



PRIME MINISTER OF GRENADA'S ADDRESS TO OECS ECONOMIC UNION TALKS

Colleague Prime Ministers
Members of the Opposition
Governor of the ECCB
Ladies and Gentlemen

We are all aware of the importance of the economic union. We all have lamented the negative impact of the global economic crisis on our countries; however, I wish to suggest that an economic union without a supra-national authority would encounter difficulties.

That is the problem we are having in the OECS. We have benefited from functional co-operation, we speak about the Eastern Caribbean Central Bank, the East Caribbean Court system, bulk purchasing and other areas of co-operation, but what is really needed is a central authority. Even the eight point plan we are talking about right now ought to be driven by a central authority if it is to be successful.

Each state could go on their own and do as they feel and this has been a pattern when you look at the OECS historically. If we could recall years ago, a head tax was introduced on cruise ships, some members introduced it, and some did not do it. I am just showing you the history.

Even recently, it was agreed that there should be a ticket tax on visitors coming to the region. Some say they supported it, some did not support it.

So the problem is structure. We know the problem. Let us come up with a structure, a supra national structure that would have credibility and authority, so that when a decision is taken, that decision is binding on all the states.

Look at the whole issue of rights of establishment. Could a person from Grenada just leave Grenada and go to St. Lucia and set up a business overnight? Could a dentist leave Dominica and go to St. Lucia? These are the things that I think we really need to address, these are the problems. Because as was mentioned I think by Dr. Lewis, once you're talking about an economic union, the factors of production, capital and labour, must be able to move freely, and we have to build the legal framework to deal with these issues.

We are a small region. Even if we are combined we are small. We need to benefit from the economies of scale by coming together. When we are approaching multi-lateral and international organizations, we do it individually and it is not effective.

For instance, this region is spending lots of unnecessary monies in terms of representation. Do you know how much it cost to have an ambassador at the United Nations? If we had one ambassador for the OECS, the monies remain in the region. I think we have to be practical and realistic in talking about the economic union and the how we unite the region.

We need joint representation in the true sense. When each state has to maintain ambassadors and different things, it's a cost on the region. And these are some of the positive things that would come from an economic union in the true sense.

We in Grenada have always supported the economic union and I also strongly support the integration of Trinidad & Tobago into that economic space because of the limited economic activities between the OECS.

We have institutions, we have structures, but in terms of economic activities, I maintain for instance, there are more economic activities between Trinidad & Tobago and Grenada than any of the other OECS states.

So I think we have to look at the broad picture to be realistic and to look at that super structure, the super national structure that is required to have a centrally driven authority with some credibility, so that when decisions are taken, they are implemented. We could continue talking about economic union and the deepening of the integration movement, if you do not put the proper structures in place, we would not really achieve that goal.

So again I think I would like us to be realistic, to be practical and I believe the decision lies with the Governments. I think the people accept the idea of unity in the OECS states; we are already united in to a certain extent. I think it is the legal frame work we need to address and it is the Governments of the region who, I think, must take the initiative and do what is necessary to facilitate the integration of the region. We must create a region where we are genuinely together.

I welcome some of the proposals in the draft treaty. The assembly that is being proposed in that treaty, if we have an assembly of parliamentarians in the region to discuss matters affecting the region, that is something quite positive.

So the governance structure is of utmost importance and I think the focus ought to be on governance structure as we forge ahead, because we should not have to wait until a crisis to recognize how vulnerable we are.

We are vulnerable in terms of size, in terms of population and our resources are somewhat limited. So we need to really manage efficiently, and I think we should establish the structures that will allow us to efficiently manage the Eastern Caribbean.

Thank you....