

MASTER GAS PLAN IDEOLOGY

THE CASE OF ALUTRINT AND ESSAR STEEL IN TRINIDAD AND TOBAGO

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The Master Gas Plan, which the Government of the Republic embarked upon in 2002, with the objective of monetizing the nation's natural gas reserve, has collapsed. It has collapsed because of a failure of vision, a failure in execution, and a failure to account. The responsible parties within the state, the parliament and the people of Trinidad and Tobago must now take immediate steps to halt this plan, evaluate its economic fallout, re-engineer a strategy to save the remediable projects associated with this plan, and develop an altered strategy for feasible use of our gas reserves. This paper will give a glimpse of the reasons why this Master Plan collapsed.

The Collapse

In January 2002, Gaffney and Cline, an international firm of energy consultants, presented to the Ministry of Energy and Energy Industries a 'Master Gas Plan: Trinidad and Tobago'.¹ This report examined the gas reserve status of the country, the management and regulatory framework governing the natural gas sector, and options for development of its local and international gas market. It outlined a number of options for gas-based investments in petrochemicals, metallic ore reduction, ethylene, gas to liquids, power generation, light industrial and commercial applications, transportation fuels and residential uses.

In May 2004, the Government signed a MOU for a US\$ 1billion ALCOA aluminum smelter for La Brea. This was followed by an agreement for an Alutrint smelter, to be designed and built by Chinese corporation, and financed by the Chinese government. The State also announced plans for construction of industrial estates in the forests of Chatham/Cap-de-Ville; in the forests at Union, La Brea; on former Caroni (1975) Ltd lands in North Claxton Bay; and on an offshore island at Otaheite.² It announced the construction of thirteen heavy gas based projects: the two aluminum smelters, an ammonia/urea/methanol plant, a urea/ammonium/nitric acid plant, a West Lake Ethylene plant, a Polypropylene plant, fertilizer and nitrogen plants for La Brea, a TEIL ammonia plant, an Essar Steel plant at Claxton Bay, an acetic acid/formaldehyde plant, a gas to liquids and refinery upgrade at Petrotrin. It also announced the construction of five industrial ports. All of these projects were to be started between 2005 and 2008. The logic of these announcements seemed impeccable: the monetization of gas reserves through the creation of new industrial estates, gas pipelines, water, transport, port and power facilities.

¹ Gaffney and Cline, a company established in 1962, has offices in the UK, USA, Singapore, Australia, Argentina and Russia.

² In 2002 the Government took steps that would permanently close down the 200 year old sugar industry in Trinidad and Tobago, opening up 77,000 acres of land for use.

Local and foreign investors would use this infrastructure to generate value added products, a revenue stream to government and local employment.

Today, we must confront the brutal record. Alcoa has withdrawn, and there is no industrial estate in the forests of Chatham and Cap-de-Ville.³ Alutrint's certificate of environmental clearance was quashed by the High Court and The Environmental Management Authority's appeal is before the Court of Appeal.⁴ SURAL, Alutrint's downstream and marketing equity partner, has pulled out of the project.⁵ A Brazilian company has taken its place, but the facts of its agreement with Alutrint remain unannounced.⁶ The UAN, polypropylene, fertilizer, nitrogen, TEIL ammonia, acetic acid/formaldehyde plants have not passed planning stage, and might have been altogether abandoned. No construction work has started on West Lake's Ethylene plant at Claxton Bay. Essar Steel has abandoned its Claxton Bay project, citing a downturn in the steel industry and global recession. Its local and foreign staff have left Trinidad.⁷ Petrotrin itself is under tremendous financial constraints, has borrowed significantly, and is currently facing a multi-billion suit on its gas to liquids project. Of the five ports, one has started at Guayaguayare and could face severe economic and tidal constraints; another at La Brea is near completion but there is no smelter ready for it; the third at Claxton Bay has had its application delayed thrice, due to major deficiencies in its capacity to mitigate impacts, and the other two have not started. There are no current vying tenants for the Point Lisas South East Industrial Estate in Claxton Bay. The application for a certificate of environmental clearance for the proposed industrial island off the Otaheite Bank has remained untouched for more than three years. One AUM plant has been built, two thirds complete, not on any new industrial estate, or using any new gasline, road or port system, but at Point Lisas.

³ Alcoa's application for a Certificate of Environmental Clearance to establish a smelter in the Chatham/Cap-de-Ville Forest was denied by the EMA. Alcoa failed to show that it could mitigate potential negative impacts to the aquifer system in the Peninsula. Alcoa could have done work to attempt to mitigate the impacts, or shifted the plant, but they did not. A local company, KENESJAY, named after its founder Professor Ken Julien, had earlier, according to the Environmental Impact Assessment for the Chatham/Cap-de-Ville Industrial Estate, done a feasibility study and had found the site feasible for the estate and industry.

⁴ On June 16th 2009, Justice Mira Dean-Armorer quashed Alutrint's Certificate of Environmental Clearance on grounds that it had failed find a safe solution to Spent Pot Lining Waste abroad; that it failed to properly address the cumulative impact of the smelter, and the power plant and the port associated with the smelter; and that it failed to properly consult the public on the above.

⁵ Energy Minister Conrad Enill announced SURAL's pullout in a Senate announcement on January 27th 2009.

⁶ The Trinidad and Tobago Government signed an agreement with Votorantim Metais on Friday 4th December 2009.

⁷ After a five year struggle with groups from Claxton Bay and in the wider community Essar took down its sign at Atlantic Plaza Pt Lisas, sent home its local employees and left. It cited the global economic downturn and the decline in steel prices as its reasons for leaving.

Additionally, the project which the state has invested most financial, economic and political capital is uneconomic.⁸ The value of resources so far invested in Alutrint is over one billion TT dollars: infrastructure, port, power plant, 1000 acres of forested land, the destruction of three water-producing dams, relocation, loans, management, building and land rental, propaganda, EIA consultancies, engineering and technical services, and legal and administrative costs to Alutrint, the National Energy Corporation, the Ministry of Energy, the Environmental Management Authority. Alutrint cannot prove its economic viability.⁹ It is a new state-managed enterprise which has no experience in metallic ore processing, is not vertically integrated and would have to pay for all of its management, technical, materials inputs at internationally competitive rates; even heavy gas subsidies cannot make this product internationally competitive.

Finally, after seven years of discussion on the Venezuela-Trinidad and Tobago cross border gas fields (Loran-Manatee, Kapok-Dorado, Manakin-Cocuina) whereby Trinidad and Tobago stood to gain trillions of cubic feet of gas, nothing has come to fruition. Plans for a marine gas-line running North into the Eastern Caribbean seem no longer on the master drawing board. Chances of survival are grim: the global financial recession; the downturn in global commodity markets; the failure to find new lucrative gas fields; the failure to open cross-border fields; the pending court matters ; the increasing weariness of the certification body, the EMA; the strong public lobby against the key “anchor” projects; the growing realization of geographical and geological constraints on the part of the architects; and the increasingly pressures on the political status quo.

What then are the causes of the Master Plan’s dismal record, leading to terminal collapse?

⁸ This is the view of all major economists and development analysts in Trinidad and Tobago who offered positions on this matter. It is based on the position of former senator and economist Mary King, who presented the feature paper on a conference on The Economics of Alutrint at St Mary’s College in September 2009. The Conference Resolution declared: “Be it resolved that the Government of the Republic of Trinidad and Tobago release immediately to the people of TT the rationale for the Aluminum Smelter, including detailed costs of natural gas and other inputs and expected revenues over the next 20 years and, in the event that this information is not forthcoming, that the GORTT suspend with immediate effect the Aluminum Smelter project.” See Appendix 1.

⁹ The Investments Division, Ministry of Finance, has regulated: “Government has agreed that State Enterprises be required to publish in at least one major daily newspaper a summary of the audited financial statements within four months to the end of their financial year and a summary of the unaudited half-yearly statements within two months of the mid-year date.” Despite scores of requests, freedom of information letters, sit-ins and meetings with public officials, including Alutrint’s Acting CEO Philip Julien and the Energy Minister, Alutrint, after six years of operation, has failed to produce its audited accounts.

Reasons for Collapse

Master Plan Misnomer: The Master Gas Plan was not a master plan at all. The gas experts knew about gas. They focused on gas. They did focus on a development strategy for Trinidad and Tobago as a small state within the larger Caribbean, Latin America and global space. There was no view presented of a small island state evolving over the last five hundred years: from tribal agrarian and gathering; to metropolitan conquest and local dislocation; to rudimentary Spanish American outpost; to a full-fledged British and French capitalist plantation economy; to a diversified tropical fruits and agricultural economy, backed by pitch and rudimentary manufacturing; to post-colonial manufacturies and oil and heavy gas based industrial estate. What was the next step? What was the vision for the future in an evolving global environment? Gaffney and Cline studied gas, not development.¹⁰ It was up to the bureaucrats within the local institutions to put Gaffney and Cline within the context of an overall development strategy. This was not done. They cut whole segments of this plan's list of recommendations and attempted to paste it on the landscape of Trinidad and Tobago. A Master Plan implies a strategy, suggests comprehensiveness, dynamism, flexibility, a plan compliant with current legislation, economic philosophies, something altered. Gaffney and Cline were writing to the same old Julien/Saith/Montano/Williams paradigm, which was conceived forty years ago at the beginning of the nation's first major oil boom.¹¹

Lazy and bogus industrialization: It is relatively easy to develop a system of ports, industrial estates, road networks and oil and gas pipelines and seek international tenants and collect economic rents. This is what local companies such as Trintoplan and Kenesjay were created for. To provide technical services, infrastructure, feasibility studies, engineering, soil surveying, pipe-laying. It is more difficult to train and bring clusters of local businesses into the gas-value chain. It is more difficult to genuinely diversify the industry. Additionally, the plan did not genuinely cater for advanced downstreaming. Alcoa Trinidad was at first a 60% to 40% joint partnership between Alcoa and SURAL Venezuela. The agreement was adjusted when the Trinidad Government decided to create Alutrint. The Trinidad Government owned 60% of Alutrint, and SURAL 40%. Alcoa now owned the full 100% with very little local downstream. If Alutrint is allowed to proceed, the Chinese and Brazilian corporations, CMEC and Votorantim Metais, would use the aluminum for advanced downstreaming in the international market,

¹⁰ The Terms of Reference for the Gaffney and Cline study did ask the consultant to consider environmental and health impacts of the recommended gas industries and projects. The consultant did not examine these, nor did it examine the geographical constraints posed by these projects.

¹¹ Point Lisas was a creation of a collaboration between the South Chamber of Industry and Commerce, headed by Robert Montano, and senior technocrats in the Eric Williams Government, William Demas, Frank Rampersad, and Professor Ken Julien. Dr Lenny Saith, a San Fernando businessman, and his brother, Prakash Saith, a young engineer in the 1970's, also supported the project. Later, the Saiths and Julien would form Trintoplan, and then Julian, Kenesjay, companies which would supply services to industrial estates.

making the bulk of the profits. They would excise the bulk of the profits and Trinidad and Tobago would contribute the bulk of the resources.¹²

Lack of Transparency: From the beginning there was a lack of transparency in the Master Plan process. Two Joint Select Committees of Parliament were convened to consider the economic, social and ecological impacts of both the Alcoa and Alutrint projects. Despite being ordered to appear before the committee, the chief architects of the aluminum smelting industry in Trinidad refused to attend. Senator Mary King, the head of the Joint Select Committee of Parliament declared: “Nothing has come to the Parliament and little to the general public which defines and justifies the creation of an aluminum smelting industry with respect to the feasibility and optimum use of our diminishing natural gas reserves, its impact on the environment, the levels of earnings from the sale of gas and a comparison with the longer uses to which this gas can be put in the context of Peak Oil.”¹³ Dozens of efforts have been made by citizens of the Republic to obtain a Cost Benefit Analysis for the Alutrint project. Letters to the Prime Minister, the Minister of Energy, the Minister of Finance, the Acting Auditor General, the Public Accounts Committee of Parliament, visits to offices, sit-ins, protests, freedom of information letters, arrests have been made, but to no avail. Alutrint refuses to release any accounting information to the public, despite a Ministry of Finance regulation which orders them to do so. Nor has there been any information on gas pricing or subsidies planned for the proposed project.

Gaffney and Cline’s Warnings and Deficiencies: Interestingly, Gaffney and Cline were critical of entrenched monopoly rights in the state gas sector and of limited exposure of the sector: “It is evident that this most critical sector of the national economy is highly dependent on the capability and integrity of a handful of industry professionals. This would be a cause for concern in any private sector company and should be of considerable concern to the GORTT.... it is recommended the GORTT move to protect this vital artery of the economy by a regulatory and control structure.”¹⁴ The consultants were warning of the existence of, or potential for, collusion, deals and cuts at the commanding heights of the state economy.

At the same time the consultants gave the impression that in the event of failure of these projects, once the gas contracts were advantageously formulated, the international tenants, not Trinidad and Tobago, would bear the brunt of these costs. In one part of the report a

¹² China National Machinery and Equipment Import and Export Corporation is the Chinese company contracted to design, build and provide the labour to build the proposed smelter. The Chinese Government is also financing the major part of the project: “It’s US\$400 million in total – US\$100 million in a concessionary loan and US\$300 million in buyer’s credit which is more commercial.” Philip Julien, Business Guardian, Interview with Anthony Wilson, Oct.22nd 2009.

¹³ Daily Express Newspaper, Mary King, May 2006.

¹⁴ Master Gas Plan, Trinidad and Tobago, p.192.

question is asked: “What are the consequences of getting it wrong?” The answer: “Typically, the project sponsor will bear the most significant element of risk – if a plant is badly-conceived the sponsor will suffer the most. Although there is the (potentially significant) cost associated with the plant construction and the, at least partial, loss of land on which the land is sited, the GORTT can be relatively insulated from bad investment decisions through the contractual structure in such a way that the committed gas supply can be released to find a better application.”¹⁵ There is no serious evaluation of “externalities”: legal, infrastructural, health, relocation, administrative, technical services, ecological, loans, opportunity costs. Additionally, while Lloyd Best was warning the Government in 2004 that aluminum smelters was “a major mistake” because of a major impending global recession (and because he saw little return to the economy for our scarce resources), the consultants had written: “the GORTT should be relatively indifferent to the timing of a proposed project.”¹⁶

Cart Before the Horse Consultation Process: The consultation process used by the Master Plan agenda was weak, unconvincing and flawed. In cases where the public was consulted, the consultations occurred after contracts had been signed, sites had been selected, loans had been made, and project design completed. In the case of the National Energy Corporation’s proposal to build an industrial estate in North Claxton Bay, contracts with the port engineers and builders were signed, construction equipment and material were imported, lay-down facilities constructed, soil testing completed, and French foreign team brought in to work, before public consultation occurred. The smelter projects were advertised as a ‘Done Deal’, both by technocrats and the Prime Minister, before the consultation process was over. The propagandization of these projects as *fait accompli*, to influence public morale, and influence regulatory and legal institutions, served to antagonize citizens who were alienated from these projects.

Deficient Geography and Planning: Officials of the National Energy Corporation had no difficulty in imagining space on the West Coast for their Master Plan. This is because their mapping was done using Google. It was easy to see that there were four miles of forested coast between Cap de Ville and Chatham for an Alcoa smelter and port. It was easy to see a vast tract of land East of LABIDCO Industrial Estate, with three dams and extensive forests. It was easy to pick out a sandbank on the West Coast a few miles off the mouth of the Godineau River. It was easy to find Caroni Ltd lands, now ‘abandoned’ because of the closure of the sugar industry.¹⁷ However, when these officials actually took their campaign into the villages along the West

¹⁵ Master Gas Plan, p.154.

¹⁶ *ibid*, p. 154.

¹⁷ The Environmental Impact Assessment for the Point Lisas South East Industrial Estate used the word ‘abandoned’ to describe the site chosen to site Essar Steel. In fact, this land was earmarked for displaced Caroni (1975) Limited workers most of whom lived on lands contiguous to the site.

Coast to enumerate their plans, the story was different. To the residents of Chatham, there was no space. Many used the forest for farming; eighty five-acre lots had been given to farmers. There was a thriving beekeeping industry in the forest. The forest had been the site of an old slave village Bourg Congo. Chatham was a land-owning community; some citizens owned five to ten acres of land. They were not willing to give up their 'birthright'. Three dams had to be covered at La Brea, dams which the villagers used for fishing, water, washing, boating. One thousand acres of forest were cut down, an area used for farming and hunting. The Vessigny River had to be diverted. In Claxton Essar's steel mill was to be placed upwind of Claxton Bay proper and the fenceline community of Pranz Gardens; it would be surrounded by seven small villages. A mangrove system had to be dislocated to facilitate a port. The fishing industry in the area would be severely compromised. The 500 acres of arable land contracted to Essar had earlier been granted to former Caroni workers and taken back to facilitate this 100% foreign-owned company. To many citizens, the state was attempting to impose non-viable industries on viable systems of economic activity.

Propaganda before Rationalism: In the face of resistance from villagers, and a core of indignant nationals, and finding themselves increasingly unable to justify the economics of key projects, the architects of the Master Plan resorted to propaganda. Brutish authoritarianism elements began to creep in. The state organized paid police to threaten villagers. The CEPEP work gangs were continually used to demoralize those who questioned the projects. Tens of millions of state money went into disinformation and propaganda: government half-hour programs, the bussing in of paid partisan supporters, full-colour glossy magazines, newsletters, pamphlets, a deluge of radio programs, the hiring of foreigners to visit to sell the projects, the hosting of symposiums, the organization of trips abroad to citizens and journalists to visit selected projects abroad.¹⁸

Philipese (The son of Professor Ken Julien and the Project Manager/Acting CEO of Alutrint since inception). The vocabulary of the architects of these projects became increasingly deformed. Those who questioned the projects were called "right wing environmentalists", "emotional", "outsiders", "political", "squatters", "blockers of progress". Citizens with serious concerns about loss of commons, the too easy compromise of national resources, governance and decision making processes, and the science of mitigation of impacts were labeled "environmentalists." There was an "iron-clad solution" to the disposal of the toxic spent pot lining, when in fact there was no solution. Smelter was a "done deal" even before smelter had

¹⁸ The state hosted two symposiums on smelter, one at Paria Suite in the South West Peninsula (December 2006) and the other at the University of the West Indies, St Augustine (February, 2007). The University Principal, an engineer colleague of Professor Ken Julien, the South Chamber of Industry and Commerce and the State organized proceedings. No consensus was arrived at as to the viability or safety of smelters, but the Prime Minister and other colleagues used the symposiums to make the claim that smelters were both viable and safe.

been given certification by the authorities. None of the officials commissioned by “cabinet mandate” to execute these “developmental” projects could explain how the gas was to be “monetized”, how “value added” was to be added, how “revenue streams” would stream, how ecosystems would “improve” or suffer “no net loss”, or how “employment generation” would occur if foreigners got the bulk of the manual labour. “Equity” arrangements with foreign investors remained hidden. “Independent” consultants, paid by the “developers” appeared in public consultations rooting for the projects. Official documents requested were “confidential”, or “in process”, or “upstairs in use”. The work of consultants whose information conflicted with the goals of the Master Plan was hidden, stashed, ‘summarized’ or ‘edited’.¹⁹

Enlisting the Elites: Master Gas Plan mobilization enlisted the help of media owners, at least two of whom had a financial interest in projects; the principal of the University of the West Indies, who emerged as a champion of smelter, publishing the papers of a state sponsored symposium on smelter; the chambers of commerce; and small corps of officials in the National Energy Corporation, the Ministry of Energy, the Environmental Management Authority and the Ministry of Finance, cabinet members and the Prime Minister himself. A failure to win support among the commoners, who saw a direct threat to their commons, drove the Master Planners to the historical validating elites to bail them out: the modern university, the media, the chamber of commerce, the bureaucrat, the partisan, the political classes.²⁰

Threat, Violence, Law: The psychological and physical violence caused by Master Plan ideology have been immense. Most of the persons who have stood up this Plan, in Cedros, Chatham, Cap-de-Ville, Otaheite, La Brea, Claxton Bay, Pranz Gardens, Savonetta have been middle-aged and elderly propertied women. The threat of relocation, dust, special branch, police, disease, have been constant over the last seven years. One young woman of Claxton Bay has appeared before the magistrates more than twenty times since 2008 to answer five charges laid by policemen who are never ready to proceed. She is standing up to protect the Claxton Bay Mangrove System, the commons of Trinidad and Tobago.

¹⁹ The classic case of this was in the instance of Alutrint’s Medical Monitoring Plan. In February 2008 the Caribbean Health Research Council and the International Institute for Healthcare and Human Development, together with a number of external reviewers, wrote a Medical Monitoring Plan for Alutrint. Alutrint ‘edited’ and ‘summarized’ the plan to send to the monitoring body the Environmental Management Authority. It seemed to not agree that residents needed to be monitored for cancer bi-annually, and that the Chinese pre-baked smelter did pose cancer risks. In March 2010, Alutrint brought two Norwegian experts to Trinidad, held meetings in television studios, radio, the Chamber of Commerce, the Ministry of Energy, the district of La Brea, and posted newspaper ads and brochures arguing that pre-baked smelters were safe. It also organized a raffle among news camera persons. A camera man from one of the media stations with interests in the energy industry won the prize: a trip to Norway to visit smelters. Alcoa had also organised a trip to Brazil, when it took journalists, citizens and camera-persons to visit a smelter site.

²⁰ For a discussion of the global threat to the commons posed by global capital see [The Beginning of History: Value Struggles and Global Capital](#), Massimo De Angelis, Pluto Press, London, 2007.

There is no expectation that elites, foreign and local, which create master plans against commons and commoners, stripping resources away from these commons for private gain to the detriment of the nation, will disappear. In 2009 the Government of Nigeria accepted a Gas Master Plan, authored by Shell Nigeria Gas Ltd.²¹ Months earlier Shell was charged with complicity in nine hangings of Ogoni activists, including the prominent writer Ken Saro Wiwa. Shell had to pay US\$15.5 to the families of the victims. The nine were hanged by the Nigerian Government in November 1995. They were hanged for allegedly “inciting” the killings of four Ogoni elders, which occurred after years of protests against Shell’s environmental and economic practices in the Ogoniland, Niger Delta, in Southern Nigeria. Shell was fined for complicity in the hangings. Here Shell and the Nigerian government colluded to attack the interests of the Ogoni commons. But the Nigerian government proved to be the deadlier foe than the foreign corporation. This has proved to be the case in the Trinidad Master Gas Plan story. There has been more hostility from government appointed forces to the commoners, than Alcoa, or Essar officials for example.

Conclusion: The Lessons of Collapse

What is the cost of the Master Gas Plan collapse? The cost that the state and the commons and commoners have suffered over the last eight years? The financial, economic, health, ecological, social costs? The costs of administration, feasibility studies, technical and legal services, infrastructure, loans, propaganda, the opportunity costs? Only a forensic auditing of the accounts of Alutrint, the Central Bank, the Ministry of Energy, the National Energy Corporation, the National Gas Company, the Environmental Management Authority, the Ministry of Finance would be able to reveal this. And the opportunity costs? How many dozens of Master Plans, let us say Micro Plans, could have been implemented, in the areas of water management, food sustenance, transport, manufacturing, authentic industrial development over the last eight years? Our citizens may never discover the true cost of the Master Plan collapse.

The idea of a Master Plan, enforced by desensitizing euphemisms, sold by ideology and partisan fervor rather than science, mathematics, logic and economics, based on outmoded concepts of development, engineered by the tactics of a handful of energy “czars” is destructive to the

²¹ The following is a conclusion on the progress of the Nigerian Master Gas Plan: “Beyond the rhetoric of the road shows and conferences, not much ground has been gained on key institutional and regulatory framework needed for the progress of the plan... In contrast to the avowed objectives of the Master Plan, the implementation approach shows a clear lack of political will. An application of public choice principles to the Gas Master Plan reveals a political agenda that is premised on a socially desirable outcome but not a strategy.” Humphrey Onyeukwu. 2009. ‘Nigerian Gas Master Plan and Policy: Is it a Constrained Energy Policy?’ Available at: http://works.bepress.com/humphrey_onyeukwu/6

lands, peoples and economy of Trinidad and Tobago and the Caribbean.²² This kind of Master Plan, based on a single, non-renewable resource, and on a scarce and negligible gas reserve, (relative to international reserves) was ultimately very vulnerable. Volume is important, and Trinidad and Tobago is extremely vulnerable in the international gas monetization game.²³ The global financial crisis, the global recession and the global fall in commodity prices is the objective historical force that broke the back of the Julien/Saith Master Plan. The bigger the plan, the bigger the fall, the waste, the virulent impact. Huge loans cannot resuscitate the Master Gas Plan, and extant loans created by it would bleed the future economy. The following steps must now be taken.

1. The smelter project at Union Village, La Brea, based on its overwhelming negative economic, health and ecological impacts must be halted. The associated power plant and port, both nearing completion, must be used to service a cluster of industrial projects on the smelter site. This must take place within the context of a genuine vision of industrial development, proper cost benefit analyses, proper accounting, a proper legislative and policy framework, a proper process of consultation, a trusted corps of public servants to execute it, and a real generation of wealth to the citizens of La Brea and the national community.
2. The industrial port project at Claxton Bay must be halted, based on its overwhelming negative economic, health and ecological impacts. Such a huge industrial port, with a dock, a turning bay and a navigation channel which could accommodate not only post-Panamax vessels but large military warships, has exacerbated the relations between the Manning and Chavez governments.²⁴ Once these tensions are eased, realistic steps can then be taken to build energy alliances with Venezuela and the rest of the Caribbean.²⁵ This would include the common exploration of cross-border fields, as well as the sharing of gas reserves with island states through marine pipeline linkages.
3. Master Plan nomenclature itself implies largeness, sweeping change, a totalitarian gesture, plantation-ism. A diverse array of manageable projects, in health, education, water, sports, transportation, security, communications, governance, industry, food, commerce, performed incrementally, with accountability, involving the key

²² A similar style of language has been used to sell huge collectivization projects in totalitarian regimes. The ideology of grand master-planning is a shared one, from post-colonial small island state, to early 20th Century Nazi and Soviet bloc, to 19th Century Western Imperialism.

²³ "Negligible". See chart on international gas reserves, Appendix 11

²⁴ A post-Panamax port may provide a coincidence of interests for both the US Government, which regards itself as a stakeholder in Venezuela's energy sector, and the current embattled Prime Minister of Trinidad and Tobago, who may find some comfort in the presence of a US military presence in the area, as did his predecessor Dr Eric Williams at the time of the Black Power Uprising in 1970.

²⁵ The cross-border fields, the purchase of Venezuelan gas, the opening up of the gas-line into the Eastern Caribbean, reserves permitting.

stakeholders, will generate more growth, development, wealth and sustenance than the current Master Massa Paradigm.²⁶

4. Finally, the state gas sector must be professionalized. This must be done, after the current structures, have also collapsed. Any sector, of such commanding height in the national economy, will always be susceptible to the broader national pathology: 'deal and cut disease'. This pathology may be summarized in the phrase: 'it is not worth doing, and doing well, unless there is a cut for me.' Second, minor and major functionaries walk among the people on the authority of "Mandate from Cabinet!" This is their staff, their banner, their drumbeat: "Mandate from Cabinet." But they have no mandate for these projects from the Parliament or the ultimate stakeholders in these projects, the people.²⁷

²⁶ The State's Vision 2020 Plan has identified a range of tradable services and products (tourism, carnival, film, boat repair and construction) which could generate wealth for the post-gas economy diversification process, but there has been very little progress here. Crime, malfeasance, mismanagement, and a pervasive deals-generated approach to development, "No deal/cut. No development", seem to have added to the stasis.

²⁷ The issue of full disclosure to the Parliament and to the ultimate stakeholders, within the context of governance and constitutional reform, has long been publicly advanced in Trinidad and Tobago. See Professor Dennis Pantin's 'SEDU Discussion Brief No. 1, A Sustainable Development Planning Framework for Mega-Projects in Small Places', December, 2006, on "full disclosure to the ultimate shareholders: i.e. the citizens, residents and taxpayers of T&T."

APPENDIX 1

RESPONSES TO SMELTER PROJECT

DR LLOYD BEST, economist. “Best believes that the aluminum smelter is a major mistake and questions why government was committing resources to a capital intensive project which he said as fraught with risk and which ‘might be hit with a major recession in the global economy which could come while it is being constructed or shortly after its construction.’ Best was concerned the country was allowing its resources to be used in a smelter with little return to the country.” (June, 2004, Express Business, Curtis Williams article).

PROFESSOR JULIAN KENNY former independent senator and University professor in Life Sciences. In a series of articles in the Express Newspaper dating back to 2004, Professor Kenny has condemned smelter as a threat to our biodiversity, to the ecological systems of the South Western Peninsula, to our health, our communities and to prudent land use planning. “We are number one [of 146 countries indexed] in terms of percentage threats to biodiversity and almost made it No 1 at the bottom of the index, No.144 in terms of greenhouse gas emissions and no. 145 in terms of eco-efficiency. So now we are to have two smelters one at Union Estate of 125,000 tonnes, a total of 450,000 tonnes ... And where will the wastes go in this country of 260 persons per square kilometer. Not near Port of Spain and certainly not near San Fernando East. Fluorides? Spent pot liners? Anodes? Solid wastes? One would have thought that with the scale of this sort of industrialization programme a responsible Government would have made the necessary statement to the Parliament and to the public.” (June, 2005, Express Newspaper).

PROFESSOR JOHN SPENCE, University of the West Indies Professor, former Independent Senator. Professor wrote a three part analysis of the proposed smelting industry for Trinidad and Tobago. He suggested a number of alternatives to smelting for the South Western Peninsula, including the revival of the buffalypso industry and tourism. “We should say no to aluminum smelting in general but aluminum could be imported for down-stream industries ... My conclusion is definitely, that we should not smelt bauxite or alumina in Trinidad. This is based on the social, health, environmental, economic and governance issues.” (April 2006, Express Newspaper).

DR DHANAYSHAR MAHABIR, University lecturer in Economics. Questions the Alcoa gas price deal. “If the government is participating by taking equity in the plant then it should not be providing gas to the smelter at a reduced rate.” (Commenting on initial plans, in May 2004, for Government to own 40% equity in Alcoa plant. Curtis Williams report, June 2004, Express Newspaper).

PROFESSOR DENNIS PANTIN, University of the West Indies professor and Head of the Sustainable Economic Development Unit (SEDU) at UWI. Professor Pantin and a team of his colleagues advocate full disclosure on smelter project and a Sustainable Development Planning Framework, which would entail, in part, a Cost Benefit Analysis of each smelter. “A final decision on these projects [Alcoa and Alutrint] requires, at worst, comparison of alternative uses of the natural gas inputs, the land space in Chatham and La Brea relative to alternative uses of the gas, land space and other human and financial costs which the society would have to incur: all based on full disclosure to the ultimate shareholders: i.e. the

citizens, residents and taxpayers of T&T.” (SEDU Discussion Brief No. 1, A Sustainable Development Planning Framework for Mega-Projects in Small Places, December, 2006).

PROFESSOR SELWYN RYAN. Former University of the West Indies professor in Politics. “One wonders whether Willians would now insist in building the smelter on the terms that are apparently being considered and which do not seem to be of much benefit to Trinidad and Tobago.” (July, 2006, Express Newspaper).

“A substantial majority – over two-thirds – are “opposed” or “strongly opposed” to the construction of the smelter. Only 17 percent believe that it should be constructed.” (December 2009, Ryan Poll).

DR STEVE SMITH, Medical Consultant, President of The Medical Board of Trinidad and Tobago, “The potential environmental onslaught that will occur, in the wake of the construction of an aluminum smelter in the South West Peninsula of this country, constitutes the single most significant threat to gains achieved through advances in “public health” during my own lifetime. It is a threat which, if not taken seriously will certainly undo many of the gains that have been achieved in health since the Moyne Commission of 1937, a threat which would be evermore acute in the light of a continuing and impotent curative health sector.” (Executive Summary, Report on SENES Human Health and Ecological Risk Assessment of Alutrinc Aluminum Complex, June 2007).

PROFESSOR KENNETH RAMCHAND. Former professor at the University of the West Indies, Independent Senator. “Alcoa has a record of blatantly violating and evading environmental laws, and when convicted, managing to be fined small sums. They wield great influence at the Federal, State and local levels and they have the support of politicians in power... We face in the South Western Peninsula the imminent laying law of agriculture and fishing, the dislocation of families and villages, and the visionless breaking up of communities and community spirit established over a long period of living together on the land and on the sea.” (Senate Motion, July 6th July 2005).

DR PETER VINE, University of the West Indies lecturer, Physicist and Agronomist. Alcoa’s and Alutrinc’s “science” used to justify their smelters is inaccurate; smelters are likely to be injurious to the health and economic well being of the Republic.

DR IVAN CHANG YEN, Senior Lecturer, Analytical Chemistry, University of the West Indies. “My own experiences with lead pollution and poisoning in East Trinidad serves as a grim reminder that the environment is more fragile than we think, and that adverse effects of pollution may take many years to be felt. It required over 13 years’ exposure of young children at one site in Tunapuna to low-level exposure to lead wastes, before the effects were finally recognized, and caused immeasurable human suffering. It would be equally tragic if this were to be repeated with any other type of pollution. . . Such lack of action is largely due to the inadequacy of systems for hazardous waste identification and disposal in Trinidad and Tobago, as well as the inability of regulatory agencies such as the EMA, to monitor and take effective actions against offenders. Are we willing to add aluminum smelter wastes to this already difficult situation without credible assurances of protection of human and environmental health?” (From Report: ‘Comments on the Establishment of Aluminum Smelters in Trinidad’).

REG POTTER, International Gas Expert. "It will take discoveries of 1.5 trillion cubic feet per year to simply stand still and at present we have only 12 years of gas production rate left. The time is passed due for a total moratorium on all new gas-related projects before the country is totally ruined." (Guardian Newspaper, July 2006)

SENATOR MARY KING, Head, Joint Select Committee of Parliament, 2005 and 2006, established to consider the proposed aluminum industry in Trinidad and Tobago. "Nothing has come to the Parliament and little to the general public which defines and justifies the creation of an aluminum industry with respect to the feasibility and optimum use of our diminishing natural gas reserves, its impact on the environment, the levels of earnings from the sale of gas and a comparison with the longer uses to which this gas can be put in the context of Peak Oil." (May, 2006. Express Newspaper).

WINSTON DOOKERAN, former Governor of the Central Bank, "Giving away our gas for these [aluminum] projects is really giving away our patrimony. Is this really the best way to use a very finite resource?" (Newsday Newspaper, June 2006.)

DR ASAD MOHAMMED, University Lecturer, Lands and Survey. Development planner. Dr Mohammed has stated that those who are currently planning mega-projects, such as the proposed smelting industry, deliberately ignore, devalue or obstruct planning laws in order to achieve ends which might not necessarily be in the best interests of Trinidad and Tobago. In 2005, in response to a question on planning, Dr Mohammed responded: "What planning? If it is taking place it is a well-hidden secret. To my knowledge the process of planning reform, institutional strengthening and devolution that was well on track has stalled if not stopped in the last three years." (June, 2005. Express Newspaper).

WILLIAM LUCIE-SMITH. Accountant. Retired senior partner of PricewaterhouseCoopers, Trinidad and Tobago. "Smelters... seem to have the blessing of the Government. Thousands of acres of rural habitat are destroyed, there are serious pollution and health risks, the local population seems to be against it but Town and Country has no say, we are informed..." (July 2006, Express Newspaper).

KAMLA PERSAD-BISSESSAR. Former Attorney General. "I made it clear today that a UNC Government would take into account the wishes of the people with respect to the PNM'S "done deal" smelters and terminate any deal that they have made in the absence of meaningful dialogue with the communities and transparent accounting to the people of this nation." (October, 2006, Guardian Newspaper).

APPENDIX 11

WORLD NATURAL GAS RESERVES

(Source: energytribune.com)

According to Helena Iniss-King, Director, resource management, Ministry of Energy, proved gas reserves for T&T stand at 15.37 trillion cubic feet (tcf), while probable gas reserves are at 8.45 tcf and possible gas reserves stand at 6.39 tcf. Total gas reserves stand at 30.11 tcf. (Information given before Joint Select Committee of Parliament, reported in Trinidad Guardian, March 10th 2010). Trinidad is not on this world natural gas map. This illustrates how very vulnerable our position is in the international gas monetization game, how very difficult, and perhaps late, it is to compete in the gas advanced value-added game.

