that is my word, I would not like to think it was so—between the Central Government’s system of recording for the loan and what the corporation has.

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The point I am making is that there are linkages with the international lending agencies and this might be part of their strategy towards developing countries that when they want to move fast they will, of course, attach their conditionalities and this might be one. Even as we have gone through the question of the services in our country like water and electricity, it has now reached the postal services.

These may all have been created with good intentions but what strikes me is that even with the system brought into place, apparently there was not a proper system of what had been referred to as evaluation or feedback. I still would like to stress the point that even by bringing in these outside agencies to help us—and we are on the international scene, so there is need to interact—what our colleague, Sen. Prof. Ramchand emeritus has said with respect to our development thrust, I strongly supported that type of argument, and still do.

Even after the government-to-government arrangement from which there was so much haemorrhaging—I mean deficiencies—the country has benefited somewhat, in that I would think that our expertise has improved and to have expertise and not make proper use of it, or not create the proper environment for it I would say—for want of a better term—is sinful.

With respect to that, the attraction for people coming from outside will always be there. I seem to recall somewhere that it is said: “Where the carcass is, there you would find the raven or the vulture.” So this might be one of the things we as a people would have to watch. Not that we would not draw on foreign resources or expertise, but there should be proper checks and balances instituted.

Obviously, what we have heard I am sure that we are convinced that our homework was not done properly and possibly that might be charitable if I am to say so, because we could correct that, but if our concepts are offline, then God help us.

That, again, is a point for which we would definitely have to give deeper thought if we are to deal with the question of solving our problems and establishing mechanisms, which we hope we will. I speak of what has been referred to as establishing mechanisms to achieve sustained development and growth.

These are some of the general statements, or wider perspectives that I would like to share. It hurts my heart to know that even as skewed as the system of distribution is in our country—a way of giving to those who are more in need. The question of just putting in four pages and two clauses in the Bill would leave so much out from what could be used for these people—who are still our

people—who are on that end of the ladder where the resources of the country are just being moved away.

4.00 p.m.

It is not my style to put blame on people. But who is responsible for having this Bill before us today? Why is this so? When the law was promulgated a system was put in place, but since then nothing has been done. They have just come here with four pages and just by one stroke have shifted so much of the country's resources from one area into another area. These are the questions that I ask, and I am sure the nation would like to receive answers to them.

To some extent, I think mention has been made previously about having a deeper insight into all corporations before us; there is also the whole system of those agencies before. I remember with respect to electricity, when the money was pumping—I am speaking here about the first inflows; we are on the verge of a second one, or so it has been mouthed around, through the gas inputs—that a decision was taken at the highest level that for some of the benefits that were coming into the country to reach the lower end, they would have had to have subsidies. Electricity was therefore subsidized, but before it was not subsidized and it used to pay its way. With that subsidy, therefore, some of the benefits reached the lower end of the people. But even in reaching that point you could bet more than your bottom dollar that those agencies that were using a lot of electricity have benefited more, if we were to put it more in a relative situation. But that was one of the techniques used.

With respect to WASA, we see a different type of technique being used, there is the desalination plant, and just recently we have had so much discussions on that. You could see a pressure being brought on and the need to meet the needs of what the people are calling for. That could have acted as a means for us to create the mechanisms that we did. There might be a good reason for doing it, but just setting them up and leaving them open-ended, as what is evident before us, I do not think that is the way to go. To that extent, therefore, I have no problem with the question of having a commission of enquiry.

Madam President, within the framework of the law as was set up there were plans for pension for the workers. I understand that since 1999 there should have been some pension plan in place but there is none. I would really like to know what happened to all those workers who became eligible for pension, and what mechanisms have been put in place to ensure that there are some benefits for those workers who have sweated all their lives. Madam President, I would like to know what is the situation with respect to them.

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As I have said before, and it has been mentioned here that the question of the law is most predominant and from what our colleague, Sen. Seetahal said, there are elements of it that are being transgressed even as we speak. I would like to hear something on that.

With respect to the inefficiencies, if we could tighten up—I know that is a big challenge, not only to ourselves, but also within all the state corporations as to how we could bring our management systems in place and to definitely have that feedback mechanism. Again, if our concepts are not right we will have some problems there. I strongly recommend that we look at that aspect of it.

Thank you, Madam President. We hope to see what would come out of this four-page law.

Sen. Sadiq Baksh: Madam President, I join the discussion on what should have been a very simple matter this afternoon, an Act to amend the Trinidad and Tobago Postal Corporation Act, 1999, to extend the period of exemption from taxes and other charges.

Madam President, during the debate on this entire matter, the Government just introduced the Bill and believed that the Members on this side would just rubber-stamp this important measure because it was initiated during the period we were in government.

I would like to draw to your attention that when we took office in 1995, we were faced with a situation in Trinidad and Tobago in which the utilities and government departments were running at an all time low. Citizens in Trinidad and Tobago started to lose confidence in all the public utilities and institutions in the country.

Madam President, faced with that situation we began the process of modernization in the public service and started to initiate policies that were intended to ensure greater efficiency, accountability, transparency and to ensure that the public of Trinidad and Tobago got the type of service they deserved. In our urge to do that we went out to international tender and, in fact, got what we thought then would have been an organization, the New Zealand Post, that would assist the country in taking it into the new century. Madam President, based on our preparation for the future; based on our preparation for the 21st Century and having recognized the need for greater efficiency we introduced this mechanism. At that time when we initiated the new postal service it was based on a strategy to use TTPost, along with other organizations: the Civil Aviation Authority, Maritime Services Authority and other tools to allow the governance to be more transparent, accountable, and efficient.

The major beneficiary that we expected from this postal modernization process would have been the people in rural parts of the country. You would recall the kind of complaints that were generated from small communities because of the knowledge of the people in the area: they felt that tampering with mails was a major part of the system, and when they had moneys or valuables coming from abroad they did not trust the system. In introducing New Zealand Post to Trinidad and Tobago in that piece of legislation we thought that in a five-year period we would have been able to assess where we are.

Madam President, in a number of areas we have had successes. What we have found, however, in one of the major areas in which we introduced and ensured that we place mechanisms to monitor—and that was part of the governmental responsibility; we set certain benchmarks and, in fact, we set up a timetable for ensuring that the reporting mechanisms would be able to be scrutinized by the departments, maybe in the Ministry of Public Utilities or the Ministry of Public Administration, so that when New Zealand Post or the Operator/Transend sent in those reports, we would have been able to initiate them, and some were, after the first operating period of six months, some three months and some two years. Madam President, the onus for ensuring that those reports came to us rests squarely on the shoulders of the Government. TTPost was supposed to present them, but the Government had the overall monitoring responsibility.

I want to suggest at the outset that if the Government does not have the answers to the questions we have asked this afternoon that it withdraw this amendment. They will not get support from this side, based on the non-reporting mechanisms to seek exemption for an organization that did not provide the necessary reports. It was clearly established in terms of the reports what was necessary for the universal delivery service in terms of customer satisfaction, transit time, revenue growth, corporate plan, financial plan, annual report, which should have been within three months of the end of the financial year.

We cannot now give incentives in terms of no stamp duties, taxes and other charges to TTPost. These incentives would appear to be encouraging corporate welfare. The new phenomenon in Trinidad and Tobago by this administration is to encourage something we call corporate welfare. To give incentives to TTPost would be tantamount to introducing corporate welfare in Trinidad and Tobago.

Madam President, it cannot be exemption for TTPost and blows for people in Cashew Gardens and Wallerfield. It just cannot be! [*Desk thumping*] It cannot be incentives for TTPost and blows for workers at the Atlantic LNG Plant. It cannot be! We are seeing, not only a creeping dictatorship in Trinidad and Tobago but a

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new phenomenon, encouraging corporate incentives and corporate welfare. We have seen it in the Community-based Environmental Protection and Enhancement Programme (CEPEP), in the Unemployment Relief Programme (URP) and now in TTPost. Madam President, it is exemptions for TTPost and sledgehammers for the poor. Madam President, this cannot continue! We recommend to the Minister that he withdraw this. I also wish to tell you that we will not support the extension of incentives.

Thank you very much, Madam President.

Sen. Carolyn Seepersad-Bachan: Thank you, Madam President, for allowing me the opportunity to make a very brief intervention on this particular matter. I rise this afternoon to support my colleagues on this side of the Senate in what they have proffered so far.

I want to make it very clear to the Senate—I think I speak for my colleagues on this side—that we are not against postal reform. In 1999, when the decision was taken for postal reform, it was based on an analysis of what was taking place globally. In following suit, Trinidad and Tobago joined many other countries which recognized because of the information age, and the technology trends that the postal system could become outdated and less self-sufficient, if there was no major reform process in place. So given the merits of postal reform, today we still stand by it in Trinidad and Tobago.

Madam President, this is why in 1999, the United National Congress government, with the advice of an international agency such as the World Bank, came up with such comprehensive legislation, which instituted several performance measures, incentives and penalties to ensure that we had a successful postal reform process. But that has not happened based on evidence presented, not only from the accounts by the Auditor General, but based on other aspects of what we have seen from TTPost.

Let me remind the Senate of some of the goals which were touted to be achieved by TTPost within the very short time frame:

Opening of new outlets.

Better equipment to bring service closer to customers.

Expanded home delivery to rural isolated and economically disadvantaged areas.

Offering of a wider range of products and services.

Enhanced customer service satisfaction.

Improved reliability: speed, security of mail delivery, et cetera. Enhanced revenue.

Productivity and financial performance.

Improved working conditions.

Staff motivation. [*Interruption*]

Madam President: Senators, there is an undercurrent of talk which is making it very difficult for me to listen to what is being said.

Sen. Mark: [*Inaudible*]

Madam President: No, it is not only him; it is everybody. Senator, please continue.

Sen. C. Seepersad-Bachan: Thank you, Madam President. All of those objectives were set within the context that in terms of expanding this delivery service and improving this quality of service that it would have been a boost to economic activity within those rural areas. Madam President, recognizing what was taking place here, and looking at what was taking place globally, there was also the intention that the postal service, if reformed, would have been able to complement and play that symbiotic role with the information technology age, in terms of implementing what they call cyber space and the delivery of the packages that would come out of that faster communication.

Madam President, whereas we stand behind postal reform, I want to make it abundantly clear, as did my other colleagues on this side of the Senate, that we stand by accountability and transparency. [*Desk thumping*] As a result, it is a bit surprising that the Government of the day would choose to bring a Bill like this before this Senate knowing that their house is not in order.

The Executive must be reminded that part of their responsibility is for management. It is their job to monitor performance. It is their job to ensure there is performance throughout the state sector. When I look at the Auditor General's reports, I wonder what has happened since they took office. Did the Government not observe the Auditor General's reports coming in? What actions has the Government taken? The Minister needs to tell us if she is fully aware, and if so, for what actions have they called in management to account?

I also want to support my colleague, Sen. Kernahan when she asked, because it was very clear in the delegated management agreement and in the legislation

that there would be certain penalties. There would have actually been a reduction in the management fee the New Zealand Post if in any way failed to meet any of the performance targets. What would have come into effect would have been a penalty by way of a reduction in the management fee. We need to know, since they have not been achieving those performance targets, if the management fees in itself have been reduced.

What I also find strange is that if I go back to the debate in 1999, the then Sen. Danny Montano made the point, that he criticized when the Bill was piloted before this Senate, that it was the bit of madness to come to this Senate and ask for a tax relief. Here it is now the very same Sen. D. Montano is sitting on that side supporting a tax relief for TTPost, after how many years of non-performance, and after how many years of operation. The Minister said:

“Three years was outrageous in terms of asking for a tax relief.”

Madam President, another concern raised by Sen. Joan Yuille-Williams was: How long would TTPost be given money from the Consolidated Fund if one of the goals was for it to become self-sufficient? This is how many years after? Can the Minister tell us if she still supports this Bill today giving a tax relief, when she knows that the postal corporation is not self-sufficient and is dependent on the Consolidated Fund?

Madam President, when we talk integrity, I would have thought the Senators on that side, especially those two key Ministers, would have taken the position and would have strengthened their position before coming to this Senate, and not bring this particular measure. At that time before the start of the project, they actually criticized, and I am quoting directly, in terms of the self-sufficiency and the tax relief to be given.

When I saw this Bill one of the things that occurred to me was why does TTPost need this tax relief? What has it achieved? As Sen. Seetahal said: Why are we now legalizing something that has taken place over the last two years? Madam Minister, I would really like to know what it has achieved for us to be now legalizing two years of tax relief; exemption from customs and excise duties.

I think it is incumbent on all of us in this Parliament, because it was really amazing when this Bill was presented and I looked at the legislation of 1999, and the first thing that stood out to me was the need for the annual reports that were to be filed every year in this Parliament, and here it is this Executive is bold enough to bring this Bill knowing that no such annual reports for TTPost came to this Parliament. I remember commenting on that last week to one of my colleagues.

Madam President, it is incumbent on all of us today to say no to this particular measure, if we are serious about transparency and accountability to the people of this nation. As my colleague, Sen. Baksh said, this should not be seen by us as rubber-stamping this particular measure. Supporting this measure tells us that we are supporting it and we are okay with non-performance of our state entities. Madam President, in no way are we going to stand by and say that we are supporting non-performance, non-accountability and non-transparency.

With those few words, Madam President, I thank you.

Sen. Robin Montano: Madam President, one of the things that people must be, political parties must be, and governments must be, is consistent. One of the things one does not want to have is inconsistency where, for tawdry political purposes, one says one thing on one day and another thing on another. There must be consistency. If one made a criticism yesterday on something one must come today and say why the criticism that one made yesterday does not apply today.

Madam President, on Tuesday, December 01, 1998, then Sen. Joan Yuille-Williams, who is now today a Minister, made a speech in the Senate on the Postal Corporation (No. 2) Bill. On that day she said, and I am quoting from the *Hansard*.

“Who will pay for that and how long will this continue? Their judgment and what the Government wants might not be what the board considers to be the directions which will give it the profit, and I need to see how they will reconcile that relationship. Probably there is some way it could be done but I need to find out how that could be done.”

Madam President, let us put a point here because I want to read some more of what she says. Here is the then Senator, quite rightly, raising the question of profitability of TTPost. Here is the Senator, quite properly, saying we—in the then opposition—are concerned about TTPost and its profitability. So the question that needs to be answered this afternoon is: What happened? There has been no accountability for the last two years, 28 months or whatever it is.

We, the Parliament of Trinidad and Tobago, have no idea about what the accounts of TTPost are. We do not know what is the level of profitability or non-profitability. We do not know why we are being asked to give tax-free status. It is sort of like “Hey people, would you please rubber-stamp this because, of course, you are just a rubber stamp. We are in charge—although sometimes some of us lose our voices—do not worry about what we said yesterday; it does not matter; consistency is not something that is important; all that matters is power. Madam

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President, I have news for them. What matters is good governance and this is not good governance.

It might very well be that at the end of the day there is a good reason for us to vote for this. I have heard it being said in the crosstalk this afternoon: “Oh, I want to see you all vote against your own Bill.” The answer is, try us. It is not a question of voting against our own Bill. It is a question of voting against a lack of accountability and transparency. [*Desk thumping*] That is the point. You cannot come to Parliament and just say do this because we say do it. You cannot do that! This is not what Parliament is about! Parliament is about making sure that the business of our masters, the people of Trinidad and Tobago, are looked after. We are merely the caretakers of their welfare. We are not their masters.

Sen. Yuille-Williams went on:

“Looking at finance in Part V, it ties in very nicely because they are saying that this board should be financially self-sufficient.”

Ta da, ta da! Hello! Guess what? That was the purpose why. Now, where is the accountability? What is happening? I listened to this debate last week Tuesday and I have listened to it all afternoon and still I have not heard the fundamental answers to the basic questions.

Sen. Yuille-Williams continues:

“That is why I was looking at the conflict situation there.

‘The money of the Fund shall comprise—

(a) appropriations by Parliament from the Consolidated Fund;”

When you give a company a tax break, you are effectively giving them money. Why? Where is the money coming from? We, and the Parliament, are fortunate this afternoon that here you have the person who acts as Prime Minister who made a speech, and yet in this debate she has been strangely silent. No explanation at all from the Government as to why we cannot be trusted. The Senate of Trinidad and Tobago cannot be trusted with information relating to accountability. We cannot be trusted with the accounts of TTPost. Why? Is Sen. Prof. Deosaran a subversive? Is Sen. Prof. Ramchand somebody who should be sent to Zimbabwe? I am not going to ask about me, Madam President, because I know what the answer will be. [*Laughter*] But seriously, why can we not be given the answers? The whole purpose of Parliament is that we are the supreme authority, not the Executive. The Executive accounts to us. Why, in the name of heaven, is this Executive not accounting to this Parliament?

Madam President: Hon Senator, I will have to stop you at this point. You will continue after tea. The Senate is now suspended for tea. We will return at 5.10 p.m.

4.30 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Sen. R. Montano: Madam President, it occurred to me during the break that, perhaps, I was not as clear as I should have been when I was talking about accountability and so forth, that there might be some who thought that I was talking about the accounts from the Auditor General. Let me just say that I know that those are in. What I have been talking about and referring to—I cannot remember the name of it now—are the performance targets, the performance reports that my friend Sen. Mary King and my colleague Sen. Mark referred to in their contributions. This is what I have been talking about.

Madam President, the lack of these performance indicators are the same criticisms that I have had since the beginning of this Parliament about the benchmarks for this infamous Vision 2020. When you do not know what it is you are supposed to be doing, figures become meaningless. Here are the figures. Okay. So what do they mean? I can show you figures for anything but without the relevant information the figures are meaningless and this is why I was saying we are about accountability and this is why I criticized Sen. Yuille-Williams. In her contribution in December 1998, she quite rightly, when you read the particular section—I am not going to re-quote it—but basically she quite rightly effectively was saying—and I am using my words—that there has to be a certain accountability: to know what is happening, when it is happening and how it is happening. If I might say so, she was correct but we now have the situation some three years and several months later—are my Maths right? No, I am sorry. One can see why I am the lawyer and not the accountant in the family. But you get my point, that from December 1998 to present, what changed? Why is it that all of a sudden accountability is no longer important?

This has been the problem with this PNM Government. In their short stay in office one has seen no reports on the road improvement tax, no reports on the Integrity legislation, no reports on the National Lotteries Control Board and now no reports on Trinidad and Tobago Post. Let me just say, because I want it to go on the record, that this Minister, I think, should be exonerated this afternoon from the pressure that she is coming under from this side of the Senate. This Minister has only just got into office. I have known her for what feels like a million years;

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since dinosaurs roamed the earth—[*Laughter*] I have not lived that long but one would understand what I mean. I have always known her to be forthright and straightforward, but she has been put in an impossible situation largely through the incompetence of her predecessor—but it is true. Remember there is such a thing as ministerial responsibility. Whose responsibility was it to see that the relevant reports were brought to us? Who? At the end of the day—and you know I am hearing a familiar voice and it sounds like the very person I am talking about. If he wishes to speak, he can.

Madam President, as I was saying, at the end of the day, our system of government is a system of ministerial responsibility and the former Minister, quite honestly, instead of coming to the Parliament and kibitzing from the sidelines, should really be standing and defending, if he can, why we are placed in this position this afternoon. We should be told Parliament is more than just a place where one has to spend a little time. Parliament is a place, as I have said a million times before, where the people's business is transacted. The principle is that the Government accounts to the Parliament. Regrettably, in this as in so many other matters, there has been precious little accounting and this is what is wrong with this Bill. It would have been so nice if we could have sat down and got a proper accounting of what is going on because I am sure that if we were given good reasons, there is not a person on this side who would not vote for the Bill. We take our responsibilities to the people of Trinidad and Tobago seriously. We cannot and ought not, and it would be a breach of our sacred trust that we have with the people to say okay, yes, we would give it to you. No, that is not the way it is supposed to work. And it is for this reason that we on this side will not be voting for the Bill this afternoon.

Thank you very much.

The Minister of Public Utilities and the Environment (Hon. Penelope Beckles): First of all, I thank all my colleagues for their contributions, at least, five of the Opposition Senators and four of the Independent Senators and, indeed, all of the concerns that they have expressed, particularly relating to the Auditor General's report, cannot be questioned and are indeed factual.

Madam President, I am asking, having regard to all the concerns raised, for the opportunity to respond properly, and also to be able to bring to this honourable Senate the kind of information as it relates to some of the concerns raised. I would like another occasion to defer my summing up, at which time, I would respond appropriately to all the concerns that have been raised.

Adjournment

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ADJOURNMENT

The Minister of Community Development and Culture (Sen. The Hon. Joan Yuille-Williams): Madam President, I beg to move that the Senate do now adjourn to Tuesday, March 23, 2004 at 1.30 p.m.

Sen. R. Montano: Madam President, before we go to the matter on the adjournment, will the leader of Government Business just tell us what we would be doing next week?

Sen. The Hon. J. Yuille-Williams: The two Bills which we were to do today on the Order Paper: an Act to amend the Extradition (Commonwealth and Foreign Territories) Act, 1985 and an Act to amend the Mutual Assistance in Criminal Matters, Act 1997.

Poultry Industry (Government's Policy)

Sen. Dr. Jennifer Kernahan: Thank you, Madam President, for allowing me to raise a matter on the Motion for the Adjournment, Government policy in respect of the poultry industry in Trinidad and Tobago.

Madam President, 2020 is a slang, a catchphrase currently used by the PNM Government to disguise their total desire for the domination of the political landscape for this country. But actually 2020 in the real world, is defined by Chapter 14 of the UN Agenda 21 on sustainable agriculture as the year in which 83 per cent of the expected 8.5 billion world population will live in developing countries with an uncertain capacity for food production.

Caribbean governments have recognized this problem and at the Caribbean Ministerial Meeting on the Eradication of Poverty in 1996 Caribbean governments recognized that a Caribbean action plan for sustainable living must be designed and food security must be its guiding principle. I would like to quote from the Budget Statement 2004 by the Hon. Patrick Manning where, purportedly, this administration recognizes the need for the development of the agricultural sector. I quote:

“This Government has assigned a very high priority to the modernization of the agriculture sector and will immediately introduce new and appropriate technologies, improve infrastructure and generate a wave of new investments in the sector.

To facilitate an expansion of the agro-processing sector we propose that an initial allowance of 100 per cent be applied to capital expenditure in plant and equipment for approved agro-processing activities.”

Madam President, what the hon. Prime Minister does not seem to understand is that in order to have an agro-processing sector one must have the raw material, one must have a product to process. One of the most important products that we have in Trinidad and Tobago, and in Caricom as a whole, is livestock that is led by the poultry sector.

The livestock sector, including poultry, accounts for 20.5 per cent of agriculture gross domestic product in this country. So the poultry sector is very important to the livestock sector and it is the main contributor to GDP.

Madam President, in the review 2003, *Charting the Course to 2020* the figures revealed under the heading, "Domestic Agriculture": during the period October 2002 to March 2003, the performance of the domestic agricultural sector was mixed compared with the corresponding period of the previous year. There have been increases in the production of broiler, 4.4 per cent, eggs, 5.8 and pork 10.3. Clearly this report indicates that the poultry is one of the important sectors in terms of growth in Trinidad and Tobago.

Not only is the poultry sector an important growth sector in Trinidad and Tobago, but also in the whole of Caricom. Over the last 10 years the poultry sector grew to over 35 per cent. It produced over one billion pounds of meats valued at US \$360 million which places the sector in the top three of the agro-processing sectors in Caricom. These figures show that the poultry sector is extremely important to foreign exchange, to agricultural GDP and to the growth generation of employment in these islands. In Trinidad and Tobago 6,200 persons are employed in agriculture in four processing plants and four processing plants produced over 62 million tonnes of meat annually along with 44 million pounds produced by 600 pluck shops. So the total annual production of poultry meat in Trinidad and Tobago is over 106 million.

Clearly, when one talks about the poultry sector one is talking about issues such as food security, because across Caricom, what we have in terms of the infrastructure of the poultry industry is over 30 meat processing plants; there are over 3,000 farmers involved in the poultry sector, 35 hatcheries, 30 feed mills and there are over 4,000 independent small producers.

When one talks about the importance of the poultry sector for employment, in the region alone there are 30,000 persons involved. When one talks about the importance of the poultry sector for agro-processing, which was mentioned in the budget statement as an important component for growth, as I said before, there are over one billion pounds of poultry meat being processed. In terms of the region

one has to look at the importance of the poultry sector, not only in terms of Trinidad and Tobago but also in the region. The region has to come together to decide how best to push and develop the poultry sector as an important employment sector in the region.

Madam President, there are several issues which have been brought to the fore repeatedly by the Caribbean Poultry Association and which documents I have drawn on very heavily this afternoon. There are several issues that the Caribbean Association presented to Caribbean Ministers. One of these is the question of domestic support and an important facet of the domestic support system was something under the UNC Government in 2001, that we were moving very quickly to establish, the Agricultural Food, Health and Safety Agency. Other countries in the Caribbean and in Latin America, including Belize, are leading exponents because they have successfully established their Agricultural Food, Health and Safety Agency. Since the year 2000, stakeholders here have been calling for the establishment of such an agency because it is extremely critical to safeguard not only the safety of food from farm to table, not only to ensure the satisfactory phytosanitary requirements for food production but also to preclude the dumping of unsuitable food in the markets of Trinidad and Tobago. Unless you have the system set up to inspect these foods as they come in, you cannot preclude anybody from importing these foods into your market. Unless you have the system set up to export—other countries are excluding meats and products from their markets based on the unsatisfactory phytosanitary requirements. So unless this particular type of agency is set up one would be facing a brick wall as far as the exportation of meats and other agricultural products are concerned.

Madam President, the Caribbean Poultry Association has also asked for domestic support in terms of the setting up of a National Poultry Industry Improvement Committee and a Regional Development Fund on Research, Development and Training across the Caricom level. Some of the trade policies have called for adoption to protect the growth and development of the poultry industry not only in Trinidad and Tobago but the whole of Caricom. They have established a series of common external tariff to enter into discussion with Caribbean governments with respect to the kind of common external tariffs they would like to see implemented concerning the poultry industry. They would like to see the residual leg quarter safeguards because these leg quarters are a serious issue because these are the least preferred types of meat in the North American market therefore they are the cheapest. It is very profitable for the North American producers to export these types of cuts very cheaply because they value

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very little and are exported to the local markets below the cost of production and exert serious competition on the local products.

They would like to see the exclusion of poultry from the Free Trade Area of the Americas (FTAA) agreement because, as they pointed out, some of the largest producers and exporters of poultry are, in fact, going to be part of the Free Trade Area of the Americas and the Caribbean producers would find it very, very difficult to compete with these extremely large exporters.

The Caribbean Single Market and Economy also has certain protocols that make it difficult for the flexibility which is needed by producers to expand trade in the Caribbean and they would like these issues to be looked at. The Caribbean, including Trinidad and Tobago, is facing very serious days ahead in terms of the expansion of the FTAA in terms of the world trade agreements which we have signed and which the developed countries are now reneging on in terms of protecting their markets against our products while they are forcing us to open our markets.

This Patrick Manning regime has actually no credibility with respect to its track records in eradicating poverty and promoting food security as was the mandate given at the ministerial conference in 1996.

What we are seeing in Trinidad and Tobago is that this regime is yet to produce a coherent plan for the 77 acres of the most valuable agricultural lands of the former Caroni (1975) Limited. They are yet to produce, in spite of all the protests of all the stakeholders, any coherent plans for those lands. They are yet to come to the Parliament with that plan. They have sent 10,000 workers home and told them to go and learn about beauty culture, pipe fitting, plumbing and so forth. Caroni (1975) Limited workers are also heavily involved in agricultural production. They are food crop farmers also because they grow crops alongside sugarcane. It is not just sugarcane you have decimated when you decimated the Caroni (1975) Limited workers and took away their possibilities for farming. They are also heavily involved in livestock and food crop production. Therefore, the regime has absolutely no credibility with respect to that because they took persons out of agriculture and told them to go and work at other skills with which they are totally unfamiliar.

We have seen in the context of this globalized economy, other countries doing serious work in terms of subsidizing their farmers and this document has documented in a very serious way the sort of subsidies that are offered to poultry producers and to agriculturists in other countries. So when there is a situation

where, because there is an alleged collusion between maybe, leading poultry producers in this country and where the price of chicken has increased and the Government is threatening to open its markets to the cheaper imports which are actually being dumped here, which are heavily subsidized and exported to our country at below cost, this is a very serious issue, not only for us, but for the question of food security in Trinidad and Tobago and in Caricom as a whole. This goes very much against the mandate of this 1996 ministerial meeting which mandated that food security be a top priority of Caricom.

What has happened is that in these developed countries there are a number of mechanisms that they are using to protect their markets to ensure that our products do not enter their markets. They are restricting market access. The document says that four of the six larger exporters: the USA, Brazil, the EU and Thailand only allow less than 1 per cent and Hungary less than 5 per cent of consumption to be imported. We allow only 35 per cent imports of poultry into our country. They are using tariff measures, they are using Food Safety and Animal Health measures, they are using domestic support, they are using export competition measures and they are using regional trading agreements. They are using a whole host of mechanisms to protect their markets while the government, though espousing the need for the development of the agro-industry, is taking away one of the fundamental products that it can use as a base for agro-processing and the agro-industry in Trinidad and Tobago. It does not make sense. There is no coherence in government policy. They are saying one thing and they are doing something else and they are taking away the ability of this nation to feed itself. They are going to turn the next generation of Trinbagonians into hewers of wood and drawers of water for the advanced nations.

The UNC calls on this Government at this point to state very clearly its policy and its proposals for the promotion, the protection and the strengthening of the poultry industry, not only in Trinidad and Tobago, but how are they going to join together with their Caricom colleagues to ensure that Caricom remains strong in terms of food security and food safety. Thank you.

The Minister of Agriculture, Land and Marine Resources (Hon. Jarrette Narine): Madam President, in replying to Sen. Dr. Kernahan, I need to give a background because some of the figures given were really not true and, probably, they are figures that came in two or three years ago.

The background is that the local poultry industry employs approximately 10,000 and consists of five sub-sectors: broiler/breeder, hatching egg production,

hatching/broiler, growing/processing and feed manufacturing. Two companies are involved in this production of broiler hatching eggs.

Output of broiler/hatching eggs satisfies approximately 8—10 per cent of the market. The shortfall of hatching eggs is imported. All hatching eggs local and imported are hatched in four hatcheries in Trinidad. The broiler/growing sub-sector is dominated by four large integrated companies each having four or more of the identified segments of the industry. These companies provide contracts to farmers for “growing-out” chicken. Farmers are provided by contractors with day-old chicks, feed, medication, bagasse and technical services for out growing chicken. The contractor farmers, however, are expected to provide pens, equipment, labour and utilities such as water and electricity. Each contract farmer grows out approximately four batches of broilers per year. Birds are collected by the contractor at the end of each grow-out. That is approximately every 6½ to 7 weeks, and transported to processing plants for processing or to pluck shop outlets for the live market trade.

Contract broiler farmers are paid on the basis of the efficiency of their grow-out. The lower their feed conversion efficiency, that is, pound feed to pound meat, the higher the returns from the poultry contracting companies. An efficient farmer can receive \$1.20—\$1.25 per bird at the end of the grow-out.

It is estimated that the pluck shops, live markets, account for approximately 60 per cent of the broiler market and the remaining 40 per cent by the established processing plants. Preliminary discussions held with the contractors recently revealed that the market share in the live market seems to be experiencing a reverse of the trend identified earlier. That means that more persons are buying agro-processed chicken at the groceries by parts instead of going to the pluck shops and buying live chicken.

The broiler industry is serviced by seven feed mills and several input suppliers such as suppliers of machinery, equipment, veterinary and other technical services. The industry is also supported by persons involved in transport, sales, marketing, and distribution.

The Contribution to GDP:

The goodly Senator spoke of that. The poultry industry contributed approximately 11.24 per cent to agricultural GDP in 2002 and that is in the present CSO report, and may now be the largest contributor to agricultural GDP given the uncertainty of the sugar industry. The broiler sub-sector comprises five segments

which are, broiler breeding, hatchery operations, broiler growing, processing, and feed manufacturing. There is also a table egg segment.

Production:

The broiler industry produced approximately 61.4 million kilograms of chicken in 2002. And that is the present CSO report.

5.40 p.m.

Imports:

Approximately 90 per cent of all hatching eggs utilized by the poultry industry is imported. Chicken emulsion used in the processing of sausages is also imported.

Agro-processing:

Broiler meat is being utilized in downstream industries, for example, in the preparation of ready-to-cook products.

Existing Government Policy:

The poultry industry has enjoyed a measure of protection by the government for the last 40 years. This protection has taken the form of the imposition of import taxes and duty-free concessions.

The broiler industry is supported by a 40 per cent common external tariff (CET) and a 133 per cent duty on poultry parts. There is also a 40 per cent CET on table eggs. These measures serve to protect the local poultry industry.

The general poultry industry benefits from duty-free concessions on machinery and equipment used in poultry production and on imported breeding stock. The Poultry Surveillance Unit of the Ministry of Agriculture, Land and Marine Resources also provides technical and advisory services to the industry.

Current Issues and Concerns:

Sen. R. Montano: You are reading your speech, you are not reading a document; you are reading a speech.

Hon. J. Narine: The Government is alert to several issues or concerns which impact significantly on the poultry industry, which are:

- The threat of competition from lower priced imports of chicken and table eggs;

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- The high cost of inputs;
- The poor state of farm infrastructure, including dilapidated condition of poultry pens;
- The possible removal of the CET on imported hatching eggs;
- Insufficient diagnostic laboratory capacity for certifying poultry products.

Initiatives:

The Ministry has, therefore, embarked on initiatives to review its policy with respect to the poultry industry. In pursuit of such a review the Ministry of Agriculture, Land and Marine Resources established a Poultry Industry Working Group in 2002; the recommendations emanating from which include:

- To declare the poultry industry a strategic and sensitive industry.
- To establish a Poultry Industry Competitiveness Improvement Working Group and develop a National Industry Development Strategy.
- To endorse the Poultry Association of Trinidad and Tobago (PATT) and the Table Egg Producers Association of Trinidad and Tobago (TEPATT) industry development strategy.
- To institute domestic support for the poultry industry re: fiscal incentives.

At the centre of efforts to enhance agricultural competitiveness in Trinidad and Tobago would lie strategies for increasing the profitability of private production—the fundamental incentive for entrepreneurs—in an economically acceptable and sustainable manner. Critical components of this core strategy would involve:

- accessing, developing and promoting the adoption of appropriate technology to reduce production costs;
- developing and promoting the adoption of more profitable higher valued commodities or commodity production systems;
- promoting the adoption of improved husbandry and management practices;
- implementing more effective agricultural health and food safety standards and systems;

- facilitating improved marketing systems and strategies;
- promoting linkages with and development of agro-industry.

Hon. Senators would recall that arising out of the Agricultural Sector Reform Programme (ASRP) Government has sought to introduce a range of policy and institutional reform aimed at strengthening the performance of the agricultural sector. These reforms are critical in ensuring that Trinidad and Tobago complies with sanitary, phytosanitary and other standards outlined by the WTO and FTAA.

Sen. R. Montano: But are you doing it?

Hon. J. Narine: We are. I thought, at one time, we were discussing the sugar industry. Half of what was said was about the sugar industry.

Madam President, the role of the Ministry of Agriculture, Land and Marine Resources is to facilitate private sector production and to be an efficient producer of public goods and services in support of private sector activities, all in an effort to improve the livelihood of citizens.

The domestic poultry industry is critical to our national food and nutrition security in that it provides over 85 per cent of all meats and 95 per cent of all chicken meat consumed in this country. Poultry meat is also the least expensive and the preferred source of animal protein in the country, which makes it an important and affordable source of nutrition especially to low-income families.
[*Interruption*]

Madam President: I have been tolerant. The Minister spoke to me earlier today and asked if he could read his contribution because the document was only prepared, practically, an hour or two before he came here. So, please, let him finish.

Hon. J. Narine: In addition to that, Madam President, you would recall that I told you we received the correspondence on Friday so I made every effort to be here today.

Madam President, Trinidad and Tobago nationals consume over 36 kilos per capita of poultry meat, which is higher than the average per capita consumption for the industrialized world. The poultry industry is predominantly driven by the private sector; it is the only agro-industry that has shown consistent growth with achievements of fairly high levels of efficiency.

Madam President: Hon. Minister, you have two minutes remaining.

Poultry Industry

Tuesday, March 16, 2004

Hon. J. Narine: Capital investments are high and the assets of the industry at replacement value have been estimated to be in excess of TT \$1 billion.

To this end the ministry is engaged in a number of initiatives aimed at stimulating the poultry sub-sector and establishing marketing strategies which are necessary to foster a more efficient and globally competitive poultry industry.

The collaboration between the private and public sector will be essential for the continued success of the poultry industry.

Thank you, Madam President.

Private Members' Day

The Minister of Community Development and Gender Affairs (Sen. The Hon. Joan Yuille-Williams): Madam President, permit me to correct some information which I gave to this honourable Senate in response to a question from Sen. Robin Montano. Next Tuesday is the fourth Tuesday in the month and should therefore be Private Members' Day. The Government has no intention of depriving Senators of such a day and I ask that we proceed with Private Members' Day next Tuesday. Again, I am sorry.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 5.50 p.m.

WRITTEN ANSWER TO QUESTION

The following question was asked by Sen. Wade Mark:

Memoranda of Understanding (Details of)

- 17.** Could the hon. Minister of Foreign Affairs provide this Senate with copies of all Memoranda of Understanding signed by the Hon. Prime Minister and Minister of Finance on behalf of the Government of the Republic of Trinidad and Tobago during recent visits to Nigeria, Spain, the United Kingdom and the United States of America?

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift):

December 11, 2003

AGREEMENT

Written Answer to Question

Tuesday, March 16, 2004

The Honourable Patrick Manning
 Prime Minister
 The Republic of Trinidad and Tobago
 Whitehall
 Maraval Road, Port of Spain
 TRINIDAD AND TOBAGO

Alfonso Cortina
 Chairman and C.E.O
 Repsol YPF, S.A.
 Paseo de la Castellana, 278
 28046, Madrid
 SPAIN

This Agreement is signed by the Honourable Patrick Manning, Prime Minister of The Republic of Trinidad and Tobago and Alfonso Cortina, Chairman and CEO of Repsol YPF, SA, (Repsol) during the visit of the Honourable Prime Minister to Repsol's headquarters in Madrid.

The Board of Repsol, YPF, SA has resolved to hold a board meeting in Trinidad and Tobago on late January, 2004.

Repsol, through its >20% investment in Atlantic LNG and its 30% shareholding in bpTT, has become a significant corporate citizen of Trinidad and Tobago. Repsol's continuing participation in Trinidad and Tobago is very important to Repsol and Repsol wishes to enhance its presence in Trinidad and Tobago through the pursuit of further investment opportunities and by increasing its social commitments and involvement in the country.

Whereas Repsol, through its priority of supporting cultural and educational programmes, has developed and runs a postgraduate energy education centre in Spain, *Instituto Superior de la Energia* (ISE), which offers a number of different postgraduate programmes to students from many different countries.

Whereas Repsol has been exploring with representatives of the Government of Trinidad and Tobago as to the potential for its specialists to collaborate with the Government to support the establishment of a centre for energy training in Trinidad and Tobago.

Repsol has proposed to the Honourable the Prime Minister the following collaborations:

- (i) The development of an energy education centre as part of the new University of Trinidad and Tobago, for the training of energy professionals and the development of a strong R&D capability serving the energy sector.

Written Answer to Question

Tuesday, March 16, 2004

Repsol has proposed to set up with the Government of Trinidad and Tobago a joint team of technical experts to explore the most effective manner in which Repsol can assist in this key area;

- (ii) The expansion of the industrial sector of Trinidad and Tobago and enhanced trade relations between Spain and Trinidad and Tobago.

Repsol proposes to work with the Spanish Confederation of Employers' Organizations (CEOE) with a view to arranging a Trade Mission visit from Spain to Trinidad and Tobago, in 2004;

- (iii) Fostering of links between the Government of Trinidad and Tobago and those Latin American countries in which Repsol has significant business activities; and
- (iv) Enhancing the historical and cultural ties between Spain and Trinidad and Tobago.

Repsol would like to work with the relevant international Spanish language and cultural associations with which it has significant relationships with a view to involving them in developing the Spanish language and cultural courses in Trinidad and Tobago.

Repsol is anxious to pursue these several initiatives and to work with the Government of Trinidad and Tobago to agree to the most appropriate mechanism to formalize this continuing cooperation.

Repsol proposes that during the visit of Repsol's Board and Senior Management to Trinidad and Tobago in January, 2004 such a mechanism be agreed and formalized through the signing of an agreement between the Government of Trinidad and Tobago and Repsol.

SIGNED in MADRID, this 11th day of December, 2003

The Honourable Patrick Manning
Prime Minister
The Republic of Trinidad and Tobago

Alfonso Cortina
Chairman and C.E.O
Repsol YPF, S.A.