

**THE
PARLIAMENTARY DEBATES**

OFFICIAL REPORT

IN THE THIRD SESSION OF THE EIGHTH PARLIAMENT OF THE REPUBLIC OF
TRINIDAD AND TOBAGO WHICH OPENED ON OCTOBER 17, 2002

SESSION 2004-2005

VOLUME 2

SENATE

Tuesday, January 11, 2005

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. Wade Mark and Sen. Mary King from today's sitting of the Senate.

VACANT SEAT

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

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: DR. DAVID QUAMINA

WHEREAS by the provisions of section 43(2)(e) of the Constitution, the President is empowered to declare the seat of a Senator to be vacant:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution, do hereby declare the seat of Senator David Quamina to be vacant.

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 5th day of January, 2005."

SENATORS' APPOINTMENT

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

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: GARY GRIFFITH, ESQUIRE

WHEREAS Senator Wade Mark 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 Leader of the Opposition, 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, GARY GRIFFITH, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Wade Mark.

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 11th day of January, 2005.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President

TO: DR. ROLPH BALGOBIN

WHEREAS Senator Mary K. King is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

Senators' Appointment

Tuesday, January 11, 2005

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) of section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ROLPH BALGOBIN, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Mary K. King.

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 7th day of January, 2005."

OATH OF ALLEGIANCE

Senators Gary Griffith and Dr. Rolph Balgobin took and subscribed the Oath of Allegiance as required by law.

**FUNCTIONS OF THE DIRECTOR OF SURVEYS
(VALIDATION) BILL**

Bill to validate functions exercised by the Director of Surveys for the period June 18, 2004 to October 01, 2004 brought from the House of Representatives [*The Minister of Agriculture, Land and Marine Resources*]; read the first time.

PAPERS LAID

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Sugar Industry Labour Welfare Committee for the year ended December 31, 1997. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the South West Regional Health Authority for the year ended September 30, 1999. [*Sen. The Hon. C. Enill*]
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the South West Regional Health Authority for the year ended September 30, 2000. [*Sen. The Hon. C. Enill*]
4. The annual audited financial statements of Export Centres Company Limited for the year ended September 30, 2002. [*Sen. The Hon. C. Enill*]
5. The annual audited financial statements of Export Centres Company Limited for the year ended September 30, 2003. [*Sen. The Hon. C. Enill*]

6. The annual audited financial statements of Trinidad and Tobago Mortgage Finance Company Limited for the year ended December 31, 2003. [*Sen. The Hon. C. Enill*]
7. The audited financial statements of the Water and Sewerage Authority (WASA) for the year ended March 31, 1997. [*The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith)*]
8. The audited financial statements of the Water and Sewerage Authority (WASA) for the year ended March 31, 1998. [*Sen. The Hon. Dr. L. Saith*]
9. The audited financial statements of the Water and Sewerage Authority (WASA) for the year ended March 31, 1999. [*Sen. The Hon. Dr. L. Saith*]
10. The audited financial statements of the Water and Sewerage Authority (WASA) for the eighteen (18) month period ended September 30, 2000. [*Sen. The Hon. Dr. L. Saith*]
11. The annual Administrative Report of the Ministry of Energy and Energy Industries for the period October 2000 to September 2001. [*Sen. The Hon. Dr. L. Saith*]
12. The Report of the Eastern Regional Health Authority for the year ended September 30, 2004. [*Sen. The Hon. Dr. L. Saith*]
13. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the San Fernando Carnegie Free Library for the period January 01, 1998 to September 09, 1998. [*Sen. The Hon. C. Enill*]
14. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Government Employees' Provident Fund for the financial year ended September 30, 2003. [*Sen. The Hon. C. Enill*]

ORAL ANSWERS TO QUESTIONS

Madam President: Sen. Baksh, Sen. Wade Mark has a number of questions but he is absent.

Sen. Sadiq Baksh: Madam President, Sen. Mark has asked me to take those answers since they were deferred on the last occasion.

Point Lisas Port Development Corporation (Acquisition of Fantuzzi Crane)

16. Sen. Sadiq Baksh on behalf of Sen. Wade Mark asked the hon. Minister of Trade and Industry:

Could the Minister provide a copy of the internal audit report which investigated all the circumstances surrounding the acquisition of the Fantuzzi Crane by Point Lisas Industrial Port Development Corporation (PLIPDECO)?

The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo): Madam President, an internal audit which investigated all the circumstances surrounding the acquisition of the Fantuzzi Crane by Point Lisas Industrial Port Development Corporation (PLIPDECO) was conducted and a report received by the Ministry of Finance.

Further investigations are under way on the findings which may result in legal action, and in light of this, it is considered inappropriate to release the report at this time. However, on completion of these investigations, a full report on the matter will be laid in the Senate.

Thank you.

Sen. Baksh: Madam President, could the hon. Minister state when the other investigation would be completed?

Sen. The Hon. C. Sahadeo: Madam President, I do not have that information at hand.

Sen. R. Montano: Madam President, would the Minister please state who is conducting the investigation and the persons who are being investigated?

Sen. The Hon. C. Sahadeo: Madam President, that really forms another question, but there is question 17 to which I will respond very shortly and that may enlighten the Members.

**Point Lisas Port Development Corporation
(Forensic Audit for Fantuzzi Crane)**

17. Sen. Sadiq Baksh on behalf of Sen. Wade Mark asked the hon. Minister of Energy and Energy Industries:

Could the Minister indicate whether the Government of Trinidad and Tobago is prepared to conduct a forensic audit independent to the PLIPDECO Board's audit to determine all facts surrounding the purchase of a Fantuzzi Crane?

The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo): Madam President, at the request of the Ministry of Finance, a

compliance audit was conducted, and based on the findings of this audit, the Board of Directors at PLIPDECO has agreed to conduct a forensic audit of the procurement process utilized by the company for the acquisition of the Fantuzzi Crane.

Sen. R. Montano: Madam President, does the Minister recall that to previous questions concerning this crane she told this honourable Senate that basically there was nothing wrong with the purchase of the Fantuzzi Crane? In light of all this, is the Minister now saying that there are grounds for suspicion that there may have been wrongdoing?

Sen. The Hon. C. Sahadeo: Madam President, I have never submitted my opinion on any of these issues. What we indicated before on a previous question asked was that the audit would be commissioned, and at this point I am indicating that a precursor to a forensic audit is a compliance audit.

At this stage the board has given a commitment that it will pursue a forensic audit. The findings, as we can all appreciate, will be made available at the appropriate time.

Sen. R. Montano: Madam President, with the greatest of respect, is the Minister now saying—because we intend to check the *Hansard* notes carefully—that she never said that everything was all right with the purchase and she never defended the purchase of this crane? If that is what she is saying then we are going to take her to the Privileges Committee for misleading the Parliament.

Madam President: Senator, there is no need for a speech. Let us get the answer to the question.

Sen. The Hon. C. Sahadeo: Madam President, I have answered all questions presented to this honourable Senate with issues regarding PLIPDECO and I think they have been appropriately answered. If the Senator wants to provide the *Hansard* on any issues or statements—certainly, and I will be given the opportunity to respond. [*Desk thumping*]

Sen. Baksh: Madam President, in that case, will the hon. Minister state whether a firm or a person was nominated to conduct the forensic audit?

Sen. The Hon. C. Sahadeo: Again, Madam President, this is another question and the details will be answered if the question is appropriately filed.

Sen. R. Montano: Madam President, I did not realize that there was a limit to the number of questions being asked.

Madam President: No, Sen. Montano, come on.

Sen. R. Montano: Madam President, will the Minister not agree that it is not another question and it is reasonable to ask who did the forensic audit?

Sen. The Hon. C. Sahadeo: Madam President, the forensic audit has not been completed at this time. As you could appreciate, we talked about corporate governance, and this is a publicly quoted company and, therefore, it means that—
[*Interruption*]

Madam President, is it possible for me to have some silence so I can respond accordingly?

Madam President: Please, give the Minister a chance.

Sen. The Hon. C. Sahadeo: Madam President, as I have just stated, a forensic audit will be conducted and when I have the information related to that, and a question is properly filed I am sure I can respond.

Madam President: Let us move on to question No. 18, please.

**National Lotteries Control Board
(Details of Costs)**

18. Sen. Sadiq Baksh on behalf of Sen. Wade Mark asked the hon. Minister of Finance:

- A. Could the Minister provide to the Senate a detailed account of the various costs incurred by the National Lotteries Control Board (NLCB) to private promoters during the annual Carnival season in respect of the period January 01, 2002 to April 2004?
- B. Could the Minister provide the names of the various organizations which benefited, the names of their respective owners and the exact amount of monies received by each during the same period?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, the cost incurred by the National Lotteries Control Board (NLCB) to private promoters during the annual Carnival season with respect to the period January 01, 2002 to April 2004 can be summarized as follows:

January 2002 to April 2002, \$25,000;

January 2003 to April 2003, \$767,406; and

January 2004 to April 2004, \$1,689,635.

The total cost incurred by the NLCB during the annual Carnival season over the period January to April 2002—2004 amounted to \$2,482,041. The NLCB does not retain records of the names of owners of organizations which benefit from the sponsorship.

A detailed account of the cost, the names of the various organizations involved, and the exact amount of sponsorship received during the period for the three months January to March, I believe has been circulated and consists of about two or three pages of individual organizations, descriptions, and amounts, and I will certainly be happy to take any questions on it if I can.

Sen. R. Montano: Madam President, would the Minister kindly explain why we are giving wealthy private organizations like Carib Brewery and Advantage Advertising Services, \$100,000?

Sen. The Hon. C. Enill: Madam President, the answer to that is quite simple. There is a policy that the Board follows and organizations—whether you think they are wealthy or not—that come for sponsorship for certain events are considered within the context of the programme and the value, and these sponsorships are consistent with those policies.

Sen. R. Montano: Madam President, in that case, will the Minister kindly explain why the NLCB gave a meagre \$5,000 to the Trinidad Red Cross Children's Carnival, but \$100,000 to Carib Brewery? What is the policy?

Sen. The Hon. C. Enill: Madam President, the policy is very simple. If you ask for \$5,000 and that is the extent of your asking, you will get it.

Sen. R. Montano: Is the Minister saying that anything you ask for you get? So Carib Brewery asked for \$100,000 and got it. In other words, is the Minister saying that if the Trinidad and Tobago Red Cross Children's Carnival should ask for \$100,000 on the next occasion it will get it?

Sen. Dr. Saith: Madam President, I think that Sen. Montano is confused, and it is not the first time. These payments to Carib Brewery are for services provided by Carib Brewery—

Sen. R. Montano: No, it is sponsorship, this is not—

Sen. Dr. Saith: They are sponsoring the International Soca Monarch Competition and instead of giving the money directly to the people, they pay the bill to Carib Brewery. Carib does not collect any sponsorship money.

Sen. R. Montano: Madam President, with the greatest of respect, then what is happening is that the real persons who are being sponsored are hidden because we do not know on whose behalf this bill was paid.

Madam President, we are seeing that the Trinidad and Tobago Red Cross Children's Carnival received \$5,000, and yes, I agree with the Minister that I am confused and it is not for the first time, and I hope it will be for the last because I get confused when I get this kind of gobbledegook.

Sen. Seepersad-Bachan: Madam President, through you. Minister, are you satisfied that NLCB received value for its money in terms of sponsorship for the \$200,000 given to the International Soca Monarch, Caribbean Prestige Productions?

Sen. The Hon. C. Enill: Madam President, it is a very interesting question because what the Senator is asking me to do is to express an opinion in the absence of detailed information.

The way we run things is on the basis of policy and we leave the Board of Directors to do that and then we have auditors who determine whether anything has gone wrong and if they do we deal with it. So it is really a question of being satisfied that there is a policy, and there is, and being satisfied that the organizations that come to the table do so through a process and to the extent of that process being satisfied.

I have no opinion on the matter. It is a matter of how the corporate governance of the institution is dealt with, and we put systems in place to deal with that. One of the things we have said on a number of occasions is that any state resource should only be given if there is value for what is given and, therefore, until somebody can tell me differently, I am taking the position that the board and the organization is operating within its mandate.

Sen. R. Montano: Madam President, in light of what the Minister has said, for example, there is \$200,000 sponsorship going to the International Soca Monarch Competition, that is to say, it is going to Carib Brewery and Advantage Advertising. Surely the sponsorship ought to be going in a soca competition for the benefit of the artistes. Is there any control by the NLCB over the fact that this \$200,000 had in fact reached the artistes?

Sen. Yuille-Williams: I would try to carry it a little further because when you look at two lines like that, it is really difficult to understand what happened, but from my knowledge of what is happening here, the NLCB was given a certain amount of sponsorship which went into advertising, and you will hear a lot on the

air. The Soca Monarch Competition is well advertised and this has to be done in order to get the patronage. So instead of giving money to the Board of the Caribbean Prestige, they pay for the advertising to the firm.

The second point is, I know that at these shows, NLCB's vendors are given special privileges on that day in the Soca Monarch Competition. In fact, if you go there, you will see a large number of vendors and they make arrangements with Caribbean Prestige to allow these vendors to have an advantage so they do a lot of business there and in return for that, Carib Brewery will pay some money.

Then there is an area where some of the bar services that you see will go towards some of the persons I am talking about. So there is a spin-off in terms of the advantage to the vendors. One of the nice things about it is that—the ministry for which I have responsibility—the money does not go exactly to Caribbean Prestige, but goes to provide money which they will owe Carib Brewery. So I see no difficulty with this because I know there is an advantage, in this case particularly to the vendors from the NLCB and the others who will come into it, I am quite sure about that.

Sen. R. Montano: In light of what the Minister has said, can the Minister state that the vendors have received an advantage of \$200,000 or more, so that the collective total from the vendors has been \$200,000?

Sen. Yuille-Williams: I think the advantage is the opportunity to be there. They have special opportunity to be on the grounds on the evening of the Soca Monarch and they do not pay. [*Interruption*] Yes, it means a lot to the vendors and if you go there you will see how many of them take advantage of that opportunity. This is just a small amount you know. If you were a vendor you would have been happy about this, so for the exchange for that opportunity this is given.

Sen. Seetahal: Madam President, I looked at the 2004 expenses and I thought Spectacular Promotions was a private organization. I see it was given \$150,000 as gold sponsorship package and Yangatang was given \$50,000. I just want to know if it is consistent with the policy of a state organization to sponsor private organizations.

Sen. Yuille-Williams: I feel the advantage NLCB gets in this case is that they sponsor it, they advertise all the competitions, all the draws and more people take part in what they have. That is the advantage. They do advertise a lot and, therefore, they use the opportunity to do that sort of thing where large crowds are coming and that is how people make it.

You will hear about NLCB Soca Monarch and on that day you will see all the signs and they advertise all the competitions because they want more and more people to participate in what they are having. That is a decision the board takes to make money. They are business people and they feel that is an advantage. And if they take that decision and feel that makes them do better they cannot be blamed for it otherwise we will say they are not making money. So they are using the opportunity to make some money.

Madam President: Minister Enill, you wanted to add something?

2.00 p.m.

Sen. The Hon. C. Enill: I just wanted to clarify because it came up, that NLCB, as it relates to an organization under the law, is given the ability to do a lot of this, based on the kind of business they are in. They are into marketing and sponsorship and, clearly, it was intended that they would be able to distribute.

The question that comes up is basically one of policy and one of procedure and I think I have answered that question twice in the context of what policies are followed, the differences between the \$5,000, \$10,000, \$25,000 and over, and the process that goes through. Just for information, there are various levels of committees, subcommittees of the board of management that meet and treat with the value issues, that is to say: does this have value; what is its reach; what is the number of persons involved. When it goes through that iteration, a decision is made, a recommendation is made and, I think the board of directors still has final authority to say yea or nay, and these allocations go through that process and arrive at yes or no.

This is not the total amount that was requested. There were many more that were requested. They did not meet those criteria and, therefore, they were not granted.

Sen. Dr. Kernahan: I just wanted to find out if it is Government's policy at this point to sponsor the sponsors, because then I would want to find out what is the role of private enterprise in the development of culture in this country, given the fact that the organization we are talking about now is one of the major beneficiaries of the whole Carnival season, financially.

Sen. The Hon. C. Enill: Very good question.

Madam President: Do you have an answer?

Sen. The Hon. C. Enill: No.

Sen. Yuille-Williams: I wonder if you understand this—I am not defending NLCB, but the idea of sponsoring the sponsors, let me tell you something. The organization, for example, may have a bill to pay and the sponsor will not pay the money directly to the organization. In most cases they will pay it to somebody who provided a service to the organization. So you may see it coming up like this—and sometimes we like to do it. Rather than take \$20,000, \$30,000, \$40,000 and give to the organization, we ask them to send their invoices and what their debts are and you pay those people. That is why you would think you are the sponsor itself, but that is what it is.

In any case, that organization had a bill to pay—

Sen. R. Montano: So? So what?

Sen. Yuille-Williams:—and therefore the organization which is sponsoring would pay the services directly.

Madam President: One last question on this issue.

Sen. Griffith: Madam President, I would like to refer to something I have noticed here which is just burning my eyes. It is the one with Screen Stars Limited and the description being 100 camouflage suits being sponsored. In my limited knowledge in the laws of Trinidad and Tobago—I know in the Defence Act—there is something stipulating that no one is supposed to purchase, sell or utilize any uniforms in the resemblance of that of the defence force. I know that the Government usually—and quite rightly—do press releases on a regular basis just before Carnival stating that no one must wear anything in the resemblance of the defence force. I would like to clarify that, so if the goodly Senator could please let me know that the Government is not aiding and abetting in any criminal offence here.

Sen. The Hon. C. Enill: For the avoidance of doubt, the Government is not involved in any activity at all, as suggested by the Senator.

Sen. R. Montano: No. Did you apply for camouflage suits? Is that a breach of the law? That is the question.

Sen. The Hon. C. Enill: As I said, this Government is not involved in any activity at all, that seeks—

Sen. R. Montano: Just say you do not know. [*Crosstalk*]

Sen. The Hon. C. Enill: Madam President, I am guided by those on the other side who say, do not implicate myself, so I would simply say, the Government is not involved. [*Crosstalk*]

Madam President: Can I just remind Senators before we move on—did you want to ask a question?

Sen. Dr. McKenzie: I just wanted to make a small comment.

Madam President: All right, let me just make my point. Senators, when you want to ask a question, please do not just jump up. Anybody doing that in future, I will not acknowledge. Either put your light on or put your finger up. Many persons are getting left behind because others are simply jumping up.

Sen. Dr. McKenzie: Madam President, I am a bit baffled because I do not confine my interpretation of camouflage just to the army, [*Desk thumping*] especially when you talk about drama and cultural things. I like Sen. Griffith's point, because it makes us stay clear of putting things on paper that would give the wrong impression. But I did not interpret Carnival, culture and camouflage only with things pertaining to the protective services.

**Piarco International Airport Project
(Cost of Commission of Enquiry)**

40. Sen. Sadiq Baksh asked the hon. Prime Minister:

Could the hon. Minister provide this Senate with the total cost of the Commission of Enquiry into the Piarco International Airport Project, giving a detailed breakdown of each item of expenditure, including amounts paid to commissioners, witnesses, experts, advisors and staff?

The Attorney General (Sen. The Hon. John Jeremie): Madam President, I am answering this question on behalf of the hon. Prime Minister. The question is:

Could the Minister provide this House with the total cost of the Commission of Enquiry into the Piarco Airport Project, giving a detailed breakdown of each item of expenditure including amounts paid to commissioners, witnesses, experts, advisors and staff?

As a result of concerns raised by contractors and technical professional persons and a perception of impropriety by the national community, Senators will recall that it became necessary to establish the final cost of the Piarco Airport Development Project and to determine whether there was an improper award of contracts.

In responding to this question, it is important to remember that the original budget for the Piarco Airport Development Project was TT\$600 million. However, when the project was completed and all the bills were tallied, the cost had escalated to \$1,600 million or \$1,000 million—

Sen. R. Montano: Madam President, on a point of order!

Madam President: There is no point of order on questions.

Sen. R. Montano: Yes, Madam President. On a point of order—

Madam President: Senator, I would prefer if you wait until the question is answered, then you can ask your questions.

Sen. R. Montano: I am not asking a question, I am rising on a point of order, Madam President.

Madam President: On questions, there is no point of order—

Sen. R. Montano: Yes, Madam President. With the greatest of respect, there are. As I understand it, according to May's *Parliamentary Practice*, the answers to questions must be relevant to the question that was asked. The question that was asked was not why it was necessary to have a Commission of Enquiry, the question was how much did this Commission of Enquiry cost. The question that is being answered at the moment by the Minister is why the Commission of Enquiry was relevant. In these circumstances, what he is doing is wrong. I am under Standing Order 84(2).

Madam President: I am going to get the Standing Order for you in a minute. Minister, please continue with your answer.

Sen. R. Montano: Madam President, the question requires ruling on my point of order—Standing Order 84(2).

Madam President: My ruling is that the Attorney General would continue with the answer. He is obviously building his answer to answer the question, Senator.

Please continue.

Sen. The Hon. J. Jeremie: Madam President, I am answering the question as I need to answer it.

Hon. Senator: Start all over! Put it in context.

Madam President: Please do not start all over. Just continue.

Sen. The Hon. Jeremie: I will just start at the paragraph.

In responding to this question, it is important to remember that the original budget for the Piarco Airport Development Project was \$600 million. However, when the project was completed and the bills were tallied, the cost had escalated to \$1,600 million or \$1,000 million in excess of the original budget.

The Commission of Enquiry into the Piarco Airport Development Project was established to enquire, inter alia, into the entire process involved in the selection of consultants, the procurement process, the award of contracts and the criteria used, the role, responsibilities and terms of reference of Birk Hillman Consultants and the basis for cost and time overruns and matters incidental thereto.

The cost of this enquiry totalled \$6,615,573.14 which is detailed as follows:

FEES:

Commissioners	\$3,140,000
Attorneys at law (Provided for witnesses)	\$103,500
Attorneys at law (For the Commission)	\$2,773,500
CAT Reporters/ Palantyping Services	\$173,541.47
Quantity Surveying Services	\$18,975
Accounting Services	\$32,500
Newspaper Advertising	\$2,806.23
Television Broadcasting	\$327,750
Accommodation & Meals for foreign witnesses	\$18,530.44
Airfare for foreign witnesses	\$23,000
Miscellaneous Expenses (e.g., ground transportation)	\$1,470
TOTAL	\$6,615,573.14

The country is aware that, to date, 11 persons, including a number of former government ministers and five companies have been placed before the court on what amounts to 70 criminal charges which relate to alleged fraud and corruption related to the construction of the Piarco International Airport. These matters are engaging the attention of the court at the present time and, therefore, further comment on these matters is inappropriate. Suffice it to say, however, that a lawsuit has been filed in the United States of America and one in the Principality of Liechtenstein—for the recovery in the jurisdiction of the United States of

America of a total of TT\$1.2 billion. In these circumstances, the Government considers the expenditure of roughly \$6 million to be money well spent.

I thank you, Madam President. [*Desk thumping*]

Sen. Baksh: Madam President, could the hon. Minister state when the report from the Commission of Enquiry will be laid in the Parliament?

Sen. The Hon. J. Jeremie: The report is of a nature which should not at this time be laid in the Parliament. You might well remember what happened in relation to the Scott Drug Report. The Government has taken counsel on this matter and it is of the view that the report ought not to be laid in this Parliament at this time. There will come a time, however, when the Government would be more than delighted to let Sen. Baksh, in particular, have a copy of the report.

Madam President: Hon. Senators, it is now 2.15 p.m. so all the other questions on the Order Paper would have to be deferred.

The following questions stood on the Order Paper:

**Forensic Science Centre
(Delays in Obtaining Reports)**

- 48.** A. Is the Minister of National Security aware that there have been enormous delays in obtaining analyses and reports from the Forensic Science Centre due to a lack of staff, equipment and facilities?
- B. Could the Minister inform the Senate of the status of the proposed upgrading of the Forensic Science Centre with particular reference to:
- (i) staffing, including replacements for persons on leave;
 - (ii) equipment; and
 - (iii) facilities? [*Sen. D. Seetahal*]

**Forensic Science Centre
(Delay of Analyses)**

- 49.** A. Could the Minister of National Security provide the Senate with a detailed list of all outstanding requests for analyses and reports to the Forensic Science Centre by the police and/or prosecution?
- B. Could the Minister explain to the Senate the reasons for the delay in providing these analyses and reports in respect of the following:
- (i) narcotics exhibits;

- (ii) firearms and ammunitions exhibits; and
- (iii) other exhibits? [*Sen. D. Seetahal*]

**Forensic Science Centre
(Details of Dismissed Cases)**

- 50.** A. Could the Minister of National Security inform the Senate whether any court matters have been dismissed because of the delay in providing forensic evidence from the Forensic Science Centre?
- B. If the answer to (A) is in the affirmative, could the Minister provide a detailed list, inclusive of the name of the accused, date of offence, nature of the offence and if drugs involved and the quantity of all the matters dismissed? [*Sen. D. Seetahal*]

**CT Scan Machine
(Details of)**

- 51.** With respect to the newly acquired CT Scan machine, could the Minister of Health inform the Senate:
- (i) whether it is a Multi Slice or a Single Slice Machine;
 - (ii) on what date was the machine commissioned; and
 - (iii) what is the total cost, inclusive of installation of the machine? [*Sen. S. Baksh*]

Question time having expired, questions 48—51 were not dealt with.

**CARIBBEAN COMMUNITY (CARICOM) DOMINICAN REPUBLIC FREE
TRADE (AMDT.) ORDER**

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift): Madam President, I beg to move the following Motion standing in the name of the Minister of Trade and Industry on whose behalf I move the Motion as follows:

Whereas section 5(1) of the Caribbean Community (Caricom) Dominican Republic Free Trade Act, 2001 (“the Act”) provides that where any amendment to the Agreement establishing the Free Trade Area between the Caribbean Community and the Dominican Republic, executed by the Caricom Secretariat on behalf of Member States on 22nd August, 1998 and its implementing Protocol, executed by the Caricom Secretariat on behalf of Member States on 28th April, 2000 (“the Agreement”), is accepted by the Government, the Minister may, by Order, amend the Schedule by including therein the amendment so accepted:

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And whereas section 5(3) of the Act provides that an Order made under section 5 shall be subject to affirmative resolution of the Parliament:

And whereas an amendment to the Agreement was accepted by the Government:

And whereas the Caribbean Community (Caricom) Dominican Republic Free Trade (Amendment to the Schedule) Order, 2004 (“the Order”) was made under section 5 of the Act;

And whereas it is expedient to approve the Order:

Be it resolved that the Caribbean Community (Caricom) Dominican Republic Free Trade (Amendment to the Schedule) Order, 2004, be approved.

Madam President, the matter for consideration by this honourable Senate is the Caribbean Community (Caricom) Dominican Republic Free Trade (Amendment to the Schedule) Order, 2004. This Order is subject to affirmative resolution of Parliament. The need for this Order has arisen because of amendments made to the Agreement establishing the Free Trade Area between the Caribbean Community and the Dominican Republic and its implementing protocol executed by the Caricom Secretariat on behalf of Member States on August 22, 1998 and April 28, 2000 respectively, known as “the Agreement”.

Senators will recall that section 5(1) of the Caribbean Community (Caricom) Dominican Republic Free Trade Act, 2001, which we refer to as “the Act” provides that where any amendment to the Agreement is accepted by the Government, the Minister may, by Order, amend the Schedule by including therein the amendments so accepted.

I wish to inform this Senate that the Government of Trinidad and Tobago has accepted certain amendments made to the Agreement which concern the rules of origin for particular products traded within the Free Trade Area established by Caricom and the Dominican Republic pursuant to the Agreement already executed. Consequent on the acceptance of the amendment by the Government, the Minister of Trade and Industry signed the Amendment to the Schedule Order on November 23, 2004. Once Parliament approves the Amendment to the Schedule Order that has been executed by the Minister of Trade and Industry, the Caribbean Community (Caricom) Dominican Republic Free Trade (Grant of Duty Free Treatment) Order 2004, may be made by the President in accordance with section 3(1) of the Act.

The products for which rules of origin are provided in the amendment to the Agreement are:

- (a) Chocolate blocks, slabs or bars, filled and unfilled, covered by tariff heading No. 1806.31 and No. 1806.32
- (b) Air-conditioning units, covered by tariff heading No. 84.15
- (c) Refrigeration units, covered by tariff heading No. 84.18
- (d) Primary cells and primary batteries, covered by tariff heading No. 85.06
- (e) Lead acid batteries of a kind used for starting piston engines, covered by tariff heading 85.07.

In respect of chocolates, the rules of origin require that all non-originating materials used in the production be classified in headings of the Harmonized System, commonly called by its acronym “HS”, different from that of the heading for chocolates, which is 1806.31 and 1806.32, excluding Chap. 17 and heading 18.01 to 18.05.

Under the Agreement, goods would only enjoy preferential treatment if they have originating status, that is, if they originate in the territory of the parties to the Agreement. Goods would be considered as originating in the territory of a party if they comply with either of the following conditions:

- (a) They must be wholly produced in the territory of the parties; or
- (b) if they are produced wholly or partly from materials imported by the parties—non-originating materials, that is—then they must satisfy agreed specific criteria under the rules of origin of the Free Trade Agreement.

The agreed specific criteria for the goods indicated in the Order were settled by the joint council established to administer the Agreement in February 2002 and approved by the Caricom Council for Trade and Development, known by its acronym, COTED, in May 2002. The phrase, “non-originating materials” refers to intermediate goods not satisfying the criterion of having been produced within the free trade area.

In respect of air-conditioning units, the rule of origin included in the amendment permits production to take place from non-originating materials of any subheading other than 8416.90. In respect of refrigeration units, the rule of origin permits production to take place from non-originating materials of any subheading other than 8418.91 and 8418.99.

In respect of primary cells and primary batteries, the rule of origin permits production to take place from non-originating materials of any subheading. In

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respect of lead acid batteries, the rule of origin permits production to take place from non-originating materials of any subheading.

Goods originating in the Dominican Republic which satisfy the criteria outlined above will be permitted duty free entry into Trinidad and Tobago in accordance with section 3(1) of the Act. The challenge for the Government in finalizing this amendment was to ensure that the Trinidad and Tobago manufacturers face a level playing field with the Dominican Republic competitors insofar as trade in these products is concerned.

The rules of origin were developed by the joint council, established under the Agreement to administer this Agreement. Industry representatives participated in the meetings of the joint council. The Government believes that the criteria which have been elaborated for the products indicated in the amendment are an important ingredient in facilitating the development of a mutually beneficial trade relationship between Trinidad and Tobago and the Dominican Republic.

Trinidad and Tobago exports (FOB) to the Dominican Republic totalled TT \$488 million in 2002 and rose to \$527 million in the year 2003. Imports from the Dominican Republic increased from TT \$27 million in the year 2002 to \$39 million in 2003. Some 90 per cent of the Dominican Republic's imports from Caricom originated in Trinidad and Tobago. Trinidad and Tobago's exports to the Dominican Republic include metal products, natural gas and propane.

Having participated in the fashioning of this amendment, having consulted with the various interests in the industry in Trinidad and Tobago and, finally, having accepted the amendment to the Agreement, the Government of Trinidad and Tobago is satisfied that the said amendment is consistent with the overall thrust to develop mutually beneficial trade between Caricom and the Dominican Republic.

I beg to move.

Question proposed.

Sen. Carolyn Seepersad-Bachan: Madam President, I intend to be very brief as I participate in this afternoon's debate on the Motion that the Caribbean Community (Caricom) Dominican Republic Free Trade (Amendment to the Schedule) Order, 2004, be approved.

I just briefly studied this particular issue and, really and truly, I had more questions than answers as I attempted to review this particular topic. First of all, I wonder if the Minister could give us some idea as to why—if I look at the

document before us—these particular items, for example air-conditioning units, the amendment asking for the air-conditioning machines comprising a motor-driven fan and elements for changing the temperature humidity, including those machines in which humidity cannot be separately regulated—and my understanding again, looking at the Customs Act, the criteria you are using here are for the production from non-originating materials of any subheading other than 8416.9; 8416.9 under the Customs Act, being parts.

The second one was 84.18 which were the refrigerators, freezers and other freezing equipment, et cetera, again the criteria being the production from non-originating materials of any subheading other than 8418.91 and 8418.9. I think that one was, according to the Customs Act—please excuse my voice this afternoon—I think that was an evaporator or a condenser and, of course, the others being primary cells and primary batteries.

What I wondered, with the insertion of these particular tariff headings, what was the rationale for amending this Schedule. This is where I have the questions, because when we had the debate very recently in this honourable Senate on the whole issue of the Caricom Treaty, one of the issues raised here and in the other place, was that, yes, we recognized the need for a regional trading bloc; a regional trading bloc is a necessary, but not a sufficient condition for free trade in the interest of Trinidad and Tobago.

I make this point because very recently there were some issues in the press with respect to air-conditioning. If I use the air conditioning as an example, there was an issue with the dumping of air-conditioned units from China. But let me start by saying that if we are talking about forming a regional trading bloc, again it depends on what perspective we want to take. The regional trading bloc for us, in our view, is one that would allow us to increase the power of our voice in the global context, hence the reason for forming these trading blocs. But it does not mean that we want to form a regional trading bloc that allows us to form barriers around that regional trading bloc.

Therefore, it is interesting to see that what we are doing right now with this particular treaty is opening up the trade between the Dominican Republic and the Caricom area to allow for the importation of air conditioners, refrigerators and freezers, and so on, duty free, but yet, we are closing our barriers to other parts of the world. I say this, because if we look at the air conditioning example, in a recent issue, what actually happened here was that Peake Industries Limited—and, granted, I fully support a local endeavour such as Peake Industries Limited and its entrepreneurial spirit, but at the same time we cannot adopt a protectionist position when it comes to local industry and, by extension, the Caricom region.

If that is the case, why are we slapping on duties to units coming in from China? In this particular case, you would recall that there were about 10 air condition local business people who were importing units from China and there was a complaint filed by Peake Industries Limited. The matter went to the court and according to the *Business Guardian* of May 06, 2004, a judge ruled—I think it was Maureen Rajnauth-Lee—that there was no evidence of dumping and hence ruled against Peake which wanted to impose 90 per cent duty on all those local importers of air-conditioned units.

Subsequent to that, the Ministry of Trade and Industry got involved and they were pursuing investigations into the matter and they said they wanted the opportunity to conclude their investigations. They concluded their investigations and they have not provided any evidence to say that there was dumping. However, they claimed there was dumping and, as such, they issued a couple of legal notices, one of them being—and this is what I found very strange, because we are talking about free trade; we are talking about opening up trade and here it is, in this particular legal notice and if I may just quote from Legal Supplement Part B—Volume 3, No. 175—October 05, 2004:

“Individual dumping margins were calculated for those exporters from the PRC who were identified...”

That is the People’s Republic of China:

“as having exported window units and mini-split systems to Trinidad and Tobago. The capacities in BTU (British Thermal Unit) ratings of the products under investigation ranged from 7,000 BTU’s to 24000 BTU’s and these originated from 7 different exporters, namely, Kelon, Chunlan, Haier, Medea, Rowa, National and Gree.”

The reason I am raising this is what was surprising here is what was actually imposed was something like, in the case of Kelon, 111.37 per cent in terms of duties; Chunlan, 116 per cent, Haier, 152 per cent, National, 343.16 per cent, Rowa, 65.8 per cent. So there was not a specific duty imposed on any units coming from China, but what actually happened was that the Ministry identified individual companies in the People’s Republic of China and imposed different duties on those companies. Again, I found this was rather strange when we are talking about free trade.

If the Ministry did its investigations—it is interesting to note that some of these companies quoted here were companies that were out of business. For example, National has been out of business for years and Rowa has been out of business for three years.

The reason I am now raising this particular issue is because we are talking about free trade; we are opening up free trade between the Dominican Republic and the Caricom region, which includes Trinidad and Tobago, but here it is we have closed the barriers to the other countries in the world. How is that to work? I thought when we were talking about free trade, one of the benefits of free trade was for competition and the benefits of competition being, for example, price and quality. How are we going to keep the local entrepreneurs or even the entrepreneurs of the Dominican Republic, or any of the other Caricom territories, price competitive and quality conscious? Their standards and benchmarks would be based on what exist within the region and not necessarily any of the benchmarks that exist outside the region.

So we cannot talk about a regional bloc and we cannot talk about trading among ourselves and saying, “Okay, yes, we have open trade”, and then we lock off the rest of the other countries, form this barrier around the region and say, “Okay, we lock everyone else out”. Because then we are certainly not deriving the benefits of competition.

That is my problem this afternoon. I know this Motion is a simple one, but the questions must be asked. I raised this issue the last time we debated the Caricom Treaty. When we talk about free trade, we need to understand what really is the policy of this Government in terms of free trade and that when agreements are written, they are very broad and can allow for interpretation of different things. This is why governments can pursue different implementation plans. That is the problem that I am having. Because if you look at it, are we really supporting a protectionist policy as opposed to a free trade policy?

I ask this because we may say that as parliamentarians we are involved only in the legislative agenda of the Government, but I want us to understand the legislative agenda of the Government is informed by policies and we must have an understanding of the policy. Any legislation, major as it may be, or minor, espouses some form of policy objectives and I fail to understand, because I see so many conflicts when we see legislation before this Parliament, that the objectives themselves are conflicting.

So we cannot be sitting here to say, “Yes, we are a part of the World Trade Organization” and at the same time we are speaking from a different hymn book and saying, “Okay, we are going to lock out everyone else”. Yet we are opening up trade, as I gave the example of the air-conditioning units between the Dominican Republic and the Caricom region, which includes Trinidad and Tobago, yet we have locked it off from the Asian bloc. How are we going to continue to be competitive? This is really the question that I had this afternoon.

Again, I just did some more research into this, because when this whole issue came up, it was properly ventilated in the press where Peake claimed they had material injury because of the dumping, and so on. But if the Chinese were dumping—and I heard this comment made by the Minister of Trade and Industry already, that we do not want to be a transshipment point for the US. But that is an archaic view; that does not exist anymore. In this particular case, if you look at the local companies which were importing their units from China, it was via agents in the US. So if these units were being dumped in Trinidad and Tobago, were they being dumped in the United States? How come we were purchasing it from the US for Trinidad and Tobago's market? Then they had to be dumped in the US, and while they are being sold in the US, they are being dumped here.

Clearly, there was really no logical argument to support this particular Legal Notice which has imposed these onerous types of duties. At most, what it will tend to do is destroy the competitiveness of the air-conditioning industry in Trinidad and Tobago and the Caricom region. I make this point because Peake claimed that they had material injury. One of the problems they claimed was they had to undercut; they were losing money, and so on, but yet, the same unit they said they had to sell for US\$200 in Trinidad and Tobago, they were selling it way under \$200 in other countries, such as Colombia. This was their price list. So are they dumping into other countries, or is it that they are making such a high margin in Trinidad and Tobago? Again, by being able to make this threat of dumping and getting away with it, they are able to carry on with these extraordinary profiteering of a local entrepreneur, protected.

So the Government of the day has to explain and it must come to this Parliament at some point in time and enunciate its policy on trade. I make an appeal for this, because this is something that is done in other Parliaments in the Caribbean jurisdiction. For example, within the Jamaican Parliament there is a debate every year on trade policy. I make this point because I am not sure if this Government is in the business of protecting the interest of the people of Trinidad and Tobago or it is in the business of protecting interest groups, such as Peake Industries Limited. Because it is strange to note that a judge ruled that there was no evidence of dumping, the Minister countered that and came out with a legal notice subsequent to that and imposed these duties. As a result of that, to this day they said they do not have to provide evidence to prove anything.

On that note, once more I was hoping that the Minister would have given us some more details as to the actual amendments to this particular Schedule and the policy objectives that inform these particular amendments. I do not know if he

would be so kind—I know that sometimes they do not tend to respond to us, but I hope the Minister would be so kind to respond in this particular issue to, at least, enunciate some of the policy objectives for trade that informed the amendments to this particular Schedule. I really hope that the Government would take this back to the Ministry of Trade and Industry and ensure that we have some policy issue discussed or debated with respect to free trade in this region.

Thank you, Madam President. [*Desk thumping*]

Sen. Prof. Ramesh Deosaran: Madam President, I have just a few comments to make, mainly inspired by the last speaker, Sen. Seepersad-Bachan. She raised a matter with respect to air-conditioning units and it is a matter that had caught my attention sometime ago in the context of the Motion before us. Briefly, and knowing as I do, the circumstances of that particular issue of the alleged dumping and, what I consider on the face of it, very oppressive duties on certain importers, I think this is a matter that really needs Government review because they have already passed that path.

I raise the issue in the context of the public interest and the public questions, some of them, skepticism, as to where these pieces of legislation as corollaries to the major thrust towards a single market and economy, where will these things take us in terms of the cost of living and the quality of life. This is a case study, as it were, that I would implore the Government to pay some attention to, because whilst we speak so far in abstract terms about the benefits of the single market and economy, and even in the two instant cases before us here today, Costa Rica and the Dominican Republic, this particular issue, especially as highlighted by the previous speaker, to me, really deserves attention if the public in this country, at least, ought to have some confidence that what is being spoken about in terms of the Caricom integration will bring us benefits. It might even help reduce some of the concerns about the eventual political union.

So the matter is not only about refrigeration, the matter is about enlightenment in the public interest. That is the reason for my making this brief intervention. More specifically, I have had experiences with a Peake's air-conditioning unit; I will not buy another one, and I say no more. More precisely, and as a consumer, on behalf of consumers who are becoming increasingly hard-pressed, especially in monopolistic conditions—the agent who has apparently been so oppressed by ministerial edict in terms of increased duties—I think the product is something consumers should consider, not only in terms of price, but quality.

What I am saying, therefore, is that there is a concrete case to be made for reviewing the decision made by the particular Minister and which was published

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in the *Trinidad and Tobago Gazette*, where it caught my attention and led me to certain other enquiries. We cannot be making these decisions so arbitrarily, even though the power resides in the Minister, when it seems to be against the public interest and consumer welfare, which is what seems to have happened in the instant case cited by the previous speaker in the context of the Motion before us.

If this is the way we are going to do business against the interest of our consumers by using the laws to oppress competition at a time when, on the one hand we talk about globalization and free market, and on the other hand we try to squeeze in protectionist policies, I think the public stands to lose. That is the main thrust of my contribution.

This is not an attack on the Government; this is a request, a plea for the Government to review that particular instance, come up with a general policy for striking a better balance between the requirements of free trade open market economy, and the kind of restrictions you would need to protect local or regional industries. I think that is the single most important issue now and I would crave the indulgence of the Minister of Foreign Affairs to throw some light, not only on the particular case affecting Peake and the alleged dumping, but also where is the balance going to be in the years ahead between those two apparently competing forces.

More than this, if a Minister gives a ruling, such as the one cited by the previous speaker, the evidence should also be forthcoming, especially since the allegation of dumping was made. I, myself, do not believe it is dumping, from my own information, and this view is strengthened by the fact that, indeed, the product has passed through the United States customs regulations and quality control.

As I said on the last occasion, the Minister has his job to do and he has done it quite well, with the two Bills he has presented previously, and I have said so publicly. But I think this matter should attract his attention and the attention of the Cabinet of the country, because a lot lies on cases such as these. We cannot speak in abstract terms about the future, how much we would benefit from the integration movement and single market and economy, and when we have specific cases such as this one, the Trinidad and Tobago public stands not to benefit.

How much of such deficiency can we bear in the interest of the ideal of integration? I think it would reduce the strain and the skepticism. Therefore, that is my brief contribution and I support the remarks made by the previous speaker.

Thank you very much, Madam President.

Sen. Robin Montano: Madam President, I have said it before and I will say it again, when Government Ministers present Motions or Bills, one of the things that we should hear, as my friend, Sen. Seepersad-Bachan said, is what is the Government's policy; why are you moving the particular Motion, not just the legalities. Most of us in this Senate have an education; most of us are able to read and understand the rudimentary language in these Motions and Bills. So we understand what you are doing. What we do not understand, though, and what we look forward to hearing with great interest, is the policy that is generating the particular Motion or the particular Bill, as the case may be. I would have hoped that we would have heard the Minister of Foreign Affairs talk about what his Government's policies are, especially, for example, when it comes to manufacturing and when it comes to the question of free trade.

You see, as my friend, Sen. Seepersad-Bachan said, and as Sen. Prof. Deosaran has said, you are looking, in essence, at closing off the doors to China, which is a sleeping giant about to awaken in favour of Caricom. Why? You have an interest in Caricom; that is perfectly true, but countries do not have friends; countries have interests. It is like this Prime Minister of the two-by-four country known as St. Vincent and the Grenadines, when he comes and says, "oh, well, you know, he is a good friend of Basdeo Panday so he does not have to worry with the infantile remarks of members of his Opposition group". What he does not understand is this—

Sen. Dumas: Madam President, on a point of order here—

Sen. R. Montano: Unless it is a point of order, I am not giving way.

Madam President: Is it a point of order, Minister?

Sen. Dumas: Standing Order 35 says that we should not be derogatory of people—

Madam President: I cannot have two people standing. You were saying?

Sen. Dumas: I am saying Standing Order No. 35 tells us how we conduct our affairs. I just want to suggest that to describe one of the countries that we have a treaty with and treat with on a regular basis in that manner, should not be permitted in our Parliament.

Madam President: Yes, Minister, I agree. As a matter of fact, I was going to draw it to your attention, Senator. Please do not refer in such a derogatory manner to any other person's country, because we would not like the same thing to be done to ours.

Sen. R. Montano: Very well, Madam President. I do note, though, that I am not allowed to call him a two-by-four Prime Minister, and I do note that Winston Churchill was allowed to make derogatory remarks about Adolf Hitler in Parliament before the war and when they had good relations. But I am not allowed to make comments—

Madam President: Senator—

Sen. R. Montano: I am saying I agree, Madam President—

Madam President: That was Winston Churchill in the British Parliament. You are in the Trinidad and Tobago Parliament—

Sen. R. Montano: Perfectly true, Madam President, but we follow the British Parliament conventions.

Madam President: Sen. Montano, I made my ruling.

Sen. R. Montano: Yes, Madam President, and I am abiding by it.

Madam President: Please do not argue about it.

Sen. R. Montano: I am not arguing about it, I am abiding by it and I am noting the differences between your rulings and the rulings of the Speaker of the mother of all Parliaments. I am not questioning as to why you are doing this. I am certainly not suggesting that you might be trying to protect the Government. I am not saying anything like that. I am saying that I note the differences.

As I was saying now, with this Prime Minister who I am not allowed to call two-by-four—

Madam President: Sen. Montano—

Sen. R. Montano: I said I am not allowed to call him that. I might think it, but I am not allowed to call him that, at least not in this—

Madam President: That is right, not in the Parliament.

Sen. R. Montano: What he does not understand and what the Government does not understand, is this: Countries do not have friends, they have interests. He can be as friendly with Basdeo Panday as he likes, but the question is this: Is it in the interest of Trinidad and Tobago to have a political union with St. Vincent and the Grenadines? If the answer that the Government wants to put forward is, yes, tell me why, because I can see no benefit to Trinidad and Tobago. I can see great benefit for them, but I cannot see any benefit for us; maybe for the PNM, but that is another story. PNM is not Trinidad and Tobago.

In dealing with the question of manufacturing and dealing with the question of the anti-dumping, in the *Express Business* of November 10, 2004 at page 3, it states: “Hefty duties overshadow free trade”. And there is a sub-headline which states:

“Imposing the duties will create a monopoly for Peake’s and will result in higher prices for consumers. It will set a dangerous precedent. It certainly goes against the grain.”

That is what is publicized here. Do you know what? One of the things that I asked at the time that this was going on was: How many people do Peake employ? I got the answer and I cannot now remember the figure so I will not give it. But then I asked: How many firms are involved which are affected by the Government's legal notice? The answer was 20-odd. In my memory it is 27, but I may be wrong. It was more than 20 firms. How many employees are in the affected firms as compared to Peake? Again, the answer was horrendous. A much larger number of employees are in these 20-odd firms. So I asked some more questions. Did Peake make any contributions to the PNM's last general election campaign? That answer was, yes.

What do we have here? I asked the question: Is it a pay-off?

Sen. Dr. Saith: Who told you that, Panday?

Sen. R. Montano: Certain persons, not Basdeo Panday. Do you want to deny it? Go ahead, but I know it is true.

Look, for example, one of the things I am told that Peake said, was that they could not produce the unit here in Trinidad and Tobago for less than US \$200 and this was evidence, they said, of dumping, and yet I have a Peake price list showing the same unit they were talking of for US \$200, they are selling in Colombia for US \$155—fob price. So you have to ask again, what is happening. Why?

You are looking at the thing all over the place. Here we have somebody called C. E. Charles, a local air conditioning importer, saying—and I am reading from the *Business Guardian* of November 25, 2004, page 15. He says:

“Sometimes after reading a newspaper article the contents are so incongruous that you are left with a distinct impression that the person featured must have been misquoted.

Such was my feeling after reading the comments of the president of the TTMA on the anti-dumping claim by the local air condition manufacturer published in the May 6 *Business Guardian*.

On his monopoly fear, why would Mr. Anthony Aboud”—

I beg your pardon, Madam President; I said it was more than 20. It was:

“think that the 40 or so local importers...”

Forty businesses, as opposed to one:

“could conspire to create a ‘monopoly’ where a sole manufacture would not when it is the only player in the field?”

If the local manufacturer exports 85 per cent of his production, why would it need protection in the domestic market, unless the local consumer is subsidising his export thrust?

In other words, has China selected Trinidad exclusively for dumping, Mr. Aboud?

Is the local manufacturer not competing against the same units internationally?

Based on your definition of dumping, has the TTMA ever examined the local manufacturer’s export invoices?

As most of the units of Chinese origin/manufacture are imported from the United States, surely they would be in breach of American anti-dumping legislation, using the same yardsticks.”

I agree. But, you know, the thing is this. Peake is not exactly a manufacturer. Peake imports most of its components from Japan and put together the units, but these components are not subject to duty, at least not 100 per cent duty. So there is a great deal of incongruity here. But the same holds true for the transportation within Caricom and we should be looking at the question of transport within Caricom because this relates to the Motion which relates to the Dominican Republic, which relates to the Caricom treaties.

3.00 p.m.

Look at what is going on in Caricom with regard to transportation. We got an announcement out of the blue that we are giving \$120 million to LIAT. Is it US dollars? I am not sure if it is US or TT dollars. Either way it is a huge sum of money. Why? We do not have a proper explanation. We know that BWee is collapsing. Do you know why BWee is collapsing? I will tell “yuh”.

There was a big issue about cargo not being able to be hauled over Christmas. In one word, the answer is “sheep”. Some bright spark in BWee decided late last

year to haul sheep from Suriname and put them in the cargo holds. The sheep ate the fireproof lining on four of the five BW737 Boeing planes. [*Interruption*] I agree. I laughed when I heard it too. A BWee captain told me the story. With the fireproof lining destroyed, the aircraft were no longer safe to carry cargo. The Civil Aviation Authority and the FAA said that they could not carry any cargo. The planes had to fly from New York, Toronto and all over the world to Trinidad and Tobago without any cargo. Result? No baggage! That is why. One word, “sheep”. I cannot believe it! Incompetence of the highest order! You do not hear about that. The person responsible is not fired but regional integration and all these lovely fine standing words. They are fine standing words but you are not delivering anything. This country has been reduced to sheep. The sheep nibbled through the thing. It is incredible!

We talk about BWee and transportation. I could not understand why the Caracas route was shut down. I can understand the Costa Rica route because it is one person at a time or nobody flying in the plane. I can understand the Cuba route. We have no real trade there except to bring nurses and doctors occasionally. Every time I have been on a flight to and from Caracas the plane was almost full. Why was it shut down? It was shut down because the Civil Aviation Authority (CAA) told them to shut down. Why? The CAA found out that BWee had sub-contracted its rights under the route to Tobago Express. The planes of Tobago Express are flying back and forth. One day the Civil Aviation Authority was told by the BWee pilots who were very concerned about BWee breaching the rules and not obeying the orders of the CAA—the CAA told BWee to divert its aircraft to Margarita and they refused.

Sen. Yuille-Williams: On a point of order. I was looking at Standing Order No. 35(1). I was looking at the relevancy of his debate to such a motion. We have gone a long way and we have not been able to understand what it is.

Sen. R. Montano: Transportation.

Madam President: I was giving the Senator a chance because I wanted to see where he was going to tie it in with the Motion. You have gone on for about 10 minutes and so far there appears to be no relevance. Please come back to the Motion.

Sen. R. Montano: I understand. Allow me to finish it. Let us move on. The sheep do not want to hear about more sheep but it is a heck of a story and it would come out.

There is another point getting back to the bilateral trade agreements. Are you aware that Jamaica has signed a bilateral agreement with China? The Jamaicans are very proud people. Whatever you want to say about them, whatever they do,

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they put Jamaica first. When are we going to put Trinidad and Tobago first? We are too generous! We are giving away the kitchen. We are giving away everything. LIAT, here is \$120 million. Suriname, we will transport your sheep even though they destroy our aircraft. Think! Think!

The Minister needs to understand that this may be well and good, but where and what is the policy? What are you hoping to achieve? Show us! You want to say, “We are not going to talk to the Opposition.” That is all right. We will not vote for the CCJ and you were told to resile from that position. Were you not, Mr. Attorney General? You know that we were not going to support it. If you do not want to talk to us, that is no problem. Do not talk to us but at least tell the country why you are doing what you are doing and your policy.

Sen. Jeremie: Would you like some clarification on our position?

Sen. R. Montano: No. You can talk when you want.

Madam President: How did you get to the CCJ?

Sen. R. Montano: I am talking about Caricom; the regional responsibilities; the trade; the Caribbean Court of Justice; original jurisdiction and the Privy Council. It is relevant to a point that is relevant to the debate. [*Interruption*] Most definitely, not. Sometimes I feel that I am here with the goats. That is another story. Not with my colleagues.

When all the “picong” and “ol talk” is finished it is a serious point. Even if you say that you will not tell the Opposition, that is all right. Do not tell us. Tell the country what is your policy; explain in clear and simple language what you are doing and how we will benefit. We may agree. Do not say this is what we are doing; vote for it. Why? Tell the people and trust the people. Is it that you do not explain yourself properly because you do not trust the people because you know that if you explain yourself properly, the people will see the nonsense you are doing in every aspect of governance of this country? We must do better than this.

Thank you.

The Minister of Legal Affairs (Sen. The Hon. Danny Montano): Madam President, much has been said this afternoon; some of it relevant to the Motion before us and some is not. Allow me to put some clarity to some of the issues that have been raised. Someone once said, “Think! Think! Think!” [*Laughter*] I cannot help but feel some of us are not thinking but daydreaming and not paying attention to what governance is all about.

There are those who talk about “when we were in power”. Interesting term. It gives you the mindset of those individuals who seek positions in government. It is not so

much the opportunity to govern but the opportunity for personal power. The use of the word is important. This administration is about governance and takes it very seriously. We recognize that we are a very small State in a very large world. We also recognize that in order to protect our interest we have to look outside not only our borders but also the region. We have to recognize that the region is an important element of what the country does. The issues of regionalism and regional trade are vital to the interest of every citizen in Trinidad and Tobago.

In this regard the issue before us is relatively simple. That is, to strengthen trading links with some of our major partners. I believe that the Dominican Republic has a population of about 11 million. That is a huge market. The potential for a country our size is enormous. When the previous administration brought the original agreement to Parliament we supported it. I am sure that they would support this amendment as well. It is simply in furtherance of a policy that made a tremendous amount of sense at that time.

The issue that has been raised is the question of whether what the administration has done is fair to Trinidad and Tobago. I assure you that this administration, as distinct from any other administration, is very sensitive to the needs of the consumer. It is unfortunate that the event of the levying of tariffs on air conditioning imported from China has been described in the way it has. If one looks at what is happening in the marketplace, one would see that the products coming from China have been priced differently from those from any other place in the world. That pricing structure was significantly different from the cost of production here as well as that anywhere else in the world.

This administration is keen on ensuring that the consumer gets the best possible deal. All steps are being taken to reduce taxes on income and duty. On more than one occasion we have reduced the duties on imported materials for the housing sector. Therefore, we are keeping with the policy to do what is in the best interest of the consumer.

It is not rocket science to look at the cost of articles from China to recognize that something has clearly gone awry. The suggestion has been made that the decision to levy duties on the products from China was somehow politically motivated. It is a pity that Senators on the other side would make that kind of allegation because they know how the machinery works. The ministers do not get into the details of those anti-dumping regulations. A committee is set up to investigate; the information comes back and the minister has to agree or disagree. It is not that the minister says, "Let us do so and so." It does not happen that way.

A complaint is filed by a manufacturer and he makes a case to prove his point. A panel of persons investigates and makes a decision. It is not the first time that it has happened and it would not be the last. We heard about situations with cement. Anti-dumping regulation is common to almost every country in the world, including the United States. It is done with very good reason. Many countries that have fledgling industries, especially large ones like China that has the capacity to produce in huge amounts, can flood our market and destroy a fledgling industry that has the opportunity to supply the region and beyond. These measures are not unique to this administration and country. It is very simple how and why they would come about.

One issue that has always been raised in matters like this is: What is in the greater good of the people of Trinidad and Tobago? Is it the greater good to allow products that are effectively being sold here less than the cost to the manufacturer in order to reduce the cost of the article to the consumer, or to protect our local industries? The policy of this administration as was that of the previous administration is to protect local industry. That is a consistent policy and no different from what any other administration has said or done. When the issue comes and it is studied the question is: Is it a dumping situation? Very often it is not that hard to prove. Sometimes it is. This issue went on for quite a long time. It was not that easy but eventually a case was made and they were able to prove that it was being dumped. Bear in mind, that the costs of these products were uniquely different from those being sourced from any other country. You begin to realize that something has gone awry. The case almost makes itself.

Sen. Seepersad-Bachan: Madam President, I do not know if the Minister will allow a question. It was my understanding that the judge ruled and stated that there was no evidence of dumping. The Act was very broad and allowed the Ministry by legal notice to do its investigation but not have to provide legal evidence. You are saying that there was evidence. Was that evidence ever shared with the public in the interest of transparent and open government?

Sen. The Hon. D. Montano: The question is whether the pricing practice is unfair to the people and manufacturers here? It is basically the same point.

The statement was also made that we are closing doors to China. Let me say categorically that this country maintains excellent relations at the highest level with the People's Republic of China. We have good diplomatic as well as trade relations with China. There is no attempt either on the part of this administration or their administration to hinder, damage or hurt the relationship for the trade.

Much was said about political union and I do not know how that is relevant to this particular debate. Allow me to respond to some statements that were made. In terms of regional trade, Caricom accounts for about 70 or 80 per cent of our export manufacture trade. If we do not support our Caricom neighbours our industrial base will collapse. Over the past years, the Central Bank has been unable to put a cap on in excess of US\$500 million. We know that at least the sum of US\$500 million a year has been invested in some of our Caricom neighbours into financial instruments supporting those governments. The paper has been sold here by the commercial banks to mutual funds and pension funds.

The result is that those economies are almost completely tied in with ours and ours with theirs. If those economies fail we will pay the price and not out of anything that this administration has done, but merely because of the financial and trading links we have with those smaller islands. It is essential to our interest that we seek to protect those small island economies. What is the best way? Allow me to say that to a large extent the jury is still out on that. Many ideas are being suggested to look at a political or economic union. There are many stages in this process.

There are certain fears on the part of the Opposition that one has to wonder about the origin of those fears. I do not want to get into why they should have these sharper concerns about any form of integration with our neighbours when the economic reality is that we do not have much of a choice. If we do not protect them it means that we are placing ourselves in jeopardy. In this regard, we need to reach out to our neighbours who are larger than we are, such as Costa Rica, Cuba and the Dominican Republic that are on the fringe of Caricom. They are part of the ECS and we have to draw them in as far as we can.

In his presentation the Minister of Foreign Affairs indicated the balance of trade with the Dominican Republic. It is heavily in our favour because of our export of energy products. If you were to take out the energy products, I am advised that we still have a surplus on the other visible trade products.

Our largest bank invested in a commercial bank in the Dominican Republic. A fair amount of money has been invested from savings from Trinidad and Tobago outside the Caricom grouping, but still part of the Caribbean region. I think that it is a good investment and I will like to see it succeed. These economies are becoming closely tied with ours. It is important for us to see the region as one small area trying to defend itself against the ravages of a very hostile world. That is taking place here.

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There is no way that we are trying to lock out the Chinese or anybody else. We recognize that within our region we must take certain steps to protect ourselves. If that were not so and recognized by Senators on the other side, the original agreement with the Dominican Republic would never have been brought here in the first place. It was brought by Members on the other side. The point is easily made and must be easily accepted. We as a region must stand shoulder to shoulder against the rest of the world.

In terms of talking to the Opposition, efforts are made to talk with them, the Independents, the private sector and persons at all levels. The difficulty is that we approach Members of the Opposition to deal with issues of governance and how best we can do something in the interest of the people of Trinidad and Tobago, but the response that we get is not at the same level. It is not that we will help you do this or that or why you do not do this or that. The response for the most part, not always, is designed to frustrate, disappoint and create havoc in terms of the steps and measures that the Government is trying to take for the benefit of the people. I take objection to statements saying that we do not talk with the Opposition. That is not so. You get responses that are clearly not in the best interest of the people of Trinidad and Tobago.

We would like to think that they would join with us on occasion as part of the governance of Trinidad and Tobago. That is what this Chamber is about. It is about governance, not about power.

I ask Senators on the other side on both Benches to support this Motion and to realize that what is happening here is no different in substance from what they were doing when they were on this side. It is part of the same process. It was a good idea then and it is now. This administration—as I am sure they—is not trying to close doors with any major trading blocs in the world. They are too important to us. The PRC could be a source of significant investment in this country in the foreseeable future. Why would we want to slam doors in their faces? It does not make any sense. I ask for their support.

Thank you very much.

3.30 p.m.

Sen. Dana Seetahal: Madam President, I have listened to the previous speakers on this Motion and I must confess that I have been enlightened by what they have said. Quite frankly, prior to today, I had not read the Motion so I had no idea what it was about.

Madam President, it seems to me that this is a very simple Motion. We are talking about a Motion that flows from the Caricom Dominican Republic Free Trade Act, 2001 and today we will be looking at the Caricom Costa Rica Free Trade Bill. Madam President, I mentioned that, although we have not yet reached it, because the two things are identical. Prior to 2001 when the decision was taken by Caricom to expand its free trade area—we know what happened then—this Act came into effect. What we are really doing—it seems to me and I gleaned a lot of this today—is trying to extend a hand of trade friendship with other countries in the region through Caricom, except for the Bahamas, of course. The Bahamas is not one of the countries that chose to do so but the other 12 countries, minus Haiti, as I understand it, decided to, and I quote:

“strengthen the special bonds of friendship, solidarity and cooperation between their Governments...”

of the 12 Caricom countries and the peoples of the Dominican Republic, and

“promote regional integration in the Americas;”

and more importantly, to create and expand it, and more secure markets.

Now, Madam President, what I understand is that a treaty was entered into by Caricom and the Dominican Republic. That treaty became part of our laws in 2001 when we passed the Act to give effect to it, as we did last month, passed the Act to give effect to the Revised Treaty of Chaguaramas. Now in 2001, it was provided that whenever there was an amendment to the agreement the Minister would, by Order, amend our Schedule to the Act. In other words, when there is a big amendment between the governments of Caricom and the Dominican Republic then Trinidad and Tobago, through its Minister, must amend the treaty that is now our law. That is simply all that is happening here and that is the same thing that would have to happen if there is an amendment between the Revised Treaty of Chaguaramas.

Madam President, I do not intend to talk about anti-dumping and anything like that, apart from the fact that I know very little about it. The thing is, I do not see that it concerns this Motion, in my respectful view. The issue, however, is that since we must amend our treaty locally by affirmative resolution, we must all consider the implications of the amendment. I have listened to the last speaker Minister Danny Montano and I understand what he has said and I agree with him, that one of the reasons for this agreement is that the region is trying to defend itself from a hostile world, so that we would have one giant, as it were, the Caribbean Free Trade Area against China, the country that is now, by the way, the

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third richest country in the world with the highest GPA. It is no longer a poor little rice-eating China.

Madam President, when there is talk about our region having to defend itself from those blocs, I understand the need for the agreement and I support it. Who would not? Any rational thinking person would. I understand that the last government, prior to September 2001, did sign on behalf of the people of Trinidad and Tobago, the agreement that we are now amending today. The only issue I have, Madam President, is that perhaps the Minister should explain to us the reason for the amendment to the treaty. Maybe I did not grasp it then, but I did not hear why the Governments of Caricom and the Dominican Republic thought that this agreement to the treaty, as it is called, was necessary. We could hear about it in three to five minutes, if that much. Bearing in mind that it is Parliament that has to give effect to this amendment, I think that is something we would be delighted to hear explained to us.

Madam President, that is all I wish to say. Thank you very much.

Sen. Sadiq Baksh: Madam President, I join the debate on this Motion mainly because of some of the discussions raised here this afternoon. At the onset, I must say that we in the UNC support free trade with the Dominican Republic and all the other countries within the region, what we are against is the introduction of a tariff barrier against other countries to facilitate that free trade within the region. We are not supportive of the introduction of any tariff barriers especially when, Madam President, I did not imagine that the last speaker on the Government side, the Minister of Legal Affairs would have been telling us that it was fair and sensitive to introduce a tariff on imported air-conditioning units that resulted in air conditioning units escalating in prices.

Madam President, in November, 2004 a 12,000 BTU split unit cost \$2,400 imported from China. Today, January 11, the same unit now cost \$3,600 still less than the local manufacturer; an increase in price of \$1,200, because we introduced a tariff barrier to facilitate what the manufacturer claimed as dumping in Trinidad and Tobago.

What is even worse is that the same Minister of Legal Affairs told us that the Minister did not get involved in this particular matter. Madam President, that is far from the truth because this matter went to court and the judge ruled in May of this year that the company did not prove a case of dumping of air conditioning units in Trinidad and Tobago, and it was only because of the intervention of the Minister, who has the authority to make that order under the free trade agreement

on the anti-dumping legislation. The Minister told us, no, this happened in the bureaucracy. Madam President, you know the bureaucracy. The judge ruled in May and the June/July preparation of the budget would have been well ahead and the budget was presented without a single word about the increase in air-conditioning units in terms of the introduction of a tariff barrier; we had it in the budget. In fact, the debate took place and this matter never arose. It came in the Provisional Collection of Taxes Order long after without any discussion.

Madam President, based on the evidence it would appear that it was only introduced because of the intervention of the hon. Minister of Trade and Industry. Madam President, beyond a doubt that is based on the discussions we have had and based on where we are. Not only that, it proceeded with undue haste, thus giving more credibility that it was motivated, possibly, because of extenuating circumstances not pertaining to trade.

It is even worse than that, the hon. Minister of Legal Affairs, in defence of the increase to the consumers in Trinidad and Tobago of 116 per cent on air-conditioning units based on the introduction of this tariff, told us that it went before the anti-dumping committee. I am aware that under the free trade agreement an anti-dumping secretariat was established and that secretariat looks after anti-dumping, but he did not tell us when and who are the members of this committee, how they participated to arrive at the decision, after the judge ruled, that the company did not have a case.

Madam President, to add insult to injury, the Minister is claiming that China is dumping its units in Trinidad and Tobago but while he makes such a claim against China, he says: no, no, no, we have a really good relationship with them. It is even worse than what my colleague said about a Caricom country. You are saying now that they are dumping their goods here but then you are saying no, we really have a good relationship. Madam President, it is as if to say because you have a good relationship you could just say what you want about them, accuse them of dumping, especially after the courts ruled that was not so. It is now based on hearsay information. After it went to the court and the court did not agree, you are basing it on hearsay information. The Minister said it went to a committee but he did not volunteer any information as to the contents of that report and maybe at some appropriate time in the future, like the Report of the Commission of Enquiry into the Piarco Airport, it might be made available.

In addition to that a major point that we need to understand is that it was the foresight of previous PNM administrations that started the development of the

manufacturing sector. First, with the Industrial Development Corporation and then we catered mainly for import substitution. We moved from import substitution in the 80s and started to develop our manufacturing sector; we geared for export as earners of foreign exchange. During that period manufacturers were encouraged to retool, to modernize and to ensure that they were efficient.

Madam President, I am submitting to you that our manufacturers are efficient and that they have retooled. What happened in this particular case; in addition to the political considerations, I am suggesting that we are also subsidizing inefficiencies within the system. You cannot penalize consumers because of the inefficiencies within the manufacturing sector or any other sector in Trinidad and Tobago. That is poor governance! That cannot go down to be good governance. We had the Minister come to fancy it up when he spoke about good governance. I am telling you, Madam President, based on the evidence, what we have here is an administration that is not paying attention to the improvements in the efficiencies within the system; they are not concerned about competitiveness; they are not concerned about the finer issues that would make our manufacturing sector more effective and more efficient to be able to compete internationally.

Madam President, while we are encouraging free trade; we cannot have free trade without free travel. If you want to develop a free trade area between Trinidad and Tobago and Santo Domingo or the Dominican Republic, when you do that without developing the market, you are asking your national airline to establish a route between Trinidad and Tobago and the Dominican Republic without any marketing at all and expecting it to have passengers all the time. What you have now is a scheduled carrier with scheduled flights but the planes are just not available. You have passengers in the Dominican Republic with tickets to return to Trinidad and Tobago without any flights. That is a situation that we now have escalating.

When we envisaged the Free Trade Area of the Americas, we also envisaged free travel; that is why we are pursuing the establishment of a regional carrier. Whereas I understand the Government's position in terms of providing support for BWIA and LIAT, it must be support based on some plan, whether the plan is to now have all these airlines work in unison where you have the flights synchronized so you could have a hub and spoke operation with Trinidad and Tobago being the base serving the other regional areas. Madam President, we will support such a measure that will see a regional airline, an airline that will serve the people of Trinidad and Tobago; an airline that will further free trade within Caricom and the wider region; that would see the establishment and the bringing

to life the Association of Caribbean States; see the FTAA coming into being and Trinidad and Tobago playing its role, but we cannot do that just by spending US \$40 million in BWIA without saying when it will become efficient; without setting some benchmarks; without saying what must take place and what we expect. You cannot do that by putting \$120 million into LIAT and then expect it to improve overnight. No, Madam President, that is not possible. You cannot now own 49 per cent of the shares of Tobago Express and then bring in another airline to compete with Tobago Express and BWIA and not have a plan for the air bridge between Trinidad and Tobago. That just cannot work! When you come here and talk about free trade—we are for free trade but we are against the introduction of tariff barriers to exclude products.

Madam President, the Minister talked about products from China but I could not imagine hearing the Minister of Legal Affairs talk about the disparity in pricing. Madam President, from way back products coming from China cost less than products manufactured in any other part of the world. When a “Banlon” used to cost \$12 in Trinidad and Tobago, a Chinese “Banlon” cost 99 cents. Way back an “alpagat,” a “watchicong” all those things cost cheaper four decades ago, so for the Minister to come and say to us that the reason they are introducing a tariff barrier is because China’s air-conditioning units cost less in Trinidad and Tobago so you have to put in a tariff barrier, Madam President, that is just not the truth. It cannot be the truth. Every other product manufactured in China will compare favourably—in China’s favour—in terms of costing less than to be manufactured in any other part of the world, so the argument just does not add up and that cannot go down to good governance.

Madam President, that is poor governance. We will not support poor governance. We will not support governance that says that China cannot produce goods cheaper than anywhere else in the world. That is a fact that we have to live with. The economies of scale will show that China’s manufacturing capability is such that they are good manufacturers; they are efficient and the manufacturing process is labour intensive, not capital intensive; it is not technologically driven, it is labour driven.

Madam President, in closing, I assure the Government that we are for the free trade of Trinidad and Tobago with Caricom and with the Dominican Republic but we are against the introduction of tariff barriers against any country that would cause the consumers to pay more for goods and services.

I thank you very much.

Sen. Brother Noble Khan: Madam President, what is before us has very far-reaching consequences, both for all elements, as we have heard, of governance and even as a small society as we are seeking to expand in so many different areas. I would like to recap to see at what stage we are. I think that reaching to the stage of free trade is part of the aims or objectives of societies, particularly western societies, for quite some centuries now. As we know the West has dominated for quite some time. Even at times in colonial days when you had the mercantile system there were always elements within the society to have this free trade brought about.

We as appendages of that society continue to hope. We have had some experiences coalescing and bringing our people together, which today we are at a position having regressions, having advancement and what have you. Overriding all of this, I always like to think in terms of who benefits and what is in it for us as a people and, particularly, segments of our people.

Madam President, one gets the feeling, even from what we have heard here, from my humble view, that quite a lot of intelligent inputs have been made and there is still much hope and expectation. One thing that even within a framework that may have been encapsulated quite some time ago; I quote from one of the great ancients which goes something like this: Some men of noble stock were made; some praise a science or an art; some gloried in a murderous blade—Madam President, watch that sentence—but some may seek honourable trade.

Within that framework I think the ancient writer may have encapsulated what may exist even today, that within a society we may have different interactions and we have heard much of governance being mentioned and, again, I ask the question, particularly against this background, governance for whom? Who is to benefit?

We know on any road there will be ups and downs; hills and valleys, hollows and what have you, and this could possibly be orchestrated against a background of the economic parameters that may affect a country and shown graphically. Again the question arises in my mind, all that we are doing here or seeking to do. We have heard of the role of China, a sleeping giant, but I must say we have had a very close connection with China for quite a few centuries, from the very early days and existing up to now. We have heard questions to keep China out but one wonders if this is possible and the effect of that is that if we would have no more chop suey. I will rue that day that that is so but nevertheless China is a massive country and even in political thought and advancement as far as peoples are concerned it might still be a good model to look at.

I do remember as a young person the expression: “Power comes from the barrel of a gun by Chairman Mao.” I think we should pay particular attention to

that. I do remember Chou En-lai one of the great men of the centuries who has gone, when threatened by a great nation from the north—China had a population of 23 million; we had a war and at the end of it 13 million died. We could go to war in the morning. These are some of the things even when you think in terms of visioning—this is an important aspect because what is before us here entails a vision of our forefathers as far as Caribbean history is concerned. When you think about Chinese visioning you think in terms of 500 years or 1,000 years and it might be wise for us as a people to see what we could draw from this great ancient civilization which continues even further than any that exists at the moment.

With respect to the question of dumping, we have heard the question of the air condition units being dumped and questions of mountains. Metaphorically when we hear about peaks, we are not speaking about El Tucuche or Sierra Aripo. But we have recently been swamped by sea and when we think of peaks we think of the “smallening” of the size of the Gulf of Paria with what is taking place in the Gulf. One wonders then what effect that has for us as far as governance is concerned.

Madam President, these are important facts because we are a small island state; our size is limited and when it comes to trade, as the quote I have given, it has a bearing on us. The question, too, arises of how we would fit against the bigger countries like Santo Domingo, Venezuela, Cuba and the others of what we hope to form part of ourselves as a Caribbean people. I do recall that earlier when it was mooted, the question of Caribbean people coming together, and it was highly geared towards the Anglo countries, and so far I think to some extent the Franco countries are still kept out. But the question of some of the mainland countries over-sweeping ourselves one wonders again with this coming together what will benefit. These are important aspects; the question of who will benefit will always emerge. When we think of who will benefit we have got to think in terms of within our small frame. We are a people who have emerged from slavery, an economy that was mono and if we are going global, as we hope to in the long run, and this is just a step in that direction, who is going to benefit as far as the mass of the people? We continue to remain the mono economy. Even Trinidad which seems to be a shining star is still based on gas and oil and we have not made any attempt or have taken any initiatives to input as far as knowledge base is concerned or as far as our skills are concerned. If any has been done it is very minimal.

We have a history of people doing things for us, though there are attempts at the education system which again we laud and things that we hope by the grace of God will really catch up. These are some of the areas where we will direct

ourselves but, again, how? Even if we are to go back to the economic system that we are following, this global economic system is highly skewed towards the north. So far in the south, in my humble view, we have not come up with anything to really turn the matrix around where you will find that that 10 per cent of the earth's population is benefiting, with due respect, by 90 per cent of the earth's production. The converse of that is what obtains thus far, and the south is the 90 per cent of the people sharing of the 10 per cent of the world's production. How are we addressing these questions?

We have heard plenty talk here today in a very micro way. I have mentioned it before but unless we have that visioning as our Chinese, Indian and African forefathers and to some extent our European forefathers and indigenous ancestors have shown us to have a wider vision, to carry it out in such a way, it means to say in the proverbial expression, we might be just spinning top in mud and end up like the crab in the barrels for the little bits around. Who is fighting for what? One gets the impression that what obtains in the Caribbean area now is what is taking place. For example, Trinidad has a bit of money coming, how could we get it out of him without putting a gun in his waist? We may say we could teach them a good practice of doing that part of it but there seems to be other techniques of going about it in the next way.

There are still doubts in my mind as I have indicated as to who benefits. Again as we go through these processes of amalgamating these disparate islands, there will be an element of curtailment as far as our independences are concerned; things that we cherish. As you know, no man is an island and also no island is separate itself, it belongs to some place; be it on the shelf as we are to the South American or even as Barbados is a little way out, we are all connected. This is an important aspect of it. How are we containing within ourselves these generations of our original power? The European experience is one that we have and have been going through but apparently apostrophizes the questions of maturity as far as they are concerned and how they view themselves is one that we could look at and see how they are coming together with it, the question of pulling together, politically, as we are seeing signs of it emerging but how far are we participating in this debate.

Even then, our own Constitution in this Senate and in other places, we have had expressions of over-viewing our Constitution and these very many little inputs that are coming that seem to be so disconnected but obviously at some point we may be able to put the whole thing together. I am speaking about these pieces of the Caribbean initiatives that we are about: from the courts, the economy

and transport and what have you, and how this will affect our Constitution, and the fact that we have realized that there is some element of over-viewing the Constitution. This again, to my mind, puts a pressure on us to prioritize ourselves in a new light to overlook our Constitution.

4.00 p.m.

There is need for that. We recognize that and this Motion before us highlights that. I wish, though, that it may not appear to be relevant at the moment, but there is need for that sort of thing in my humble view. The question of the south/south affair is one that had been around for quite some time but apparently, our thinkers have not come up with anything. There is another area that all this is geared to the concept of consumerism. That is, the Chinese economy is being geared towards that, the Indian economy and I speak here of the Indian economy of South Asia, and likewise, all the booming economies are following that pattern of catering for consumerism. To some extent, it might be a bad word when we look at how we ourselves look at things of value particularly in the area of entertainment—our eating products.

Just imagine last Christmas we had to import tomatoes at \$20 a pound and if you were to throw tomato seeds on the ground and if the grass cutter did not pick them up a plant would grow. Though this trade thing is geared towards manufacturing, the question of putting the things together—we have had some of these experiences in the past—the question of what we have and how we can develop those that we have. One thing that we have here is good soil, and how we could mobilize in that area as far as agriculture is concerned. We remain, to some extent, agricultural countries because quite a bit of our people are still in agriculture. I am speaking Caribbean-wise, but what benefit do they get? What incentives? These are important questions we have to address if we are to deal even with what is before the question of trade. What are we trading?

I seem to recall sometime ago when the screwdriver industries were coming about; everybody was doing the same thing though there was competition. The owners of the screwdrivers exploited the whole situation and at the end of it, we remained purely undeveloped, so to speak.

In summary, I urge the question of governance. Look at our major document. Put the priority on that up for reviewing because what is before us has an effect on it. Look at the other countries in a different way. Look at ourselves in a different way, when we think in terms of visioning. We can draw much on this and there is that part of that background in our psyche, it is here. There are the great traditions

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in our country and there are people from all over. We could re-look that so that we could possibly draw on that. Insofar as the sharing of what we are supposed to gain from our initiatives here, we could think in terms of how that matrix is geared at the moment. Which, in my humble view, it is geared not for the small man—and even what is coming in at the moment is just an overflow without our doing anything but through the initiatives of people from the North again. It is not yet reaching the small man. One wonders the extent to which one will get the support on the ground for this Bill before us.

Very often the motivation of people should come from leadership and reaching out as far as information is concerned and all of that. One does not get the impression that much is being done in this area and I strongly urge that some new form of techniques of sharing that information, so that it could reach down to the people, might be a way to go.

Madam President, thank you for allowing me to share these few words with you. I see that there is possibly very little we can do but, to support this Bill. Thank you.

Sen. Dr. Rolph Balgobin: Thank you, Madam President. I just have a few brief remarks on the dialogue that we have all participated in. I would like to start by saying that Trinidad and Tobago, and the rest of Caricom by extension, are really in a state of transition. We are going from, of course, local to regional to global. The dynamics are very different when we are doing business on the world stage.

If we think about this notion of size, as Sen. Baksh spoke of moments ago, size matters. There is a study done by the Commonwealth Secretariat that was published just a few months ago on the impact of size on the competitiveness of the manufacturing sector in small opening economies like that of Trinidad and Tobago, and it is clear that size has a disproportionate impact on the ability of an organization to be competitive, to do well and to perform and to compete in global market spaces. In addition to that, the dynamics of doing business and being a business in a small economy is very different because our businesses do not have the buffers of a big domestic economy that businesses in the United States or China may have. Further, countries like China have the advantage, as we heard before, of low human resource cost. Countries like the United States maintain their competitiveness by having high intellectual property inputs and stronger technological support for the work that they are doing.

Trinidad and Tobago can match neither of these. We are caught in a state of betweenity. We are what we call a “converging economy.” This,

notwithstanding, globalization and free trade is upon us. There is no escape. We cannot turn back the clock. What I have not heard however, either in here or in the national dialogue, is the realization as well of the possibility, the very real possibility that the protective curtain of Caricom will come down or be breached when we talk about business and about free trade.

As free trade increases, our dependence on Caricom and its dependence on us may alter or may even decrease as all, including consumers in smaller countries, seek the best goods they can for the best price. So the imperative for our businesses, including business as we heard about today, Trinidad Cement Limited and Peake's, is really to be as competitive as they can be rather than rely on market imperfections for survival. The reality is that some firms may be enjoying super normal profits at the expense of our consumers, and that is not fair, and free trade is designed to eliminate this. The issue here is: how do we move Trinidad and Tobago to a position of a truly free trade without injuring our citizens' capacity to purchase? I think that we are going to see a lot more of these cases: Trinidad Cement; we saw it with Peake's, we saw it with "ice cream" not so long as well.

I think these things are going to come up more and more and, in my view, part of the discussions at least, need to be recast so that we are not talking necessarily about dumping as much as reading our local business for global competition.

In terms of anti-dumping actions, these are things that companies in the United States, Canada, United Kingdom, Western Europe, China, everywhere avail themselves of the courts or any anti-dumping mechanisms they can find, to protect their interest. There is nothing inherently wrong in seeking relief where free trade conditions do not yet fully exist. What is needed are mechanisms to determine issues quickly, effectively—and because of our latent lack of trust in each other—transparently.

I have no objections to the proposed change. In fact, I am fully supportive of anything to do with this kind of regional integration. What would help, to pick on Sen. Seetahal's point is, perhaps, some more clarity on why the particular change is being proposed or made. Some clarity as well, that these changes ought not to be exploited at the expense of consumers and a sense of the implications of the changes proposed. I think this would have put us in an excellent position to more readily support what I at least support anyway.

I close by urging and encouraging all of us to think in holistic terms about the implications of globalization in general and free trade in particular, for Trinidad

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and Tobago. Not just its businesses, but its people because there are going to be some phenomenal changes that are going to come upon us very, very quickly, in a tsunami-like fashion if we are not careful. So we need to think about that and really have a national response on how we are going to engage in the global community and the global economy. Thank you.

Sen. Prof. Kenneth Ramchand: Madam President, the debate we have just had and the previous ones on Caricom, have convinced me that one of the greatest skills in life is to recognize one's contradictions and learn to live with them.

On the matter of Caricom, on the matter of the single market and economy, on the matter of trade relations, we have bundles of contradictions moving around. On the one hand, I think everybody seems to believe that competition leads to the best deal for the ordinary citizen, in terms of cost and quality. If we believe in that absolutely, then we would have no tariffs at all. So although we believe that competition leads to the best deal for the ordinary citizen in terms of cost and quality, we do not believe it absolutely. We believe that regional cooperation is essential for the survival of our intertwined economies. We believe that local manufacture and local production must be encouraged.

When I read the debate in the newspaper about Thomas Peake, I have to say that I am or was on the side of Thomas Peake, because, I have long advocated a country like Trinidad and Tobago, all the Caricom countries, should be leading the world in terms of refrigeration and air-conditioning and so on. We have personal motivation to do it and we have trading motives for doing it. So the prospect of a local manufacturer deciding we are supplying air-conditioning—I bought one—for the same political reason that these are people who are making it here, and even if, like all our manufactures they are partly an assembly industry, because they are importing so much of their raw material, at least they are not importing all of the raw material and, therefore, I would support them. I was quite hostile to a bunch of “fat cats” importers, who are not earning United States dollars but who are going to the Central Bank, collecting United States dollars and importing stuff from China to come and sell here. They are not producing US dollars. Why should I support them and why should the Central Bank give them US dollars to do that? Therefore, I have to back the local manufacturer, but I will come to a caveat or reservation later.

Another of our beliefs—we are given three so far; competition, regional cooperation, local manufacture and local production—is it that we favour some kind of political integration? And here, we are very woolly. We trade on the

sentiments relating to political integration but I do not think we really are doing anything about it or even clarifying our thinking about it. How can one even think of Caribbean integration if one's schools do not ensure that its children are bilingual? If you want an integration of the whole of the Caribbean, your children have to be able to speak English, French and Spanish, but I do not see anything in our education policy that reflects this. If we were talking about ultimately a political integration of the English-speaking Caribbean, then we would have to be very careful about how we expand the kinds of associates we take into the Caricom because we are using Caricom of the English-speaking territories as a base for possible future integration. If that is what we want, then we have to look carefully at what we do with Costa Rica, what we do with the Dominican Republic because, ultimately, it may take us many generations before we come to an integration of the whole Caribbean. For the time being, we have to be careful with our relationships with them. But I do not see that we are doing that.

There is loose talk around about smaller federations within the Caricom bloc. I do not see any harm in that but I do not want a small island like St. Vincent to mamaguy us and say, "we have no shame, we have no pride, we have no dignity, we wish to be a colony of Trinidad and Tobago, let us flatter Mr. Manning and we will become a colony of Trinidad and Tobago, and call that a federation of St. Vincent and Trinidad and Tobago. That is absurd. What we need is a set of smaller territories getting together to form an economy, which should make them fit participants in a Caribbean single market and ultimately, a Caribbean single economy. If they are too weak to belong to the single economy, something has to be done to build up their economies to belong to that.

Madam President, we have all these beliefs that have a lot of emotional force, but really lead us into intellectual contradictions, and as I say, once I recognize my contradictions I will live with them. I do it in my personal life and I do not see why I cannot do it in my public life. These items of beliefs obviously get even more emotional force from the fact that they have cultural and ethnic implications. But I am not going there. I am saying I am taking part in this debate with an awareness of how complicated and contradictory the whole situation is.

Our recent addition to the Independent Bench, my colleague has said we live in an age of transition. That is what transition is like and incidentally, I welcome Dr. Balgobin to the Independent Benches and to commend him on his first contribution—off the mark very quickly. That is not the run getter's move.

Madam President, I feel that we have not set out an order of precedence among these different goals to say that we have five beliefs or five sets of

attitudes: the most important one to us is this; the second most important is that, the third most important is that. We would never be able to say only this one but we could devise an order of precedence, and when issues come up to be discussed, we measure the issue against the values that are embedded in the five or six things that we say we want and then we make a decision on that basis. I feel that is part of the failure of the intellectual life of the region, that we go about in this woolly way and wait for events to strike us before we start to react to them. But I suppose there are good reasons—sorry.

I was going to say that I would have liked the Motion relating to the Dominican Republic and the Bill relating to Costa Rica to have taken place together, but I suppose it will be explained later why this was not decided upon.

I have one caveat before I make my three other points. The last speaker reminded us that size matters. I think size matters if you see yourself as a trading nation and if you see yourself involved in competition, and if you are locked into that kind of mentality. Even if you are not locked into it, size matters but I think countries like ours have to achieve some kind of balance between policies advocated many years ago by a man call Schumacher, in *Small is Beautiful* where he talks about countries like this investing in what he calls “intermediate technology;” where labour and machinery combine produced in a cost-effective way some of the products that we need and that when we import the techniques and the technology of mass production from overseas we then land ourselves with excess production or plants being idle half the year and a search for markets to sell the stuff to. But it may well be that although we must pay attention to size, we have to go back to that old philosophy of an intermediate technology and cut our technology to suit our population and to suit our philosophy.

I must say, in all of this, I am very concerned about people’s attitude to work and people’s attitude to labour. And the more you go into the mass technology, the more you move away from having a relationship with the work of your hands and the land in which you live. I know that may sound old fashioned but I will die just now and leave the “winer boys” to do it their way.

Madam President, I have to say that I am in favour of the tariffs against goods that come from outside the region. When we had this dream about being part of the global thing, when it was first announced we had a free market, I old-fashionedly opposed it. I do not believe in a free market. In a free market they will kill us. We have to have tariffs against things coming from the outside and if there is a fear that if we have the tariffs, there would be monopoly here and the consumer would suffer and that there would not be proper standards—I am not

saying to set up tariffs that are prohibitive. You set up tariffs that will allow competing products to come in and the consumer can say: "you could buy from Peake's for \$500 or you could buy this other one for \$800". And if after a while people say it is true the one Peake's has is cheaper but this other one lasts longer, people will drift and then Peake's will pull up their socks and say they have to compete against that. So I am not eliminating competition. In fact, I will use competition to help lift standards and to prevent monopoly. So I do not think that in economic theory there is anything against a systematic use of tariffs to help to develop one's own economy.

Secondly, for years you go to the supermarket and see pigeon peas from the Dominican Republic. I see cassava from the Dominican Republic, and even before that I see Jamaican grapefruit juice, I see Trinidad grapefruit juice, Jamaican orange, Trinidad orange, Eve this, Trinidad this and I wonder what is this all about. They are both the same price. So who is benefiting from the fact that somebody is selling Eve carrots to Trinidad? Not the consumer. So a lot of Caricom trade exists for the business people and for many years governments have subsidized the business people by spending a lot of money in encouraging Caricom trade. But I am not going there now.

One of the concerns I have with the Motion and the Bill we are going to debate, is that I am worried that this will come as a further blow to agriculture in Trinidad and Tobago. I think I had stated earlier my case about middleman importers versus local manufacturers.

Madam President, Sen. Seetahal stated it very clearly. This is really a simple matter. We are dealing with an amendment that has been agreed to by Caricom in its relation to the Dominican Republic, and I do not think we can do anything but support it. But, I feel, we all have a right to express our reservations, as a way of influencing the economic policy, and as a way of making modifications to the various agreements when the time comes. Thank you.

Madam President: I think it would be better if we took the tea break and then the Minister will speak when we return.

At this point, I also want to welcome and to congratulate Dr. Balgobin on his contribution.

Hon. Senators, we will take the tea break, return at 5.00 p.m. and then we will continue.

4.28 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift): Thank you, Madam President. By way of backdrop, let me begin by saying that it pleases this side of the Senate that we all seem to be at one in the moving of this Motion. For those who have asked what is the policy behind the proposition before us, I believe it would be fair to say, Madam President, that, as was the case in the last administration, the policy of our administration is to promote the expansion of trade and business within and outside of Caricom.

I believe it would be also accurate to say that the objectives in this Motion are certainly achievable, considering that already, in light of the importance of the Dominican economy to the economy of Trinidad and Tobago, some of our financial institutions are already taking advantage of the investment climate there. For example, we have the Republic Bank (Trinidad and Tobago) Limited operating there; there is also Prestige Holdings and the Royal Bank of Trinidad and Tobago. I believe that anywhere you see banks, you see business and you see trade expansion. For us on this side, we are happy to see that the Motion before us certainly enjoys the support of everyone here today.

The business sector in the Dominican Republic has been very involved in the idea of trade promotion and trade expansion within Caricom. As far as Trinidad and Tobago is concerned, it would also be correct to say that perhaps the Dominican Republic is the most targeted country insofar as deployment of trade and other economic missions from Trinidad and Tobago are concerned. We have an excellent working relationship and I am sure that that would also contribute to the welfare and well-being of, not only the businessmen, but all citizens of Trinidad and Tobago.

There is a very active joint council in the Dominican Republic consisting of the private sector and all its ramifications. That joint council interfaces with institutions in Trinidad and Tobago such as the Trinidad and Tobago Manufacturers Association, the Chamber of Commerce, et cetera.

The product we have before us today is as a result of the joint discussions, joint conversations and joint agreements reached between both sectors, both governments and the Caricom Secretariat. So, we believe that the objective in the presentation of this Motion would be well served if we were able to do like they did in the other place—endorse its approval.

There were certain points raised by the other side more with consumer leaning, I would say, than the specifics of the Motion before us. I think my

colleague, Sen. The Hon. Danny Montano, dealt ably with these observations made from a consumer standpoint, so I do not think that it really affects the substance, in essence, of the Motion before us. In his contribution, of course, Sen. Danny Montano touched on such issues as dumping, pricing, cost, et cetera of products from certain areas.

Let me add here that in the reference to the relationship that is developing between Jamaica and China as the country most often mentioned in the various interventions, I would say that we, too, in Trinidad and Tobago, value China as an important trading partner and indeed we already have a number of agreements, such as investment promotion, investment protection and the facilitation of business signed with China.

Indeed, Madam President, in the next week or two, we will be having the second highest ranking Chinese official visiting Trinidad and Tobago in the person of the Vice-Premier. Last year, it was the Minister of Foreign Affairs and I can assure colleagues here that on his visit some very substantial instruments will be signed and agreed upon; all in the furtherance of the economic and business interest of Trinidad and Tobago insofar as our priorities are concerned. I would not trouble myself too much about that, Madam President. I believe that the programme of action by this Government insofar as the bilaterals go with China, certainly protect the interest of Trinidad and Tobago, and naturally, by extension, the interest of Caricom.

Indeed, one might say that in response to the question of what is the policy, the policy is really trade and business expansion, in the same way, I am sure, that our predecessors in government had that as their priority. I am sure that everyone here would agree that we do not ourselves assign it any lesser priority. We believe that we are on target and that our actions in that regard are quite laudable.

I do not know how we can connect the transportation element mentioned insofar as air transport is concerned within Caricom. I believe that is a matter which has to be taken up at another level, at the level of Heads, who are quite seized of the difficulties that each operating airline in the region is undergoing. I believe that the reality of the situation would probably hit home when Heads meet in the month of February to discuss other pressing Caricom issues.

The question of a political union, Madam President, seems to be rearing its head all the time. I do not know why. I do not think that we on this side have ever enunciated any policy designed to achieve a political union—certainly not without consultation. As I recall, the hon. Prime Minister has said this on many

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occasions—that this is a matter for the people of Trinidad and Tobago to decide and not the people of St. Vincent and the Grenadines alone. So, I would be inclined to leave that alone until the appropriate time when that matter is taken up by Heads, if they deem it appropriate.

On the question of whether the educational process, as mentioned, I think, by Sen. Prof. Ramchand, is contributing to the whole notion of a closer political union, I do not know that it finds a place in this exchange. I am sure that if it so necessitates, the time will come when perhaps the political leaders would want to address that, as far as a potential political union is concerned. Of course, we do have common institutions, such as the University of the West Indies, and I am sure that on board on their staff they have enough people to look at that matter, whether academically, hypothetically or otherwise.

Again, I would say that the Motion before us envisages the widening, deepening and expanding of economic and commercial relations within all of Caricom. As we were able to identify in the presentation, the Dominican Republic is a major trading partner of Trinidad and Tobago. Even though this is a Caricom-inspired instrument, we in Trinidad and Tobago are one of the major beneficiaries in our trading relationships in the Dominican Republic and I am sure agreement to this Motion today will certainly contribute to even greater benefits to the people of Trinidad and Tobago.

So, Madam President, with these short words, I beg to move.

Question put and agreed to.

Resolved:

That the Caribbean Community (Caricom) Dominican Republic Free Trade (Amendment to the Schedule) Order, 2004, be approved.

**CARIBBEAN COMMUNITY (CARICOM)
COSTA RICA FREE TRADE BILL**

Order for second reading read.

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift): Madam President, I beg to move,

That a Bill to give effect to the free trade agreements between the Caribbean Community and the Government of Costa Rica, be now read a second time.

The Bill seeks to give effect to the free trade agreement, the agreement referred to between the Caribbean Community, Caricom, and Costa Rica. Clause 2 of the Bill provides for the interpretation of certain phrases used in the Bill.

Clause 3 of the Bill would provide for the coming into force of certain provisions of the agreement.

Clause 4 provides for specific provisions of the agreement as they relate to the grant of duty free treatment to certain categories of goods set out in the agreement.

Clause 5 gives the Minister the power to give effect to certain provisions of the agreement by Order and Order under this provision would be subject to affirmative resolution of Parliament.

Clause 6 would give the Minister the power to amend the schedule by Order where any amendment to the agreement is accepted by the Government. Orders made under this clause would be subject to affirmative resolution of Parliament.

Clause 7 would empower the President to make regulations in respect of the condition under which goods covered by the agreement would be traded in the free trade area. This clause also empowers the Minister to make regulations requiring or prohibiting the doing of anything in relation to which regulations may be required and prescribing any penalties for contravention with any such regulations. Regulations made under this section would be subject to affirmative resolution of Parliament.

Madam President, I crave your indulgence to refer to certain aspects of my presentation. The broad objectives of this agreement are as follows:

- To establish and develop a free trade area;
- To establish and stimulate trade expansion and diversification;
- To eliminate barriers to trade;
- To promote conditions of fair competition;
- To increase investment opportunities;
- To establish framework for further cooperation.

I think it is necessary here, Madam President, to give a little background to what we have before us. The negotiation of the Free Trade Agreement, which is provided for under the proposed legislation, dates back to 2001 and culminated with the signing on March 09, 2004. The chairman of the Conference of Heads of Government of Caricom, Honourable P. J. Patterson, Prime Minister of Jamaica, signed on behalf of Caricom, while the president of Costa Rica signed on behalf of that country.

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Progress with the negotiation of the agreement was as follows, and I would just recite these, Madam President.

- Commencement of Trinidad and Tobago/Costa Rica Free Trade Agreement—May 2001;
- Completion of Trinidad and Tobago/Costa Rica Free Trade Agreement—May 2002;
- Commencement of Caricom/Costa Rica Free Trade Agreement—October 2002;
- Completion of the Caricom/Costa Rica Free Trade Agreement—January 2004;
- Signing of the Caricom/Costa Rica Free Trade Agreement—March 2004.

It should be noted here that Caricom's negotiation of the Free Trade Agreement with Costa Rica was a direct consequence of Trinidad and Tobago's initial efforts to forge a trade pact with that country. Trinidad and Tobago was pursuing an aggressive drive to secure additional market share in the region by entering into negotiations with Costa Rica. However, following consideration of the matter by the Caricom Council for Trade and Economic Development (COTED), which approves such pacts, Trinidad and Tobago agreed to comply with the provisions of Article 80 of the Revised Treaty of Chaguaramas, which was recently considered in this honourable Senate. Though the negotiations were concluded as a Caricom/Costa Rica Agreement, Senators should be reminded that Article 80 of the Revised Treaty seeks to:

- (a) have Caricom member states coordinate their trade policies with third states or groups of states;
- (b) promote the negotiations of external trade and economic agreements on a joint basis; and
- (c) ensure that the bilateral trade agreement negotiated by individual member states does not prejudice that state's obligation to the community.

So, Madam President, what is the vision behind all of this? This agreement represents one of the many market initiatives pursued by the Ministry of Trade and Industry and naturally by the Government of Trinidad and Tobago and complements similar efforts to the multilateral trade arena of the World Trade Organization, the ACP/EU and the FTA negotiations. In addition, we have been engaged in the following bilateral negotiations, and I list these, Madam President:

- Caricom/Costa Rica Free Trade Agreement—a consumer population of 3.9 million persons;
- Caricom/Dominican Republic Free Trade Agreement—a consumer population of some 9 million persons;
- Caricom/Cuba Trade and Economic Cooperation Agreement—a consumer population of 11.2 million persons;
- Caricom/Venezuela Trade and Investment Agreement—a consumer population of 24.2 million persons;
- Caricom/Colombia Free Trade Agreement—a consumer population of 42.3 million persons.

These bilateral negotiations clearly emphasize our objective to integrate the local economy into the wider Latin American continent, therefore our vision for the trade sector envisages market access and investment opportunities that can be illustrated through the use of a set of concentric circles, which is based around the Caricom Single Market and Economy and which expands outwards to larger fora such as the ACP/EU and the WTO.

For those who are asking why Costa Rica, let me say that the reason for engaging Costa Rica in a free trade agreement, include the following characteristics:

- similar levels of development with Caricom;
- progressive economy in the hemisphere;
- key market interest for local exporters;
- partnership opportunities for domestic and regional businesses;
- stepping stones to broader trade arrangements with Central America.

A comparison of the economies of Trinidad and Tobago and Costa Rica reveals the following:

	Trinidad and Tobago	Costa Rica
Population	1,300,000	4.07 million
Physical Size	5,128 sq. km	51,100 sq. km
Gross Domestic Product	US \$8.79 billion	US \$16.9 billion

Gross Domestic Product (per capita)	US \$7,358	US \$4,228
Language	English	Spanish
Exports Value	US \$3.82 billion	US \$5.28 billion
Imports Value	US \$3.63 billion	US \$7 billion
Main Products	Petroleum, natural gas, fertilizers, methanol, iron and steel, food and beverage, assembly type industries, cement and concrete products	Electronic circuits, textiles, bananas, medical devices, medicines, coffee, pineapples
Unemployment rate	10.58%	6.4%

Madam President, we are hoping to make Trinidad and Tobago fluently bilingual in the very near future.

Therefore, Madam President, the Costa Rican market, which imports over US \$7 billion in goods and services per annum, holds considerable potential for local goods. The key elements of the free trade agreement can be quoted as follows:

- Key concepts and provisions for trade in goods involving national treatment, tariff liberalization, removal of the non-tariff measures. As far as market access is concerned, in excess of 90 per cent of current exports from Caricom to Costa Rica to become duty free with immediate effect.
- Differentiated list of products for individual Caricom states to provide for duty free and phased reduction of duty treatment;
- A special safeguard mechanism to provide seasonal duty free access for selected agricultural products;
- Gradual phase out of duty on the remainder of products from Caricom to Costa Rica covered under the agreement.

There are specific criteria for rules of origin for all products.

Unfinished Business:

The following areas of work under the agreement are to be concluded by the joint council:

Services, investment, temporary entry, competition policy, government procurement, taxation and double taxation, oils, fats and soaps agreement.

How would the administration by joint council function? The main function of the joint council under the agreement involves supervising the implementation and administration of the agreement including any amendments and resolution of disputes. There is also an accession clause, which provides for any country or group of countries to accede according to agreed terms and conditions.

As far as the language of the agreement is concerned, the text of same has been prepared in both Spanish and English.

What, Madam President, are the provisions of the Bill? The Bill outlines the legislation which will govern the free trade agreement signed between Caricom and Costa Rica in March 2004. Under the agreement both parties have agreed to allow products from the territory of the other party to enter their territory under preferential market access arrangements. The agreement is annexed as a schedule to the Bill.

Madam President, this is a very short and simple Bill, although the document is itself voluminous because it takes into account the conditions of market access and governing rules of origin of the provisions of agreement. The Bill is consistent with Trinidad and Tobago's current international and regional obligations in the various negotiation theatres such as the WTO, the FTAA, ACP/EU and Caricom. The Bill will provide a set of clear, relatively simple and transparent rules that govern market access between the Caricom region and Costa Rica.

A most important component of the Bill is clause 4, which is fundamental to the agreement. Clause 4 allows the President, by Order, to:

- grant duty free treatment to all goods originating in Costa Rica, except those listed in the schedule—that is clause 4(a);
- apply the Most Favoured Nation (MFN) rate of duty to those goods set out in Table A.1 of Annex III.04.2 of the agreement originating in Costa Rica in accordance with the Tariff Elimination Schedule prescribed in Article 02 of Annex III.04.02 of the agreement. Under this scheme, agricultural products originating in Costa Rica will be subject to MFN rate of duty during certain periods in the year. For all other periods these goods will be subject to duty-free treatment—that is clause 4(b);
- apply MFN rate of duty to those goods set out in Table B.1 of Annex III.04.2—that is clause 4(c);

- apply a phased reduction on the MFN rate of duty to those goods set out in Table C.1 of Annex III.04.02 during the time periods set out—that is clause 4(d);
- grant different preferential treatment to goods listed in Tables D.1 and E.1 of Annex III.04.02. Table D.1 follows the same principle in Table A, that is, different Caricom countries would treat certain products differently from one another, however the products are non-agricultural. Table E.1 refers to the oils, fats and soaps—that is in clause 4(e).

Clause 5 empowers the Minister responsible for trade to make, by Order, such provisions as he may consider necessary or expedient to give effect to any article of agreement, except Article IV. Instead, the parties will have to meet as joint council in order to negotiate future changes to the schedule. This power of the Minister is subject to parliamentary approval.

Clause 6 gives the Minister the power to amend the schedule, that is the market access provisions and the rules of origin provisions, where the Government accepts any amendment to the agreement. Orders made under this clause will be subject to the affirmative resolution of Parliament.

Clause 7(1) empowers the President to make regulations in respect of the conditions under which goods covered by the agreement would be traded in the free trade area.

Clause 7(2) empowers the Minister to make regulations requiring or prohibiting the doing of anything in relation to which regulations may be required and prohibiting any penalties for contravention of any such regulations. Regulations made under this clause would be subject to the affirmative resolution of Parliament. These regulations would guide the authorities and the conditions under which goods are to be treated between Costa Rica and Trinidad and Tobago.

Madam President, there are some preparatory activities which come into place. As a prelude to the commencement of the actual movement of goods and services under the provisions of the Free Trade Agreement, the Minister of Trade and Industry led a Trinidad and Tobago trade mission to Costa Rica during the period March 14—19, 2004. The composition and achievements of the mission are particularly noteworthy:

- 24 Trinidad and Tobago enterprises participated;
- TTMA, TIDCO and EXIMBANK were also part of the delegation;

- Meetings were held with Costa Rican Ministries of Foreign Affairs, Finance, Foreign Trade and Tourism and the President of Costa Rica to advance our trade interests;
- A visit of Intel Corporation, Costa Rica was undertaken;
- Discussions were also held on the air route service provided by BWIA between both countries and the bilingual initiative of the Ministry.

What is the status, Madam President, of the agreement on the Costa Rican side? In Costa Rica the agreement has been approved by the permanent commission of the Parliament. The agreement has also been sent to the plenary for ratification in accordance with Article XVII.03 of the agreement.

Madam President, I wish to reiterate that this agreement is the second full-fledged Free Trade Agreement to be negotiated between Caricom and a Central American country. It therefore provides a stepping stone to future agreements between Caricom and the rest of Central America, which is particularly important against the background of limited progress in the Free Trade Area of the Americas negotiation. A free trade agreement such as the one before this honourable Senate, once in force, will contribute towards the broader goals of economic expansion, the creation of employment opportunities and the generation of foreign exchange. The Bill will complement the soon-to-be completed investment promotion bill, which is aimed at positioning Trinidad and Tobago as an attractive location for foreign direct investment.

5.30 p.m.

Madam President, it is to be noted that the passage of this Bill is geared to allow Trinidad and Tobago to fulfil its responsibility as a member of Caricom. In addition, I anticipate that the supporting subsidiary legislation will be introduced in the near future in order to complete the internal procedures, which are required to be put in place under the Free Trade Agreement.

Madam President, I beg to move.

Question proposed.

Sen. Dr. Jennifer Kernahan: Thank you Madam President, for giving me a few minutes to make my contribution to this Bill before us, which gives effect to the Free Trade Agreement between the Caribbean Community and the Government of Costa Rica.

I agree with my colleague, Sen. R. Montano, when he said that this Government should not and will not be allowed to abandon national interest even

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in the context of globalization and the establishment of regional trading blocs. I totally disagree with the Minister when he said a few moments ago that this Bill will generate employment, increase trade and all the other lovely things. I believe the Bill will not do this; people will do this, the people of Trinidad and Tobago who are truly committed to national development. This is the basis of the flaw in the fundamental PNM philosophy; that Bills do this and Acts do this. People have to do these things. We have to motivate people to do these things. We have to give people the tools with which they can do these things. If you do not, which the Government is not doing at present—I will confine my remarks primarily to agriculture in my contribution—nothing will happen. We will not generate any foreign exchange if we destroy the agricultural sector and if people do not have the goods to access the free trade areas which are being touted so highly here this afternoon.

We are fully aware that there must be a balance between regional interest, national interest and our own nation's interest. A Senator made that point this afternoon. The implementation of the free trade process must be finely managed and thought out. Much planning must go into this, in order for us to benefit, because we are not going to benefit automatically, which is what this regime seems to think will happen. They think that automatically, because we have all these bilateral agreements, the people of Trinidad and Tobago would automatically benefit. That is not so at all! A lot of hard work, planning, thought, institutional capacity and human resource building have to go into any benefit to accrue to us from these agreements, otherwise we will be left in a position where our small, vulnerable economy would be flooded by the goods and services of larger and more powerful economies than ours. This is what the Government is setting up this country for at this point in time. The resources that should be going into institutional and capacity building and human resource development are not going into these areas.

These resources are going to flood the country with easy money, destroying the work ethic of the young people in the country, destroying the ability to function, to produce, and have the concept of a hard day's work for a hard day's pay. At the end of the day we will have nothing to carry to the table. We will approach the table with empty hands, apart from the oil which is flowing like water out of the ground and will dissipate in the next 20 years. What will happen after that?

The PNM is not particularly known for its planning and foresight for providing for a rainy day. As our political leader said: their ideology is you earn \$1.00,

you spend \$1.20. We had an oil boom in the late 1970s and \$60 billion was spent in the country. At the end of the day 14 per cent of the population was in receipt of a regular water supply. That is the history of this Government. This is a reckless, imprudent government. Therefore, I find it very difficult to understand how they are going to manage the very onerous and serious issues of guiding this country through the treacherous waters of globalization, the implications of globalization and even the regional trading blocs which are being established in this country at this time.

Madam President, we have to ensure that our producers and manufacturers can take full advantage of all the duty free and low tariffs that are afforded to them by these trading agreements. Sen. The Hon. D. Montano made the point that his Government's policy is about protection of the local industry. I think I can say, without any fear of contradiction, in my area of interest, the farmers and agricultural producers in this country do not feel that this Government has their protection or interest at heart. At this point, they are starting with the farming sector in total disarray. This Government has imposed the most brutal policies of decimation of farmers and our productivity forces and capacity in this country to produce healthy, nutritious food to feed the population and even export. The farmers in the country at this point feel marginalized, terrorized, discriminated, very oppressed and they have been alienated from their land base. They feel that there is no interest in agricultural production in the country. They are being deprived of the opportunity to sustain themselves economically and maintain their social base. This is the reality of our country in 2005 under this PNM regime.

In the context of that, this afternoon we are being asked to ratify and agree with the FTA between Caricom and the Government of Costa Rica which, as Sen. Prof. Ramchand said, will further destroy the agricultural sector in the country. Farmers in the country understand—not just farmers, but everyone in the productive agricultural sector; those involved in transport and veterinary services—the implications of these agreements, given the fact that the Government has made no move in the last three years to implement the institutions, programmes and policies which the farmers need to back their increased production and to support them in the penetration of Caribbean and regional markets. The Government has gone 180 degrees in the opposite direction marginalizing, discriminating and getting farmers out of their land base. What do the farmers expect in 2005 under this Government? Salt! This is what the farming community expects.

This agreement is under one of the Articles. A number of agricultural products are displayed in one of the tables. The heading of this table is: "Treatment of

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selected agricultural products imported into Caricom from Costa Rica as provided for in Article 02 of Annex 3042". In this particular table we see a number of agricultural products that are going to be imported duty free into Caricom and by extension Trinidad and Tobago during certain times of the year. These are all products which, at present, our farmers produce practically with one hand tied behind their back with very high prices for chemicals and inputs and very little institutional support. This will pose a direct threat to the livelihood of the farmers in the country. We agree that regional trading blocs and free trade is important in our region given the context of the FTA and the WTO. I am totally in support of regional trading blocs but we have to keep our eye on the ball. We have to understand that given the context of regional trading blocs, we have to set up the institutions, programmes and projects that will support our people to go out there and take advantage of what we purport to be a step in motion. We see things like cabbage, cauliflower, tomatoes, carrots, cucumber, sweet peppers, hot peppers, pigeon peas, yam, cassava, sweet potatoes, avocados and water melons. These are basic agricultural products. This is the livelihood of thousands of farmers in Central, East Trinidad and South. These are major agricultural products. People earn their livelihood by producing these products under very difficult circumstances, even at this time.

We have reached the point where we are signing agreements where these items can come into this country and flood the markets. The farmers are reeling under the catastrophes of floods and the fact that thousands of dollars of their crops are being wiped out overnight with no compensation. We have a Minister of Agriculture, Land and Marine Resources who has the temerity to go about the country on more than one occasion—I was shocked that he would have repeated himself in such a ridiculous manner—and told the people of this country that the farmers of the country deliberately planted food in flood-prone areas in order to seek compensation from the Government. How illiterate can one person be? That is illiteracy when one makes statements such as that. Farmers in the country are producing food in areas which are traditional areas: where they live, work, or where their foreparents have—*[Interruption]*

Madam President: Senator, I will suggest that you be a bit more moderate in the kind of adjectives you use to describe a Minister.

Sen. Dr. J. Kernahan: They are producing foods. They live and work in the farming areas. For generations, they have produced, worked and fed the nation. The issue is that over the years, billions of dollars have passed through this country under the aegis of the PNM and no attempt was made to improve the

infrastructural works of the country that will prevent flooding and mitigate the effects of natural disaster which farmers face. Farmers now find themselves in a position where they are literally spinning top in mud. Every year all their produce and thousands of dollars spent in chemicals, seeds, plants and labour go down the drain.

In order to hide the incompetence and mismanagement of PNM regimes over the years, which have totally neglected agricultural infrastructure, the present Minister is now trying to put the blame on the farmers by saying: "It is your fault. You plant food in the wrong place." This is the depth we have reached in this country. On the one hand we decimate and marginalize our farmers and tell them that they are in the wrong job, in the wrong place, in the wrong time and year, but we go out and sign free trade agreements and say that we have market access. What market access are we talking about when we are not producing anything or putting the institutions in place for the farmers to produce? The Government is tying the farmers' hands and ousting them from lands. After two years they have been made jobless, and homeless. The Government has degraded the farmers into the most poverty-stricken situations and is now telling them: "You have to wait another six months or a year before I decide if you are going to get a few acres of land to produce food." This is what is happening in our country right now. This makes a mockery of any attempt of market access and all the praises the Government flings at us about increases in foreign exchange and employment. That is nonsense! The Government is not putting the policies and programmes in place to support and motivate the people to access these markets.

Where is the national health and safety institute that the stakeholders have been calling for since 2002? Our administration made very serious inroads in establishing that institution. We know in an institution of that sort—it cannot be done from the Ministry of Agriculture, Land and Marine Resources—there must be an independent institution which would safeguard the health and safety of food from farm to table. Without that sort of institution we would be handicapping farmers for export. Also, we will be allowing people from all these different countries to dump foods on the market that are not properly certified and inspected here. Therefore, we are creating a situation where we are putting our population at risk. The health of this population will be put at risk without the relevant institutions to safeguard the safety of food. Any farmer who realizes that certain things are not in place, in order to certify that food is safe, will send anything here because we are not checking and that we do not care. We accept anything. Trinidad and Tobago is an anything goes place. This is what will happen.

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Madam President, this is a major problem. Our quarantine services are understaffed. The officers from the Ministry of Agriculture, Land and Marine Resources are at present unable to cope with the load of inspections that need to be done in order to certify foods coming into the country. When we sign all these agreements and people are allowed to import foods in huge quantities in the country what will happen? This will be totally unsupervised and uncertified and we will not know what we are eating. We will not know what hit us when every Monday morning half of the population lands up in the San Fernando General Hospital or the Port of Spain General Hospital. We will not know if it is bacteria, moulds or viruses. We will not know because nobody is checking. Nobody is doing the homework or the certification. Senators opposite can make all the grumbling noises they want but this is the truth. Where are the institutions to certify food that is coming into the country? This is something that has been on the table. The farmers have been calling for these institutions for the longest while. Absolutely nothing has been done.

What the Government has done was to bring all the 17—19-year olds who have left school and tell them that they are now in YAPA and that they are engaged in agricultural training. They are then taken and thrown right back on the streets. They are doing nothing. Nothing is being done with those young people with respect to promoting agriculture in this country, yet the experienced farmers—people who know agriculture from day one, who know how to plant and produce food in this country—are being left on the streets and landless. This is the mentality of this Government. We have our own personal tsunami with this PNM government that is poisoning this country. This Government is our cross to bear. I hope in 2007, the people of this country will take cognizance of the fact that they are more destructive than anything that has happened in East Asia in the last few weeks.

Dr. Bhoë Tewarie, in a recent FTA conference—[*Interruption*] they do not want me to talk in the Parliament anymore. Is this a dictatorship? People are saying that I am not allowed to talk.

Madam President: Senator, the only one who could tell you that you cannot speak is me. I have not told you that yet.

Sen. Dr. J. Kernahan: Thank you for your protection, Madam President. It is very much appreciated.

Dr. Bhoë Tewarie, in a recent FTA conference, said that the problem in our country is not a problem of market access. Our problem in this country is one of

production. We are losing productive capacity and competitiveness and we are falling behind in our ability to produce and compete with other countries, not only in the Caribbean but regionally and internationally. We are losing with respect to agricultural lands. Good agricultural lands are being taken. Farmers are being forcibly removed and the lands are being poured with concrete to provide housing for the greater glory of the PNM administration into the next century. This is what is happening in this country. There is no doubt about it. Everybody knows this.

The Minister spoke about market access and now everybody is talking about market access. Many economists—and I totally agree with Dr. Tewarie, our problem is not market access. We have nothing with which to access the market, apart from the oil and energy-related industries. Where are food and other industries with which we will access these markets? My forte is agriculture and I know about that. I know we have nothing with which to access the markets. Our farmers are not being given the tools, encouragement, support and motivation to produce and access the markets. This is what is happening here. We are losing our experienced farmers. Thousands of persons, who know agriculture and food production, are leaving this country in droves because they feel unsafe and discriminated against in this country. Their lives are at stake and their children are being kidnapped. This is the environment in which the trade agreements are being signed. This is the environment in which we are going to the table empty-handed. You can jump high, you can jump low, you cannot run from the truth.

We are talking about a trade agreement with Costa Rica. Costa Rica is a Spanish-speaking country. The Minister mumbled something about hopefully in the near future, the people of Trinidad and Tobago will be bilingual. What steps are being taken to ensure that this country is evolving into a bilingual nation? Tell me in concrete terms what is happening in the schools, industries and the workplace? Because we put *Calle Frederico* on Frederick Street that means our country is turning into a bilingual country? This is not true! We are fooling ourselves if we continue in a laissez-faire manner just hoping that things will happen. As I said before, Bills will not make things happen. The wishes and daydreams of Ministers will not make things happen. We need concrete projects and programmes in the schools and the coordination of all the different Ministries of Health, Education and Trade and Industry, together with people who know what they are doing to make things happen. This Government could never do that in a million years because they do not have the national interest at heart.

That is the crux of the problem. They have their interests at heart: they are staying in power for the next 20 or 30 years. They are not concerned about people,

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national interest, increased productivity or foreign exchange. Those things are minor, after they ensure that they bribe three-quarters of the population and make sure that money and ghost gangs are flowing like water in the East-West Corridor and that they can steal the next general election. They are not concerned about bilateral agreements. This is something to pass the time and come to Parliament, look nice and fool the population.

One of the problems that will arise is the labelling of goods that come into the country from a point of origin where the language is different. What steps are being taken? Right now there are goods and medications on the market where the instructions are in Spanish. People are buying these products off the shelves but the instructions are in Spanish. Many times my children would ask me to read them because they are in Spanish. What steps are being taken to ensure the health of the population and the consumers' interest is preserved? We have labels on important things such as medication. Persons are unable to read these things. What is the PNM doing? What is their function in all of this? They are giving us many high-flown words and phrases and people would be dying from taking wrong doses of medication or wrong medication in the next few years, because goods would be coming into the country without proper education to the consumers. The Government has to educate the consumer and ensure that there are mechanisms for translation and ensure that there are labels in both English and Spanish. It is not happening. The goods are already on the shelves in languages other than English.

We have the problem of product content. If you cannot read the language you cannot understand what the product content is and you would not understand what your rights are with respect to the product or even the uses of the product. All these are important issues which must be dealt with in a cohesive and comprehensive way. We have come to this Parliament this afternoon and we have been asked to approve this Bill, yet none of these issues have been raised. How is the Government going to tackle these important issues of protecting the consumers' health, rights and awareness in the absence of certain definite measures that have to be taken in the short, medium and long term? No one raised anything about these issues because they feel that somehow, after the Bill is passed, everything will fall into place. This is how the Government operates; they pass a Bill and everything falls into place. What is happening is that the whole question of free trade is being run too willy-nilly without proper foresight, thought and planning, as per traditional norm and PNM semantics. There is no human resource development. The human resource development and productive capacity of this country are being undermined and decreased every day. We are losing

competitiveness. All the economists are saying that we are losing our battle in the war for survival. This PNM government is unconcerned.

Where is the training of the young people of the country to understand the great new world in which we are entering? We need to work hard. We have to train the young people that they have to work hard. This is not 20 or 30 years ago. There are no secured jobs or pensions anymore. People have to work hard. You have to secure your own pensions and your own future. Instead of talking to young people in a direct manner and letting them know the dangers that beset them and the country in the near future, the Government is luring them into a laissez-faire complacency; an easy-come easy-go attitude. Nobody is looking for serious jobs anymore. Everybody wants to be in CCC, CEPEP or HYPE. No one is looking for serious training and development anymore because of the money. It is easy to go to CCC and pick up \$500 every fortnight and just “bling” on that. The Government is destroying the country, the young people and the productive competitiveness, but they talk about FTA. The Government is empty. It has no ideas or vision and is leading the country over the precipice. The Government does not recognize that.

Sen. Prof. Ramchand said you have to know your contradictions and be prepared to live with them. The Government does not understand its contradictions, therefore they are living even happier. Nothing the Minister said or any other Minister who has spoken here today, has served to reassure us on this side that the PNM government knows what it is doing; that it is planning with foresight or that our producers, farmers and manufacturers will be able to take advantage of the market access they are opening up. Nothing is being put in place for production or the workforce to become more serious and work-oriented. They are destroying the workforce every single day. The young people coming out of school are being destroyed. Their brains are turning into mush because they are doing nothing to get money to buy Jordan and the other brand name sneakers. They do not have to do anything for it. The Government is destroying this country. They are destroying the productive capacity. Therefore, when they sign this agreement it means nothing. All wind and fire signifies nothing. This is what we have come to in 2005.

Madam President, all I can do is pray for this country.

Sen. Prof. Ramesh Deosaran: Madam President, I will be briefer than I was on the recent occasion. I wish to reaffirm something which is not as obvious as it should be in the current debate. I say so with great respect to the Minister and in

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addition, the Minister of Legal Affairs. The Minister of Foreign Affairs told the Senate that the Government is, and rightly so, pushing this agenda in the national interest. We all will agree with that. We all have supported the Government with respect to the current legislation before us. The Minister of Legal Affairs indicated to us at the previous debate—I will refer to it briefly—that in matters of this kind, preference will have to go to the local industry as against that of the individual consumer. If I am wrong or if I misunderstood what he said, the opportunity, of course, is open for him to clarify. That is a very important distinction.

Sen. D. Montano: I did not say that. That is not what I said. I did not say that preference would be given to the producer and not the consumer. I was saying that we have to strike a balance between the immediate interest of the consumer and the interest of the producer because the two are so closely connected. Ultimately, if we have a local producer, we are protecting the long term interest of the consumer. It is in that context I was talking. I would never say that one has precedence over the other.

Sen. Prof. R. Deosaran: I am very happy for that. I feel the Senate is also grateful because it strikes at a fundamental issue with respect to the whole democratizing of what we are about. Notwithstanding that, even implicitly, I got the sense that some preference would be given—whether he said so or not, but in the sense of what we are moving towards—that more consideration is being given, if not higher consideration, to the manufacturers and local industrialists over the ordinary person on the street.

I, therefore, would like to submit with respect, if only as a plea, that the Government clarify this position with respect to what benefits the local industries manufacturers will derive as against the advantages given to the individual consumers when, as the Minister rightly pointed out, there might be a need for a balance to be struck. I say so with all sincerity because I would not like these pieces of legislation to move too far ahead without the ordinary person knowing what is in it for them. Not in a selfish way, or even down the road, what is in it for the citizens of this country?

Madam President, I am afraid that too often we make legislation of this type and it leaves—either through lack of understanding or lack of feeling that they will get some benefit from it—ordinary citizens too far behind.

I implore, with respect once again, that the Government issue a policy statement. If it is in the case of benefits to industrialists or local manufacturers,

say what these may be in some macro terms. More specifically, say the benefits for the individual consumers and why such emphasis should be given to local industries, because they have to generate employment. They will absorb local produce and matters of that kind. Clarify for the local citizenry why some attention or perhaps more attention has to be given to the industrialists and the local manufacturing sector. I need not elaborate. I think that is my simple but very basic point. The Government should clarify a policy for the public benefit.

I must commend the Minister with his clarity and the very dignified way in which he responded. I think it has helped me to understand more clearly what the issue is about. Of course, clarity does not necessarily mean accuracy. Thank you very much.

The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo): Madam President, the purpose of this Bill is to give effect to the Free Trade Agreement entered between Caricom and Costa Rica.

Trinidad and Tobago being a member of Caricom is required to enact appropriate legislation to give effect to the provision of that agreement. By and large, the objective of this agreement is to increase market access. This bilateral agreement with Costa Rica, in the first instance, will increase the marketplace in excess of four million. That is quite important. Collectively with Caricom, we are looking at over ten million. As so rightly said by Sen. Dr. Balgobin, size and mass is important. When we are talking about the global market we certainly need to talk about numbers. This agreement is certainly setting the stage for us, in terms of the near future and markets. From a Caricom perspective, to me it is also one of great significance. What we are seeing here is all Caricom states coming together in one Caricom agreement but at the same time allowing bilateral agreements. Certainly, in that regard, it is a stepping stone in the right direction.

Madam President, much has been said regarding the business sector in terms of their view on this arrangement. The previous President of the Trinidad and Tobago Manufacturers Association, Stuart Dalgliesh said:

“Business backed the agreement with Costa Rica to help prepare the country and the entire region for free trade within the hemisphere.

‘The apparent haste with which we are pursuing the completion of free trade agreements with our Latin American neighbours, such as the Dominican Republic and Costa Rica, is crucial because we need a sufficient amount of time to prepare ourselves for the Free Trade Area of the Americas (FTAA).’”

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Certainly, from a business perspective, the business community has supported this initiative.

Much has been said by the second-to-last speaker regarding the agricultural sector. Let me point out that in the last administration, the GDP output in agriculture declined in each consecutive year while they were in office. When I hear the squabbling and comments on a persistent basis—I regret I do not have the statistics, which can certainly be provided. This Government is certainly on the way forward.

I want to assure this Senate and the former workers of Caroni (1975) Limited that there will be the distribution of two acres of lands to all employers who have taken the VSEP offer. It means, in the very near future we would have just over 14,000 acres which will be delivered to an excess of 7,000 former employees. In addition, we have indicated that NAMDEVCO will set up a food processing facility. This will allow us to assist the various farmers in terms of their agricultural activity. I cannot understand why there is continuous miscommunication in the Senate. If we were to look at the main products in Trinidad and Tobago—this was very clearly outlined by the goodly Senator—we can see that from Costa Rica the exports mainly include electronic circuits, textiles, medical devices and medicines. On the agricultural side we have bananas, coffee and pineapples. I can understand the concern to ensure that we protect our market, but the days for total protection are far gone. What we need to do is provide a support base and, she is very correct, some training. I will come to that in a minute. I wish to outline that there is a special safeguard mechanism to provide seasonal duty free access for selected agricultural products. If we take time to study this we will see that some effort has been put in place in terms of what safeguard mechanisms we have in the area of agriculture. The trading pattern is not going to be of a large agricultural nature, as has been enunciated. Our fear in that regard is certainly not in line. I do not think we need to worry very much about that.

We should be looking at the benefits of the FTA, where it would put us on the map and how it is going to prepare us for wider trading arrangements. As a matter of fact, we just indicated this by way of the Motion we had, with respect to the agreement with the Dominican Republic. This is now a gateway to the Latin American countries. I think we are certainly in the right direction. For the exporters and manufacturers, this is certainly the way forward, in terms of the global market.

I get concerned when I hear statements such as: “We have our own tsunami in Trinidad and Tobago.” Since the tsunami disaster each of us still say a prayer for

those people. In Trinidad and Tobago, we are so fortunate as a people and to make such a statement, a mockery and outcry I really—[*Desk thumping*] We can exaggerate if we wish. [*Interruption*]

Sen. R. Montano: She was not doing that. This is misleading the Senate.

Madam President: No shouting please!

Sen. The Hon. C. Sahadeo: Thank you, Madam President, [*Interruption*] We are hearing of rubbish! A while ago a Senator on the other side made so many inaccurate statements. He actually looked to the media and almost told them: “I am sure in tomorrow’s newspaper you will be writing about sheep in the hold of the airplane.”

Sen. R. Montano: That is true!

Sen. The Hon. C. Sahadeo: It appears that the Senator across there cannot understand what is a joke, fact or fiction. I asked him if he is going to give us the name of that pilot. I am sure it would have been a joke. [*Interruption*]

Sen. R. Montano: Do you want to fire him?

Madam President: Sen. Robin Montano, I cannot have you shouting across the floor like that.

Sen. R. Montano: That is crosstalk!

Madam President: That is not crosstalk, that is shouting. Maybe your voice is louder than it is supposed to be.

Sen. The Hon. C. Sahadeo: Madam President, I did not realize I had a chorus on the other side.

I wish to place on record that that statement is totally inaccurate and unfounded and I think the Senator should apologize for that miscommunication. It was total rudeness to dare the reporters to put that in the media tomorrow. I have full confidence in the media that they will not report such inaccuracies. [*Interruption*] Madam President, people have called me all kinds of things. To say that I intimidate people, I really do not think a demure person like me can do such a thing.

As we all know, with respect to BWIA, the Government has asked them to come up with an action plan for the way forward. As a government, we fully recognize that we have a responsibility. Certainly, BWIA has to deliver, but I think we should be fair when we make comments and not continue to miscommunicate.

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When we debate we use these opportunities to say anything we want, irrespective of how inaccurate it is.

With respect to training, this Government has placed tremendous emphasis on training the population. The Ministry of Science, Technology and Tertiary Education is making leaps and bounds in this area. The University of Trinidad and Tobago was recently launched and we would appreciate that the first intake was just over 2,000 students. As we all know, the University of the West Indies, in terms of its volume of students, has almost doubled in the last two years. As a government we are very responsible and we continue to develop and implement measures in terms of the way forward.

Much was said about this Bill before. We would all appreciate that this is another free trade agreement which covers very similar issues. It makes no sense spending too much more time on it. Certainly, we must congratulate the Government for piloting this Bill. Initially, this Bill was presented as a bilateral agreement and it shifted as a Caricom agreement. I think we got the buy-in of all our Caricom partners. This is certainly the way forward. I believe that Trinidad and Tobago is on the threshold, as said by all our Caricom territories, in terms of developing and expanding our manufacturing base. Many of us who visit other Caribbean territories would know the statement: If you turn anything upside down it is made in Trinidad and Tobago. We are on the right path. This arrangement will help our manufacturing sector to move forward.

I thank you, Madam President.

Sen. Sadiq Baksh: Madam President, I am forced to speak on this matter. The last speaker brought out some very important points. We support the establishment of a free trade link between Trinidad and Tobago and Costa Rica. We also want to ensure that our people and our manufacturers have additional access to four million people, but we also want them to recognize that we now have four million additional clients outside who now have free access to come into our market. It is a two-way street. Whereas I agree with the hon. Minister, that the Government is moving forward, I am not sure how many people are moving with them. I am not sure how many people are moving in that same direction. The reason I say this is mainly because I am not sure that the training our citizens are getting is really geared for access to other markets. Are we trying to create entrepreneurs from our population, or are we trying to create employees? We must start at that level. What are we really doing? If, as a Government, you want to expand the market base for Trinidad and Tobago, and choose a set of

products and you plan to train a number of people so that they will be able to gear up for the future access into those markets, we will support you. We have no problem in supporting that kind of methodology. After the Government has provided that type of training, we want to know the procedures that will be adopted to make sure that we do not get dumping taking place as we had with the air conditioning.

What are procedures for addressing disputes? I know that there are mechanisms in the agreement for doing that. I want to know if we are increasing our capacity as a people to deal with that. I am of the opinion that at this stage, we do not have the capacity when it comes to negotiating these free trade agreements. The Minister of Foreign Affairs did his best and presented the Bill in a manner that we all understood. He presented the other Bill on behalf of the Minister of Trade and Industry and looked at the trade matters. I am not satisfied that we are doing enough to train our people.

Sen. Sahadeo: The agreement also provides for the application of anti-dumping measures. We also have anti-dumping legislation on our legislative agenda which will be brought to Parliament shortly.

PROCEDURAL MOTION

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Madam President, under Standing Order 9(8), I beg to move that the Senate continue to sit until we conclude the debate on this Bill.

Question put and agreed to.

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Sen. S. Baksh: I thank the Minister for that clarification. This is not a question of not having the mechanisms in place, but having the trained personnel to administer those mechanisms and the people to engender confidence on matters which they adjudicate. Thank you for the clarification, but that is an important point.

Further, this is not the first time we are hearing about the construction and management of a multiprocessing facility. The construction of a multiprocessing facility for food processing in Trinidad and Tobago was a project initiated before NAMDEVCO came into being. The site was chosen at Frederick Settlement, Caroni, just after the failed racing complex, when we were thinking about horses before houses and everything else. That dream for a multiprocessing facility was a dream

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for a long time. If it becomes a reality with the Free Trade Agreement between Trinidad and Tobago and Costa Rica, we support that. We believe the establishment of a multipurpose processing facility is an important step because we do not have products to sustain the processing of any one product for any extended period.

The distribution of two acres per employee in Caroni (1975) Limited, with a macro plan to feed into the multiprocessing facility and then ensure that it goes to the School Feeding Programme is the kind of thing we expect the Minister to tell us when he talks about that kind of project. We want to hear the concrete proposals where, when, how; how many people were trained; when it will come on stream and the benefits to be derived.

We understand the CEPEP concept. It should be a short-term solution for a long-term problem, but with a transition. We have no problems with CEPEP and its employees. We have a problem with the CEPEP contractors who get \$51,000 to manage a situation and the CEPEP workers who go out as ambassadors treated as “ambassadors” and not given the training to access future opportunities. What will happen to them? The “CEPEParization” of the economy cannot be perpetuated. If we can see a roadmap from CEPEP to market access in Costa Rica we are all for that. We want to see how the training will take place, even if it is in YAPA and how they have access to lands and security of tenure. We want to see how they can get market access, we are for that too. We do not have a problem with that. Show us all the programmes geared to make Trinidad and Tobago bilingual, from kindergarten to adult education in multifaceted programmes. The same way the taxi drivers became bilingual, I believe the citizens of Trinidad and Tobago have the capacity to become bilingual, but we must take it at a policy level and create a roadmap. We must provide the tutors who would train people to promote further discussion.

I did not plan to speak on this matter, until the Minister spoke. I assure the Government that we are for expansion; we are not about rightsizing and downsizing. The Government wants to rightsize the National Broadcasting Network and then downsize it, we are not about that. Anything that is rightsized and downsized cannot grow. We have a vision for Trinidad and Tobago for growth, progress and prosperity. We want to expand markets. We support the expansionary mode of the economy.

I thank you very much.

Sen. Dr. Eastlyn McKenzie: Madam President, let me begin by formally welcoming to our Independent Bench, temporary Senator Dr. Rolph Balgobin. I wish to say publicly how his maiden contribution clarified many thoughts some of us had. He was so clear in his contribution, I detected sincerity in his voice. I hope we could see more of him as occasions like these arise. Congratulations and a very warm and sincere welcome to you.

I want to make a few comments based on what we have heard. I understand and I support fully the Bill that was presented by the Minister. I think this Minister did so well. I understood him very clearly, when I thought of the fact that the Minister of Trade and Industry would have been the one to present it. I might be biased, but I do like the presentation, the simplicity, the lucid explanation and the light tongue of the Minister of Foreign Affairs.

I am going for the public education part of this. I have been reading of trade missions to and from the Dominican Republic and Costa Rica. We should make these visits more pronounced in our public education in the newspapers. Public education, in the form of a pull-out in the *Business Guardian* and the *Express* business page would do well. Manufacturers and producers could have a document that they could pull out from the newspapers and keep in hand to remind them. The Government can stress in its public education new areas that our manufacturers could look to because of this agreement and also to inform our population of where the business side of Costa Rica will come into Trinidad and Tobago and how we can prepare for this.

I think we need to do trade Spanish. There is practical Spanish, Spanish for the taxi drivers and boat operators. We should have Spanish for our manufacturers and people of this kind. As Sen. Dr. Kernahan said, probably we could have Spanish for our pharmacists. If we have the thing in total Spanish they could have a subtitle and inform the consumers. Maybe the Ministry of Trade and Industry could look at this and see how we can help the public.

Finally, I would like to ask the Minister who presented the Bill, I know it is not his area, but there should be something in the pull-out—whether it is the manufacturers or producers—to indicate who they could call if they have a problem, if they need information and clarification. To whom should they direct their enquiries? Do we have a telephone number or a person we could ask for? This person must be the one who will give the best information in a particular department. This will be new to some people. People need not be stumbling when they want information. They should be able to ask: “Do I go to the Ministry of Foreign Affairs or the Ministry of Trade and Industry and to whom must I direct

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my question?" Sometimes people call and get the runaround and it frustrates them. Those are the few points I would like to raise.

Thank you very much, Madam President.

Sen. Dr. Rolph Balgobin: Madam President, I have a few comments to make on the heels of the hon. Member's clear elucidation of what we are trying to accomplish by way of the Free Trade Agreement. I think the agreement represents something of a first for Trinidad and Tobago, in that Costa Rica very closely mirrors, in many respects, the competitive position that Trinidad and Tobago currently enjoys when we position both countries.

We are in the 51st position and we keep changing position every year or two. Contrast that with the Dominican Republic, where we are 71st and you would see that this is a quite different agreement that we are getting into. We are engaging into an agreement with an equal in many respects.

That is an interesting point to note, since there are going to be clear competitiveness implications for our businesses and clear impacts on our consumers, and I expect on the consumers of Costa Rica.

6.30 p.m.

I have read the Bill and there are many things to be commended in the Bill. There are some very interesting safeguard mechanisms. I like the support that is in the Bill for less developed countries of Caricom, and the rules of origin appear to be clear and standard in keeping with international practices.

There are a few concerns that I would like to share with Senators of this august Senate. I would start by picking up on Sen. Dr. McKenzie's point. As a nation, we need to consider the implications of free trade for the average citizen. I think that there are very complex issues involved. These issues are so complex that they defy the apprehension of the common man, not just here, but in other countries as well. There is an opportunity to educate our people better and get them ready for the changes that they are going to see, because they are going to see many changes.

With respect to the verification of origin rules as contained in the document regarding perishable items, I felt that could have been more aggressive. In the case of the Dominican Republic, we have seen where exporters have sent perishable goods to the Dominican Republic and when someone queried the goods, the goods were left on the port to rot.

There is a mechanism in the Bill which calls for movement within 15 days of arrival. I expect that this has to do with the lodging of a complaint, and something

could be done to get an aggressive timeline, I think that would be to everyone's interests. Certainly, there is need for rapid and efficient mechanisms for the determination of point of origin, both in Caricom and Costa Rica.

With regard to the technical barriers of trade which are covered on page 86 of the Bill, the question I had was whether our authorities are competent enough to undertake the activities listed therein. We are talking here about coordinating things across Caricom and liaising with our Costa Rican counterparts. Is the Trinidad and Tobago Bureau of Standards—our local version of the Free Trade Area of the Americas (FTAA) really equipped to manage this kind of process to ensure that our consumers get the best treatment? I am not just talking here about protection but value for our citizens.

With respect to the question of services like licensing and certification of service providers, instead of talking about the best effort and reasonable time, we should probably try to put a specific time frame to matters like that so that someone would know how long it is going to take for a person to get registered to provide a service in a country like Costa Rica, so that it does not remain open-ended.

With respect to Part V of the Bill, we are talking here about competition policy. This is very interesting and it is mentioned here, but it is a pity that it is only one page. Trinidad and Tobago needs a competition policy and a clear competition framework to ensure free and fair trade. This is imperative especially as we are expanding our free trade horizons. We also need to ensure that we have the right infrastructure to support free trade. Are our ports efficient enough? This agreement talked extensively about the valuation of goods and services but, at present, our Customs Valuation Division is not known for its efficiency, and that could be a challenge to smooth trade links. We need stronger protection for consumers. As I alluded earlier, we are not entering into a slowpoke economy, and our consumers need the protection of the Ministry of Consumer Affairs and its ancillary institutions.

Madam President, in my view, we are going in the right direction, but we need to have the right infrastructure to extract as much as we can from an agreement like this. Trinidad and Tobago has to be transformed into becoming an innovation driven economy. There are already strong elements of factor and investment inputs, but we need to build now on the right people and institutional structures in order to competitively produce the right goods and services.

I am not entirely clear that our competitiveness is slipping dramatically. I think that Trinidad and Tobago is going through a transition, and we are in the middle of

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the pack. We have ranked 50th out of 104 countries. There is a tremendous set of opportunities for us here, but there should be opportunities, not just at the level of the legislative branch. We need to translate this for the people and also to businesses, so that everyone will understand what he or she needs to do, if we are going to participate in a way that is going to allow us to win everyone in Trinidad and Tobago.

I am in full support of the measures that are being proposed here. Thank you for your time. [*Desk thumping*]

Sen. Carolyn Seepersad-Bachan: Madam President, I did not intend to speak on this particular Bill, but it is important for us to clarify some issues. First of all, I want to respond to Sen. D. Montano. What are the policy objectives of this Government? We just heard the last speaker talking about a competition policy. Earlier in the debate, Sen. Prof. Deosaran also called for some articulation of the trade policy for this country. Do you know why? We have heard conflicting objectives from two speakers this evening.

Madam President, Sen. D. Montano was referring to the Peake's issue and the dumping of Chinese air conditioning units and the reason for protecting our local people. A judge ruled that there was no dumping. To date, the Ministry of Trade and Industry has provided no evidence with respect to the dumping of these units. The Ministry said that the onus is not on them to provide the evidence. The Ministry intervened and issued a legal notice. The Ministry used the very powerful legislation it has to protect the interest of the people of Trinidad and Tobago where necessary, but the Senator said no, we have to protect our local producers and manufacturers.

This gives us the impression that we are about to protect our local producers and manufacturers. If that is the Government's policy and it wants to protect our local entrepreneurs, why did Sen. Sahadeo respond when my colleague on this side was appealing for some protection for our agricultural farmers? Why is the Senator saying that we cannot continue to protect them?

Madam President, do you know what we have done? We have operated contrary to other countries. In other countries, including the United States of America, there is complete protection for agriculture, because of the food security issue, and they have allowed full competition in other sectors. We have heard the World Trade Organization (WTO) arguments about providing protection and so forth—whether it is through non tariff barriers or any of the other measures—so that they would have food security. Trinidad and Tobago is the only place that is

not taking enough steps to protect the agricultural industry in the interest of food security. I am going to give you an example.

Over the last year, I heard many of the various sectors in farming coming out and saying that they have no support and protection from the Government. A particular example was the milk industry. I remember one Mr. Medford saying that the milk industry is dying, and if the Government does not come forward and support the industry it is going to die. Nestle is no longer taking milk from us.

It suddenly struck me that Nestle had become a distribution point in Trinidad and Tobago. Nestle consumes very little milk that is produced locally. Two months ago, I walked into a supermarket and there was no skimmed milk. I would normally buy skimmed milk, but there was none in the grocery. I spoke to one of the agents from Nestle, and I told her that I went to Hi Lo Supermarket and there was no skimmed milk. I went there because I needed the milk. The agent told me that she was sorry to say that all they had to offer was powdered milk, because there was a distribution problem from the Dominican Republic, and they would not be getting skimmed milk for the next couple of months. That skimmed milk stayed off the shelf for quite a while, and that is exactly what we have been talking about over and over again with respect to food security. I am not saying that protection is wrong or full competition is wrong, but we need to have a clear, articulated policy; we need to understand the objective of the policy and then these agreements are going to fall into place. [*Desk thumping*] That is not happening here.

Madam President, I want to respond to Sen. Prof. Ramchand when he talked about Peake with respect to the competition. If we take the other end of this matter, we could say no competition, and support our local entrepreneurs, but there must be a balance. Who is going to keep Peake in line in terms of quality and the pricing policy?

Sen. Baksh made the point earlier that since the imposition of those onerous taxes, air conditioning units went up by almost 100 per cent. At the end of the day, the persons who are going to suffer are the consumers, and the Government is talking about Vision 2020 and improving the quality of life of our citizens. [*Desk thumping*] We want Peake to be successful, but do you know how we could make Peake successful? Peake must face the competition out there. That is the only way that they are going to become globally competitive. If Peake could compete in this same market with other importers then Peake would be able to export.

As I indicated earlier, they cannot be telling us that they cannot produce an air conditioning unit under US \$200, and they could sell the unit in Colombia for

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US\$150. Are we supporting the Colombian industry? What is really taking place here? The Government needs to get its hands around the problem.

I want to support my colleague, Sen. Dr. Kernahan, when she said Bills do not make things happen. What are we doing to realize the potential benefits from these agreements? These agreements are just words, and nothing is going to happen until the necessary mechanisms are in place. Sen. Dr. Kernahan was referring here to institutionally strengthening. That is what we are not seeing coming forward, and Sen. Baksh made that same point. The Government needs to get a coherent policy so that it can articulate how these agreements are going to fall into place.

Madam President, I know that they are going to tell me that this is none of our business, and we are only here to make legislation. Sen. D. Montano keeps saying that all the time. I want to point the Senator to today's editorial in the *Guardian* newspaper where the editorial says that no one seems to understand what is the Government's intention. They are using the Oil Fund that was set up for the Caribbean to support LIAT. Is this now a slush fund?

The Government has changed its objectives. How is this going to be done? Where is the parliamentary oversight? I wanted to tell the editor that we have been told that Parliament has no oversight function in that matter, and all we could do is talk. According to Sen. D. Montano, we are only here to make legislation. This is the point that we have been making. The people want to know what the Caricom Single Market and Economy (CSME) is all about.

The UNC administration did start it and we stand behind a regional trading bloc, because that is the only way that we could expand our voice, and increase negotiating power. That point must be made over and over again. We need the regional bloc, but it does not stop there. It is necessary but not a sufficient condition. I have to keep saying this because whenever I hear Senators responding on the other side I think somehow the point is being misinterpreted, so I need to reiterate the point. [*Interruption*]

Madam President, Sen. D. Montano has a way of making statements and sometimes these statements go down as facts. The Senator made a statement today and said that he tried to talk to Opposition Members and Independent Senators about governance. I looked around and asked Senators if they were ever approached on any discussion with respect to governance? This is the first time that I am hearing about this matter. The only time that the Government approached the Opposition was when it needed support for the Police Service Reform Bills. They called the Leader of the Opposition and talked down to him and said, "Listen,

support the Bills.” That is the Government's perspective for discussion on issues with respect to governance. [*Interruption*] I am not aware of any approaches that were made by the Government to Opposition Senators. Maybe the Independent Senators could indicate whether they had any discussion with the Government with respect to the issue of governance. I really cannot say. I know that did not happen here.

There is another issue I wanted to take up very quickly. Sen. Sahadeo mentioned that under the UNC's administration the gross domestic product (GDP) in agriculture kept falling. I want the Senator to go back and check her figures. During the period 1997 and 1998, there was a dramatic increase in the total GDP. If there was not a comparable increase in agriculture in absolute terms, of course, the percentage of GDP for agriculture will decrease. The Senator probably needs to bring these figures here, because when one analyses these figures, one will see that during that time there was a marked increase, when several new energy projects came on stream. As a result, the GDP rose dramatically, and we now have a GDP of \$60 billion.

Of course, the GDP in absolute terms may not have arisen significantly, in terms of agriculture, so obviously the percentage of GDP is not going to increase, but it will decrease. If you doubled your total GDP and your GDP for agriculture, in absolute terms-the Senator should bring these figures and we will debate them here.

What is happening now since there are so many agricultural workers who have been displaced? I do not know if you want to make them into Community-based Environmental Protection and Enhancement Programme (CEPEP) workers with no future, training or development for them. I do not know if these CEPEP workers are going to be used to execute these agreements. We need people to bring these agreements to life and to make them happen.

Madam President, I do not think that we seem to be getting anywhere with respect to those issues. I always say that there is a reversal in this Senate. Many times when we are supposed to be dealing with legislative issues; the Government of the day feels that its job and policy issues are theirs. The Government will then come here and complain about issues which are really management issues, and management issues really belong to them. They are the Executive and they must execute, and the execution is what we are not seeing, and the Government would then blame the Parliament and say that it cannot get our support.

Recently, in the Lower House, a Member said that the Government would not get the support for the Fair Trading Bill that he wants to bring to the House and so

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forth. Did we not give them constitutional support for the Occupational Safety and Health Bill? We give support where we think we ought to give support. If we are not in agreement with something, we are not going to support it. That is the point. This Government does not understand that and then they make an excuse for the non-delivery of a proper competition policy and proper legislation. We are talking about so many agreements here, and it is amazing to see that we still do not have enough measures in place, in terms of a policy or legislation, and that is the problem.

Madam President, I really wanted to make those few points. There is one other point that I would like to make. I heard the Minister of Foreign Affairs say that we have much to look for when the second most important person from China visits Trinidad and Tobago next month and so forth. I thought the Minister was hinting or saying that probably we will be seeing some more bilateral agreements between Trinidad and Tobago and China. But based on Article 80 of the Caricom Treaty, do we need to have Caricom approval for what seems to be taking place there? As the Minister rightly quoted, Article 80 requires that any of these agreements will now require approval by Caricom. I am just asking because I know that Jamaica—this is one of the things that I find very strange because we are accusing China of dumping in our country—is busy running off to China and signing agreements with China and so forth, because they want free trade with China; they want to be part of that free trade area because they are seeing so many opportunities. The Minister could probably seek to clarify that issue.

Madam President, at the end of the day, I hope that the Government would take heed of what we are saying and really get some of these policy issues properly articulated. It seems to me that a lot of legislation will be coming to this Parliament and we need to understand them.

Madam President, thank you very much. [*Desk thumping*]

The Minister of Legal Affairs (Sen. The Hon. Danny Montano): Madam President, thank you very much. I have to set the record straight on one or two matters. I always enjoy listening to Sen. Seepersad-Bachan. Her contribution was entertaining, but not accurate. I want to start off with the first matter that the Senator talked about and that was protection for farmers. In the course of the Senator's contribution, the Senator could not make up her mind as to whether she was talking about protection for farmers or support for farmers. In the language of the Government, support and protection mean two different things.

Madam President, the Senator said that we have done nothing to protect our local farmers. I would just like to ask the Senator what her government did over

the six years when they were in government and agricultural output declined—not in terms of the percentage, but in absolute terms—over that six-year period. The truth of the matter is that our policies have been clearly articulated. If the Senator wishes to read the *Social and Economic Policy Framework*, she will see that these policies are articulated in that document, and also the actions that drive this Government's legislative agenda. If the Senator chooses to read the document, she will see it.

Madam President, the Senator talked about Peake and she said that a company like Peake must withstand competition. I want to remind the hon. Senator that it was this administration—in its earlier incarnation during 1991 to 1995—that opened up the trade doors. We removed the negative list; we floated the currency; and we set our manufacturers to face competition from abroad. We did that within the context of the framework of Caricom, knowing that there was a CSME arrangement that would be coming into place.

It is ridiculous for a Senator of her standing to talk about Peake having to face competition. What the Senator failed to understand is that the entire developed world is reeling under the onslaught of Chinese products that are flooding their markets, not only our market, but every country in the world. All developed countries are pleading with the Chinese to revalue their currency, because its workers do not have the level of income, standard of living and protection that the other workers in the world enjoy. [*Desk thumping*] They are getting there. [*Desk thumping*] The Senator fails to understand some simple economics. If the Senator were to read her financial journals she would understand what I am talking about. We are trying to protect ourselves against that. The government of China did not make any attempt to protest the action that we took. They understand how fragile our economy is.

The other matter that the Senator talked about was LIAT and she referred to a “slush fund”. [*Interruption*] The Senator is not listening to those who are in authority and who are articulating the actions and policies of the Government. She is only listening to those voices that are very close to her, and that is most unfortunate. She is a bright girl; she should do better than that. This is a very simple matter and I am going to explain it.

The fund was set up from surplus oil revenues, and the conditions of expenditure were very few. This fund was to be used for social purposes as the islands saw fit. We had no direct management over that fund. We put that fund out of our hands and the fund was to be used for social purposes. The fact of the matter

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is—if you understand the economies of the smaller islands—that LIAT is an integral part of those small islands. If you take a country like St. Vincent, they do not have a major airport, and the only planes that could get in and out of St. Vincent are planes that come from airlines like LIAT. Therefore, St. Vincent would have very little air transport without an airline like LIAT. As I have said earlier, recognizing the importance of support for those small island economies, we had no objection to them using part of this fund for that purpose. That is perfectly simple and above board. It is unfortunate and regrettable that the Senator failed to understand some very simple principles.

To deal with my friend, Sen. Sadiq Baksh, he said that no one was following the PNM. The usual thing with Sen. Baksh is that he tends to invent his own facts. He is extremely adept at inventing his own facts. So, he came here and said that no one is following the PNM. His own poll showed what has happened between the UNC and the PNM since the last election, and how their own supporters dwindled away and went to the PNM.

Madam President, the Senator said that the PNM is not training entrepreneurs, and for someone with his experience—six years as a Cabinet minister—to say something like that was very unfortunate. They set up an institution in the heart of the cane field in Couva which is an excellent institution. They positioned this institution in the Central of the island, which was not a bad thing to do. When I went to that institution, I saw who was there, and when I went down to the John S. Donaldson Technical Institute and I saw what happened there, any right-thinking person who was associated with those actions ought to be ashamed of himself or herself. When I visited John S. Donaldson Technical Institute there was no working toilet on the campus. Not one! The number of students had fallen to an astonishingly low level. The traditional students going into John S. Donaldson Technical Institute came from the Port of Spain environment and, naturally, the students going to TTIT would come from the environment of Couva where the institute is located. When one sees the levels at TTIT and compares them with John S. Donaldson Technical Institute, any government that was associated with that matter should be ashamed of itself. The Senator has the audacity to say that we are not breeding entrepreneurs. That is so ridiculous!

The Senator also talked about CEPEP. He said he has no objection to CEPEP, and he does not know how CEPEP contractors and workers could work in Costa Rica. He did not understand that there was a need for about 50,000 houses in the country; he did not understand how the construction of 50,000 houses could have led to industry, employment, finance and everything else. He simply did not understand

that. Over the six-year period when they were in government, they built something like 300 or 400 houses and there was a huge list of applicants. Madam President, you have to take things that the Senator says with a huge grain of salt.

I am now going to deal with Sen. Prof. Deosaran. [*Laughter*] There is a direct nexus between trying to protect our local industry and the consumer. If our local industry could survive it would provide stability in price and supply for the local consumer. That is the advantage of trying to protect your local industry. However, your local industry cannot be protected to the point where it is going to be grossly inefficient, and every country in the world recognizes this.

The discussion that the world is engaging in with respect to WTO and GATT is to remove all duties from international trade. Of course, we are not yet at that point. There are still these groupings where there are tariffs or barriers. In the context of this matter, it makes sense for a region like the Caribbean to try and protect itself from the rest of the world. FTAA is just a larger grouping, and it would be the Free Trade Area of the Americas; it will not include countries in the Far East like China, India, Russia or Europe, but it will only be of the Americas.

Madam President, it is within that context that the balancing of the interest must take place in order to protect the local industry. Your local industry tends to provide, not only employment, but stimulates spending; stimulates the economy and produces foreign exchange. That is one of the most important features of this. In fact, there are pockets within an island such as ours that would always remain poor because there are no industries and the money is only being spent once.

If you were to take any area like Laventille and give everyone in Laventille a short term job for a month or so, everyone would have money for that month, but the following month they will go and spend that money on food, housing or whatever it is, and they will be spending that money outside of where they live, and the next month they will be poor again. However, if they could spend that money within their own environment, the money would be spent backward and forward if they spent it within their own region. People have to be employed in order to spend money and that is how it works.

One of the things that we did—I hope that Sen. Baksh will understand it—was that in the Maloney and La Horquetta areas, we recognized that there were very large areas of land in the middle of both housing districts that were completely unused. We found that in those two areas there were no industries and they were just dormitory towns. That was the thinking back in the 1960s and 1970s when they were built. What is taking place now is that we are building town centres inside

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both areas where people can put up their own shops, cinemas, bars and so forth and the money would be spent within itself. That is called the principle of agglomeration in economics.

In the same sense, within the Caricom region, supporting our own industries tends to create the same thing. The same dollar gets spent many times before it finally leaves the system and, therefore, it provides wealth and benefits for many persons before it leaves. There is a very serious issue to support the local industry. You have to understand that it has long term effects as well for the consumer. The consumer is no longer at the mercy of the importers. There is a situation now where the small islands are benefiting from our manufacturing base, because we are able to manufacture on a competitive basis within the region.

Sen. Prof. Deosaran: I want to thank the Senator for giving way. I think the Government also owes me a debt of gratitude for bringing out your intellectual form. [*Laughter*] At the same time, you are right. This is a very serious issue. I know that when you are dealing with me you should not deal with me in such an adversarial manner. I think I am friendly to the Government. Now, I say with great sincerity that the Government would have to consider whether the trickle down effects that the Minister is talking about have been out of favour in recent times. In addition to what the Minister is speaking about, he has to make some qualification with respect to the analysis that he is making. I do not want to engage in a debate right now, but the trickle down effect that the Minister is implying is really not as accurate or as valid as before. [*Desk thumping*]

Sen. The Hon. D. Montano: Madam President, I was about to wind up my contribution but, first of all, if the Senator felt that I was being aggressive, I most humbly apologize, because that was not intended. I do apologize. In terms of trickle down, I am not talking about trickle down economics at all. That is not what I was advocating here at all. What I am talking about here is support with respect to fiscal measures and so forth, but I am also talking about protection for the local industry. That is not trickle down economics by any stretch of the imagination. Again, with respect, Senator, if you read the policy documents in the *Social and Economic Policy Framework* you are going to see it there. I was simply trying to explain the mechanics of the economics. I am not the professor here, you are. I was merely trying to explain something which I may know a little more about than you. So the next time, you will not shoot off in areas that you do not know too much about.

Madam President, I thank you for your time. Thank you very much. [*Desk thumping*]

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift): Madam President, my colleagues on this side have done such a wonderful job that there is not much left for me to deal with. However, there are a few areas where I must intervene. I will begin by referring to the opening salvo of Sen. Dr. Kernahan, who argues that the Bill before us will not generate employment; will not generate foreign exchange, et cetera and that this must be done by people. The Senator is halfway accurate in that remark, because what we are doing here is acting as facilitators to empower people so that employment would be generated; foreign exchange would be generated; and income would also be generated. The premise on which she rests her argument, to me, is a very logical one.

Madam President, I was not quite sure whether the Senator was critical of the intention to make this country a bilingual country in the shortest possible time. Indeed, someone whispered to me that Sen. Dr. Kernahan is very fluent in Spanish. I will have to engage her one of these days. It seems to me that if she is complaining that the language deficiency that the population is suffering from—in terms of the dangers to which they are exposed with respect to the labelling, et cetera—I believe that this further emphasizes the need that bilingualism should be one of the primary objectives of this country. In my opinion, this would tie in with the concept of human resource training and, in a sense, we will be equipping our population to better capitalize on the opportunity that is going to be presented out there in an expanded market space such as the Costa Rica area that we are talking about.

Sen. Prof. Deosaran enquired as to whether we cannot be more expansive with respect to the benefits that could be derived from this Bill. I would deposit that with an expanded economic space, expanded opportunities, expanded market space and expanded investment potential rather than this side spells out job by job, area by area, and what benefits can be accrued in detail, one simply has to look at the panorama within which that could be figured out.

Sen. Baksh raised the question as to whether the Government is moving forward singly or in company. I think my colleague, Sen D. Montano, dealt adequately with that matter.

Sen. Dr. McKenzie raised a very interesting point and that is we need to do more public education with respect to the whole question of our foreign trade policy. I believe that no one can really quarrel with that. There could be an expansion with respect to the public information programme. Madam President, as you know, we on this side are very receptive to positive and implementable

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suggestions, and I am sure that my colleague, the Minister of Trade and Industry, will employ mechanisms to make sure that the Trinidad and Tobago public will be adequately informed.

Sen. Dr. Balgobin also dealt somewhat on that point. He raised the question as to whether we had the coordinated mechanisms within Caricom to protect our interests. Whatever in-house capacity that exists on a government-to-government basis within the regional negotiating machinery structure, we do possess adequate manpower to complement and supplement any needs that the various countries will need to put in place to make sure that their direct bilateral interests are adequately protected. So, indeed, there are enough administrative institutional infrastructures to take care of this apparent deficiency.

7.15 p.m.

The question as to whether Trinidad and Tobago has negotiators to the deal with Costa Rica—I think that was raised by Sen. Baksh—I would say, Madam President that over the years, the negotiating strength of the Trinidad and Tobago Public Service could not have been better. I believe that our officials out there are second to none; they go out and negotiate with the harshest of negotiators, the biggest of negotiators, whether they be the United States, Brazil, European Union or wherever. I think it is a credit to Trinidad and Tobago, that the Minister of Foreign Affairs can say, there is no deficiency in that regard, we plead our case, and as a matter of fact, many times when you go out there, the voice is more important than the vote. Because by the strength of your voice you can come in their vote. So that, indeed, I do not think there is any need for preoccupation in that regard.

Madam President, I believe that with these closing remarks, complementing what my colleagues on this side have said, it is time for me to say, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Bill committed to a committee of the whole Senate.

Senate in committee.

Clauses 1 to 7 ordered to stand part of the Bill.

Schedule ordered to stand part of the Bill.

Preamble ordered to stand part of the Bill.

Question put and agreed to, That the Bill be reported to the Senate.

Senate resumed.

Bill reported, without amendment, read the third time and passed.

ADJOURNMENT

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move that the Senate be now adjourned to Tuesday, January 18, 2005 at 1.30 p.m. Madam President, I wish to advise the House that the Finance (Variation of Appropriation) (2004) Bill is to be debated in the Lower House, and we will deal with that on Tuesday. I have asked the Clerk of the Senate to circulate the documents at the end of this week, so that we will be able to do that next week Tuesday.

Madam President: Hon. Members, there were two matters to be raised on the Motion for the Adjournment, but Sen. Mark is absent, so we will take Sen. Baksh's Motion. That is to the Minister of Works and Transport.

L'Anse Fourmi and Charlotteville (Status of Project)

Sen. Sadiq Baksh: Thank you for the opportunity to raise this matter on the adjournment, as to the status of the project and roadway between L'Anse Fourmi and Charlotteville in Tobago. Madam President, this is a matter that was on the Order Paper for a while and today we have the Minister of Works and Transport present.

Madam President, the history of this road—and I am certain that I am guided by information provided to me, in that this is a project that was in the making for over three decades. In fact, 15 years ago the Government took a decision to utilize grant/funding from the European Union made available to the African, Caribbean and Pacific States, for this particular project and designs were completed. In 1992, the project was actually discontinued. In terms of the grant/funding from the European Union the project shifted to the Solomon Hochoy Highway. The grant/funding that was originally intended for the L'Anse Fourmi to Charlotteville project, as negotiated and initiated in 1988, by 1992 was discontinued and the grant/funding went to the Solomon Hochoy Highway.

Madam President, during the last three years the project got going again and was scheduled for completion 18 months ago. We have a situation in which you will recall on other occasions when we raised similar matters, the Government boasted on every occasion that they in fact utilized the contractors recommended

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for the jobs that were initiated. On this particular project—it was the same contractor that the hon. Minister had to draw to our attention about the inefficiencies on the Scarborough, and the Crown Point International Airport—it is the same contractor on this particular job—L'Anse Fourmi to Charlotteville.

Madam President, when I was prompted to raise this particular matter, I walked the route, the entire route, from L'Anse Fourmi to Charlotteville. Having already utilized all the funding allocated to the project, you do not have anything to really show for it, because it got washed away and you have now 34 landslips that I counted. Nobody told me about that. I saw them; 34 landslips developing on that particular route. If that contract is to be expanded now to include those 34 landslips, that project will never be completed, I could tell you that for starters. Never mind the cost of that project.

Madam President, when I raised this matter, it was intended mainly to get a status report from the hon. Minister, as to where we are now with the particular contract, especially since the consultants that reviewed and evaluated this particular project did not recommend the contractor that eventually got the job. The consultants did not recommend the contractor because they recognized the intricacies of the job, the challenging nature of the job, and we now have a situation in which the Government did not take the advice of the consultants. And we have, on other occasions that I have had to draw to the attention of the Government, the inefficiencies when they took the advice of consultants. But this particular case, this is the situation. This matter raises some very, very important questions. If the Government was advised not to award this contract to this contractor, why did they? And if in the end they did award the contract, then all the issues pertaining to contract management were not in place. At the end of the day, Madam President, with all that is taking place, whether the people are following where the Government is leading them or not, the roadway is incomplete, with no hope of completion. The budget has already been exhausted, if not with additional money to be spent. What is worse, Madam President, you do not have anything to show for it.

For that reason, Madam President, I have raised this matter, hoping that the Minister would shed light as to where we are; that the Minister will tell me that my information is wrong; that the project was not over two decades in the making; that I was wrong, that the money for the grant/funding was not shifted from this project to the Solomon Hochoy Highway; that I am wrong, that the full sum has not yet been exhausted; that the Minister will tell me that the consultants did recommend this contractor and that this contractor will complete the job, and

in the shortest possible time—maybe in one year, maybe in three months—we will have a roadway, and that the 34 landslips that I saw really were hallucinations and are not there. Madam President, I thank you very much.

The Minister of Works and Transport (Hon. Franklin Khan): Madam President, as usual, it is always a pleasure for me to address this honourable Senate and to shed light on matters that have fallen under my purview. Obviously, it is a given that questions that will be asked are those that did not go too well. But nobody from the Opposition will come here and ask about a project that went well. And nobody would raise a motion on the adjournment, especially from the Opposition Benches, if the project did well. So, I am almost boxed into a no-win situation, and very shortly I will be piloting some Bills, so I hope to come under more pleasant circumstances.

Madam President, I am not familiar, obviously, with 20 years ago and what is in excess of this project. I am familiar with the project as it is currently constructed or designed. This road or this contract from L'Anse Fourmi to Charlotteville is part of the IDB-Government of Trinidad and Tobago National Highways Programme, which is a massive programme between Trinidad and Tobago for a series of highway and road rehabilitation projects. Actually, it is a TT \$2 billion programme over a seven-year time slice, which should be completed and the last formal date for contract awarded on the last phase of the programme is July of this year. Hopefully, most contracts should be concluded within 12 to 18 months thereafter.

This contract was awarded to Raghunath Singh & Company Limited. Work commenced in September 2002. The contract price was TT \$34.7 million, the original completion date was supposed to have been March 2004. I now have a revised completion date of April 30, 2005. I will address this issue on two fronts: one, the actual problems faced by the contractor. But let me deal with the procurement issue first, because there seems to be an implication that the consultants did not recommend the contractor, and the Government decided to go against the consultants' view and award the contract.

Madam President, on the last occasion I came to the Senate, I did in fact mention this contractor by name. I saw a newspaper article the day after saying that I am against him, et cetera, et cetera. Madam President, the Government does not award contracts—the Government in the classic sense of the Executive. It is the Central Tenders Board that awards these contracts. And these contracts have a nexus between the IDB, the Central Tenders Board. We have to get something

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called “no objection” from the IDB—even before the Central Tenders Board awards these contracts. Whether it is good, bad or indifferent, the IDB—because it is a developmental bank—whose philosophy is to bring development to the Third World, and who is very particular about corruption and transparency and nepotism in the Third World, is very particular about how contracts are awarded. But that concern of the IDB sometimes negatively reflects itself in trying to be too fair to people. So that when you deal with competencies, the IDB always seems to question your motive and your value judgment, when it comes to the softer issues of contract awards.

With the IDB, your first phase is a pre-qualification and in the pre-qualification exercise, you say this is a certain size of project, all the contractors in Trinidad will put forward their name, they will go through an evaluation process, there is a matrix, there is a scoring system. Then the IDB will say, okay, contractors A, B and C can be only offered one package; contractors D, E and F can be awarded two, et cetera, et cetera. Obviously, in a \$2 billion programme, you cannot go to the IDB and say only four contractors can handle these projects. They will mistrust you from the beginning.

The corollary to that is that in the evaluation process you tend to have a wider span of contractors, a lot of them sometimes just marginal at best. But the nature of the evaluation exercise almost dictates that you open the fence as wide as possible. So your pre-qualification list ends up being sometimes 12 to 15 contractors to go through a package of work, and this thing is in detail there. Therein lies the problem, because the basis of pre-qualification is that you can do the work. So after you go to phase one, which is pre-qualification and then you go out now to open tender among the 14 contractors, you may well rank contractors 1 to 14. But the contractor who is 14th, in terms of his technical or capacity capability, may turn out to be the lowest bidder, or contractor 13th or 12th or 11th as the case may be, and these are some of the things that seem to have happened here.

The consultant in the evaluation now, which is a detailed evaluation of the exact contract now: the specification, the bill of quantity, the engineering, the drawing and what have you, may well do an evaluation and say, okay, the four lowest bidders are A, B, C and D—I do not want to call contractors’ names—but let us say a heavyweight like Seereeram Brothers, for example, who has a long track record of working is the third lowest bidder, compared to a contractor like Raghunath Singh who may turn out to be the lowest bidder, it is like pulling teeth to convince the IDB and the Central Tenders Board, that in terms of a judgmental call, it is better to go with the contractor who is the third lowest bidder.

The Opposition takes some blame for that. There is something called Judicial Review that the CTB is cardinally afraid of. The IDB is very, very particular about transparency, and the IDB will tell you, you have to qualify the contractor; you have very little flexibility thereafter to knock him out on that. And Sen. Baksh is right, having boxed yourself into that situation, we now need to focus on contract management issues, at least as far as possible knowing the limitations of the contractor to try to get the work done.

In that context, I just wanted to say two things also about managing major construction contracts in Tobago, because there is a resource constraint in Tobago in terms of personnel, in terms of material and in terms of ability to deliver contracts of a massive size in Tobago. Added to which, in Tobago, few contractors are mobilized. Raghunath Singh is a contractor that is mobilized in Tobago; Seereeram Brothers is mobilized in Tobago. So there are a series of reputable contractors in Trinidad who have a long track record, who are not mobilized in Tobago and for whatever reason do not want to go to Tobago to do work. So you remain with a very small group of people and there is a lot of work going on in Tobago now and they are under-resourced and have limited capacity to execute some of the work we have.

Having said that, the current position is as follows: overall completion to date is as follows—and I am reading now, Madam President, from the Minutes of a Meeting held on December 14, 2004, among the various parties involved here, which is the Tobago House of Assembly, Lee Young & Partners, who are the consultants on the job, and Raghunath Singh & Company Limited:

	Per cent completed
Site clearance	98
Earth works	98
Road sub-base	100
Crush stone base course, first layer	98
Crush stone base, second layer	15
Asphaltic paving	0
Box drains and culverts	100
Retaining walls	100
Electrical ducting	77

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Pull boxes	60
the Bloody Bay bridge	50
the Bloody Bay culvert	98

The project was expected to be completed by December of last year, and then came the rains of November—which the Senator was referring to. And what happened was that because of the contractor's inability to mobilize the type of resources needed, especially for putting in place a hot mix asphaltic plant, which he did not mobilize and take to Tobago—you have to understand, contracting is a competitive business. In other words, if Mr. Seereeram has a hot mix plant in Tobago and he did not get the contract, he is not going to sell Mr. Raghunath Singh any hot mix in Tobago. That is the hard core of business. Raghunath Singh has to find a way to get a hot mix plant in Tobago. Because of the delay with Raghunath Singh to get a hot mix plant in Tobago, he went ahead and did all the base course and the crusher runs and what have you, over long, long distances. Whereas he should have done segments of crusher runs, compaction and paved in two kilometre packages, probably, because he had no hot mix plant, he went ahead and did the entire road, which is really the base course. Down comes the rain and washes away everything. And while it sounds like a joke, it just puts into perspective some of the constraints we have in contract management, in contract administration and a unique situation that has been developed in Tobago for the construction of large projects.

So what can we do now? The latest report I have here is that they have got their hot mix plant operational. They have done some testing from Geo-tech. They have got consultants to pass the hot mix and what have you. But they now have to go back and do over segments of the road that were washed away. A lot of retaining walls that were already constructed were washed away at the edges, they would have to probably extend it slightly. But by and large, they expect to complete those works, from the report I have from the last meeting, by March, 2005.

I will support Sen. Baksh on one thing, I have not seen the road. I was in Tobago, but for another reason, Sir, which you are quite aware of, and I did not have the time to reach as far as Charlottleville, but we were in Market Square in Scarborough having fun. We would try to keep the contract as far as possible in its original bill of quantities and its original scope of work. So that at least we can—I do not want to say it so abruptly—see the back of Mr. Raghunath Singh, and if there are really and truly 34 new landslips, we would have to package that

in another contract and try to have a better procurement system, so that we can get more reliable contracts in the context of how we deal with this type of issue.

But let me just close, Madam President, by saying it is a very, very serious issue, because as a society, we have to learn to trust the system and trust people's judgment and trust integrity. But every time you move out from the white line, this society is willing to accuse you of all kinds of foolishness, you know. The fact of the matter is, year three contracts, which is the final phase of the contracts, conducted by the IDB, the most contentious road, which is causing protests in Barrackpore all the time, the St. Croix Road, there was a protest yesterday. The CTB and IDB awarded the St. Croix Road project to Raghunath Singh & Company Limited. I had no say in the matter. This is Trinidad, I will be "macoing" them and I will be there every day to make sure that they do it. I just wanted to make the point that in terms of procurement, because we do not have a track record as a society of transparency and integrity, the award of contracts—when multilateral agencies come to town, they want to tell you what to do and sometimes when they do not understand the whole story, they put you down a line, that you necessarily would not want to do. Ultimately—and we have a new Green Paper on procurement—what we are trying to do is give more flexibility to people who know, so when they make their recommendation, the agencies that do the procurement on behalf of the State, can act on technical advice.

Madam President, I thank you.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.45 p.m.