

Leave of Absence

Tuesday, January 27, 2009

SENATE

Tuesday, January 27, 2009

The Senate met at 10.00 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Bridgid Annisette-George and Sen. Linus Rogers, who are both out of the country.

SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I have received the following correspondence from His Excellency the President, Prof. George Maxwell Richards, T.C., C.M.T., Ph.D.:

“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: MR. NOEL GAYLE

WHEREAS Senator Linus Rogers is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, NOEL GAYLE, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Linus Rogers.

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 27th day of January, 2009.”

Senator's Appointment
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Hon. Senators, I have another appointment, but the temporary Senator is not here, so we will do that later in the proceedings.

OATH OF ALLEGIANCE

Senator Noel Gayle took and subscribed the Oath of Allegiance as required by law.

FINANCE (SUPPLEMENTARY APPROPRIATION) (2008) BILL

Bill to provide for the supplementary appropriation for the service of Trinidad and Tobago for the financial year ending 30th September, 2008 of the sum of the issue which was authorized by the Appropriation Act, 2008, brought from the House of Representatives [*The Minister in the Ministry of Finance*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings.
[*Hon. M. Browne*]

Question put and agreed to.

PAPERS LAID

1. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended December 31, 1996. [*The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne)*]
2. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended December 31, 1997. [*Sen. The Hon. M. Browne*]
3. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the nine months ended September 30, 1998. [*Sen. The Hon. M. Browne*]
4. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 1999. [*Sen. The Hon. M. Browne*]
5. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 2000. [*Sen. The Hon. M. Browne*]
6. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 2001. [*Sen. The Hon. M. Browne*]
7. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 2002. [*Sen. The Hon. M. Browne*]

8. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 2003. [*Sen. The Hon. M. Browne*]
9. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 2004. [*Sen. The Hon. M. Browne*]
10. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 2005. [*Sen. The Hon. M. Browne*]
11. The audited accounts of the Cipriani College of Labour and Cooperative Studies for the year ended September 30, 2006. [*Sen. The Hon. M. Browne*]

FINANCE (SUPPLEMENTARY APPROPRIATION) (2008) BILL

The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Thank you, Mr. President. I beg to move,

That a Bill to provide for the supplementary appropriation for the service of Trinidad and Tobago for the financial year ending 30th September, 2008 of the sum of the issue which was authorized by the Appropriation Act, 2008, be read a second time.

Mr. President, this is a Finance Bill and it has been passed in the other place. The Bill provides for the supplementation of the 2008 appropriation in the sum of \$1,073,918,701 for the following purposes:

- | | | |
|-----|---|---------------|
| (1) | To retire an advance from the Contingencies Fund | \$ 20,000,000 |
| (2) | To retire advances made from Treasury Deposits | \$444,631,006 |
| (3) | To bring to account disbursements on loans for the supply of offshore patrol vessels and the acquisition of fast patrol craft | \$609,287,695 |

Toward the end of the financial year, the sum of \$20 million was drawn from the Contingencies Fund to meet the payment of all outstanding contract gratuities

under Head 20: Pensions and Gratuities. These payments were deemed to be urgent and critical because they represented obligations to officers engaged on a contractual basis by the State.

In accordance with section 115(2) of the Constitution and section 16(4) of the Exchequer and Audit Act, Chap. 69:01, resources drawn from the Contingencies Fund are recoverable at the close of the financial year in which the advance was made. In accordance with section 17(1)(b) of the Exchequer and Audit Act, Chap. 69:01, advances made from Treasury Deposits are recoverable within 12 months of the close of the financial year.

During the 2008 financial year, the Government accessed advances from Treasury Deposits to meet critical expenditure under the following three Heads of Expenditure:

Head 18:	Ministry of Finance	\$235,765,200
Head 31:	Ministry of Public Administration	\$ 99,645,806
Head 40:	Ministry of Energy and Energy Industries	\$109,220,000
Total		\$444,631,006

In the case of the Ministry of Finance, the sum was required to meet Trinidad and Tobago's contribution to the Caricom Development Fund. In the case of the Ministry of Public Administration, funds were urgently required to meet the payment of the first instalment of US \$15,660,541 in respect of sublease number 1 between the Port of Spain Waterfront Development Company, a wholly-owned special purpose subsidiary of UDeCott and the State.

As it relates to the Ministry of Energy and Energy Industries, the sum of US \$17.2 million or approximately \$109,220,000 was required to facilitate Government's equity injection with respect to its 40 per cent shareholding in Alutech Limited.

I will now give a detailed explanation for these advances. The advance to the Caricom Development Fund was done to meet the requirements of Article 158 of the Revised Treaty of Chaguaramas, establishing the Caricom Community, including the Caricom Single Market and Economy. It states that a development fund is to be established for the purpose of providing financial assistance or technical assistance to disadvantaged countries, regions and sectors.

At the twenty-seventh regular meeting of the Conference of Heads of Government of Caricom held on July 03—06, 2006, the contribution formula

proposed by the Council for Finance and Planning for the Regional Development Fund was considered and approved. In keeping with the formula, Trinidad and Tobago's contribution would be US \$37.07 million.

By letter dated January 10, 2008, the Secretary General of Caricom indicated that member states would be urged to front-load their contributions with a view to having the Caricom Development Fund inaugurated at the following Intersessional Heads of Government which was held in The Bahamas on March 07 and 08, 2008. The decision to front-load contributions was made to enable the fund to generate sufficient investment income to meet its administrative expenses in the first year of operation. Had this not been done, Caricom member countries would have been called upon to make additional contributions to cover these expenses.

Since funds were not provided in the 2008 estimates to meet this commitment, an advance of TT \$235,765,200 was made from Treasury deposits to facilitate the payment of Trinidad and Tobago's contribution to the Caricom Development Fund based on the formula agreed to by the Conference Heads of the Caribbean Community.

Mr. President, to date, Caricom member countries have contributed US \$64,528,744.93 to the fund, which is detailed as follows:

Dominica	\$ 74,074.07
Trinidad and Tobago	\$37,070,000.00
St. Kitts/Nevis	\$ 660,000.00
St. Vincent and the Grenadines	\$ 679,950.00
St. Lucia	\$ 980,000.00
Barbados	\$ 5,012,285.00
Jamaica	\$ 8,130,000.00
St. Lucia	\$ 212,431.00
Belize	\$ 1,260,000.00
Guyana	\$ 1,450,004.86
Contributions from the Caribbean Petroleum Fund on behalf of the member countries	\$ 9,000,000.00
Total	US \$64,528,744.93

In the case of the Ministry of Public Administration, the funds were used to meet the payment of the first instalment of \$15,660,541 in respect of sublease 1 between the Port of Spain Waterfront Development Company, a wholly-owned special purpose subsidiary of UDeCott and the State. The Port of Spain Waterfront project was financed through the private placement market with First Caribbean International Bank and the Financial Corporation and its affiliate Barclays Capital, as financing agents.

In order to secure financing, the parties agreed in the financing documents that the internationally accepted financing mechanism of a credit/tenant lease would be employed. This financing mechanism provides that the borrower, in order to secure the loan facility advanced by the lender for the construction, would lease the lands and buildings to be constructed thereon to a creditworthy tenant, the State in this case, who would make this payment over the life of the lease, that would be exactly matched to the blended principal and interest payments required under the financing.

In other words, the lease payments, by design, would amortize the principal and interest indebtedness under this financing arrangement. I wish to emphasize that the credit/tenant lease is an internationally accepted form of financing type of arrangement for this type of transaction.

10.15 a.m.

In keeping with the terms of financing agreement, the State was required to enter into subleases with UDeCott Limited, in respect of lands situated at King's Wharf Port of Spain that were leased to UDeCott or its successor in interest by the Port Authority of Trinidad and Tobago. An agreement to sublease was executed on January 31, 2007, amongst the Port of Spain Waterfront Development Limited, UDeCott and the Commissioner of State Lands at the request of the lenders. Sublease 1 was executed on January 02, 2008, in respect of lands of which the Hyatt Hotel Office Tower 1 and the car park were constructed.

Sublease 2 was executed on December 31, 2008, in respect of lands on which Tower 2 was constructed. By deed of rectification entered into by the same parties to the sublease, the terms of the sublease have since been reduced to 30 years with an option to renew. It was also agreed that the sum of US \$15,660,541 in respect of sublease 1 and US \$4,951,139 in respect of sublease 2 be payable semi-annually in respect of an instalment rent reflecting repayment to UDeCott's debt service obligation to its lenders for a period of 17 years; the debt service period.

Approval for this transaction was obtained during the first quarter of the 2008 fiscal year and payments were made on July 01, 2008. Consequently, an advance of \$99,645,806, the TT equivalent of US \$15,660,541, was issued from Treasury Deposits to meet the obligation.

As it relates to the Ministry of Energy and Energy Industries, the sum of US \$17.2 million or approximately TT \$109,220,000 was required to facilitate Government's equity injection, with respect to its 40 per cent shareholding in Alutech Limited. Alutech Limited is an integrated technical development centre, which will develop and pilot manufacturing processes at a pre-industrial scale for the production of aluminium downstream products, particularly light motor vehicle parts. The equity contribution was utilized to meet debt financing obligations of Alutech to First Citizens Bank, comprising the principal figure of US \$17,065,545 and interest of US \$134,455. The decision to make an equity injection in Alutech was made after the presentation of the 2008 Budget. In the circumstances, an advance of \$109,220,000 was made from Treasury Deposits to meet the cost of the investment.

The Bill will also bring to account disbursements on two loans; one from BNP Paribus London branch and the Louise TSC Offshore Limited for the supply of three offshore patrol vessels and another from the Australian and New Zealand bank for the acquisition of six fast patrol craft for the Trinidad and Tobago Defence Force. The disbursement for the supply of offshore patrol vessels was TT \$568,197,212, while the sum disbursed for the acquisition of six fast patrol craft amounted to TT \$41,090,483.

In summary, approval is being sought for the supplementation of the 2008 appropriation in the sum of \$1,073,918,701 to retire the advances and to bring to account the disbursements under the following Heads of expenditure: Head 18: Ministry of Finance, \$235,765,200; Head 20: Pensions and Gratuities, \$20 million; Head 22: Ministry of National Security, \$609,287,695; Head 31: Ministry of Public Administration, \$99,645,806; and Head 40: Ministry of Energy and Energy Industries, \$109,220,000.

Mr. President, I now refer to transfer of funds between subheads of the same Heads of expenditure. With effect from August 01, 1988, Cabinet delegated its authority to approve transfers between subheads to the Minister of Finance when agreed, amongst other things as follows: request for transfer of funds between separate subheads under the same Heads of expenditure should no longer be submitted for the Cabinet, but can be decided by the Minister of Finance on the advice of the Budget Division. Consequently, in fiscal 2008, the Minister of

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Finance approved the transfer of funds in the sum of \$253,490,064 between subheads under the same Heads of expenditure. It should be noted that the transfers were approved by the Minister of Finance, based on notes from the respective Ministers requesting the transfer. It should also be noted that these transfers are requested to reflect changed circumstances in ministries and departments and a consequential reordering of priorities. They do not increase the total appropriation in any way.

Statements showing the transfers approved by the Minister of Finance and explanations for the transfers were attached as appendices of the documents circulated to hon. Members of this Senate. Hon. Senators may recall that following the delivery of the 2008 budget speech by the hon. Prime Minister and then Minister of Finance on August 20, 2007, both Houses of Parliament approved the Draft Appropriation Bill 2008 for the sum of \$36,477,188,115, which became law.

It should be noted that the total package approved for the 2008 budget comprised a total expenditure of \$42,260,949,246 which was constituted as follows:

- expenditure authorized by the Appropriation Bill, \$36,477,188,115;
- expenditure by direct charge on the Consolidated Fund, \$5,328,761,131;
- expenditure from the Unemployment Levy Fund, \$380 million; and
- expenditure from the Green Fund in the sum of \$75 million.

After taking into consideration the total projected revenue for the fiscal year 2008 and adjusting for capital repayments and sinking fund contributions, an overall surplus of \$89.2 million was projected at that time.

Mr. President, in keeping with established practice, a mid-year review of revenue and expenditure was undertaken during the April—May 2008 period. Following this exercise, a Supplementation of Appropriation Act, 2008 was passed by Parliament authorizing access to a further sum of \$3,490,016,910 from the Consolidated Fund to meet additional recurrent expenditure amounting to \$3,173,373,910 and additional capital expenditure of \$316,643,000.

Taking into consideration the then projected transfer into the Heritage and Stabilisation Fund of \$1,718.8 million by direct charge, further expenditure of \$721.8 million by direct charge, primarily to meet obligations to the defence force emanating from the settlement of remuneration packages, projected additional

expenditure of \$35 million under the Unemployment Relief Programme; increased expenditure of \$990 million from the unallocated Infrastructure Development Fund resources, savings of \$601 million were identified across various Heads of expenditure, and factoring in the projected increase in total revenue of \$6.34 billion, an overall surplus of \$5.3 million was projected at the time of the mid-year review.

In September 2008, a second Finance (Supplementary Appropriation) Bill, 2008 was approved by Cabinet and passed by both Houses of Parliament for the sum of \$3.9 billion which was deposited into the Infrastructure Development Fund before the end of fiscal year 2008.

Again, in September 2008, at the time of the preparation and presentation of the 2009 budget, the Ministry of Finance revised the revenue projection for fiscal year 2008 upwards to a sum of \$52,658.9 million. Correspondingly, expenditure was forecasted at \$52,619.7 million, resulting in an anticipated surplus of \$39.2 million. This position was communicated to Parliament at the time of the presentation of the 2009 budget on September 22, 2008.

Mr. President, following the submission of data on actual revenue and expenditure at the end of the 2008 fiscal year by government ministries, departments, statutory authorities and other bodies and the Tobago House of Assembly, the provisional fiscal outturn for fiscal 2008 was prepared by the Ministry of Finance. Based on this data, overall spending was estimated at \$53,843.6 million including transfers to the Heritage and Stabilisation Fund as well as transfers to the Infrastructure Development Fund, and total revenue was \$56,660.3 million, yielding a substantially larger overall fiscal surplus of \$2,816.7 million. This surplus is \$2,777.5 million more than what was projected at the time of the preparation of the 2009 budget. Revenue overshoot the revised estimates by \$4.14 billion while actual expenditure was \$1,223.9 million greater than the revised allocation.

Mr. President, the total revenue collected in fiscal 2008 was \$56,660.3 million which was \$4,001,400,000 higher than the revised projection estimated at the time of the preparation of the 2009 budget. The positive variance was mainly due to higher than anticipated receipts from taxes on income and profits in the sum of \$4,057,700,000; unemployment levy of \$691.1 million; Green Fund in the sum of \$119.9 million; royalty on oil in the sum of \$305.8 million and profits from state enterprises in the sum of \$166.8 million. These were partially offset by lower than projected receipts on taxes of goods and services to the tune of \$250 million; taxes on international trade of approximately \$197.9 million and non-tax revenue of \$385.5 million.

The better than projected performance of taxes on income and profits was primarily due to the improved tax take from oil companies, other companies and individuals in the sum of \$2.9 billion, \$899 million and \$242.8 million respectively.

In the case of oil companies, the improved performance resulted from better than projected oil and gas prices which averaged US \$83.70 per barrel and US \$3.39 per mmcf in the first quarter; US \$89.99 per barrel and US \$4.47 per mmcf in the second quarter; US \$113.91 per barrel and US \$3.91 per mmcf in the third quarter and in the fourth quarter, US \$110.28 per barrel and US \$4.78 per mmcf. These oil and gas prices compared favourably with the original price assumptions of US \$50 per barrel and US \$3.55 per mmcf used in the preparation of the 2008 budget.

It should be noted that the actualized oil and gas prices of US \$110.28 and US \$4.78 per mmcf in the fourth quarter was substantially higher than the US \$85 per barrel and US \$3.70 utilized to estimate oil and gas revenues for the purposes of the 2009 budget speech.

However, when the estimates of revenue from oil companies in the sum of \$25,625.6 million was prepared on September 30, 2008 to determine the deposit into the Heritage and Stabilisation Fund and was compared to the actualized oil and gas receipts for 2008 in the sum of \$25,657.8 million, the variance was only \$32.2 million.

The higher level of revenue from other companies and individuals which both form part of the category taxes on incomes and profits was influenced by the positive impact of the tax amnesty, which was granted to defaulting taxpayers on taxes due up to and including the year of income 2006. In addition, the positive variance of taxes from other companies was reflective of the extraordinarily high prices of ammonia, urea and methanol.

The positive variance in the unemployment levy, Green Fund and the royalties on oil were influenced by the same factors that accounted for the increase in taxes from oil companies. In the case of state enterprises, the positive variance was caused by a higher than anticipated dividend from NEL.

10.30 a.m.

The shortfall in the collection of VAT was related to lower than projected domestic sales and imports in the fourth quarter. The lower than projected take from import duties was influenced by the same factors as those which influenced VAT.

In the case of non-tax revenues, the shortfall from share of profits from oil companies was as a result of the profit being deposited in the Consolidated Fund in fiscal 2009 instead of 2008.

With respect to administrative fees and charges, the projected earnings from signature bonuses of \$282 million did not materialize since the respective contracts were still in the process of being finalized at the end of fiscal 2008.

Mr. President, revised expenditure for fiscal 2008 was projected at \$52,691.7 million at the time of the presentation of the 2009 budget, whereas the actual amount spent was \$53,843.6 million, reflecting an increase of \$1,223.9 million. The major areas in which expenditure was higher than projected are as follows: deposits into the Heritage and Stabilisation Fund which was \$1,864.4 million higher; transfers to state enterprises, which were \$102 million higher primarily because of equity investment in Alutech; VSEP payments in the Ministry of Health for which an additional sum of \$60.7 million was utilized; and interest payments which were more than projected by \$160.8 million. The increase in expenditure is attributed to the issuance of more Treasury Bills, that is, open market operations to sop up extra liquidity than was projected.

The impact of the preceding areas in which expenditure was higher than expected was partially offset by lower than projected red expenditure in the following main areas: personnel expenditure which was \$95.5 million lower because of administrative delays experienced with regard to the filling of vacant posts and the non-payment of allowances associated with those posts; other goods and services which is \$125 million lower and the development programme for which expenditure was lower by \$530.4 million; expenditure under the Consolidated Fund fell short by \$283.9 million; and under the Infrastructure Development Fund it was lower by \$246.5 million.

With respect to other goods and services, the main reasons for the shortfall in expenditure were:

- (1) the non-procurement of furniture and furnishings as well as office equipment by a wide range of ministries and departments;
- (2) non-recruitment of contract officers by ministries and departments;
- (3) failure by some Members of Parliament to pay arrears to constituency staff and to establish constituency sub-offices as approved by Cabinet; and
- (4) a reduction in the use of rent/lease vehicles and equipment by ministries.

It should be noted that of the \$53,843.6 million recorded as expenditure in fiscal 2008, \$9,163.8 million represented savings, which comprised \$6,587.8 million deposited into the Heritage and Stabilisation Fund, and \$2,576 million transferred into the Infrastructure Development Fund in 2008, but remained unspent at the end of the fiscal year.

In addition, an overall fiscal surplus of \$2,816.7 million was recorded in the financial year. Taken together, it means that of the \$56,660.3 million collected in revenue by the Government in fiscal 2008, \$11,980.5 million was saved, and \$44,679.8 million was expended. Government's demonstrated commitment to the Heritage and Stabilisation Fund has already yielded significant, tangible, economic benefits for Trinidad and Tobago.

The Heritage and Stabilisation Fund has been repeatedly cited among the factors responsible for Trinidad and Tobago's improvement in its international credit ratings. Our citizens can be comforted in the fact that their future is in safe hands.

Before I close, permit me to deal a bit with a legal basis for the activity in which we are engaged here today. The Constitution of the Republic of Trinidad and Tobago makes provision for the submission to Parliament of supplementary appropriations in section 113(3). This subsection specifically states:

“If in respect of any financial year it is found—

- (a) that the amount appropriated by the Appropriation Act for any purpose is insufficient or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by the Act; or
- (b) that any moneys have been expended for any purpose in excess of the amount appropriated for the purpose by the Appropriation Act or for a purpose for which no amount has been appropriated by the Act,

a supplementary estimate showing the sums required or spent shall be laid before the House of Representatives and the heads of any such expenditure shall be included in a Supplementary Appropriation Bill.”

This provision in the Constitution is also used as a legal basis for bringing Bills for variations of appropriation to Parliament when resources are to be moved from one Head of expenditure to another.

While dealing with these legal provisions, may I also take the opportunity to clarify the legal basis for the action being taken by the Government to curtail expenditure in 2009 fiscal year, to levels lower than that approved by Parliament in the Appropriation Act without returning to Parliament.

The Exchequer and Audit Act, Chap. 69:01, anticipating circumstances when government's revenues were lower than projected or circumstances in which other exigencies would occur, made provision for the Minister of Finance to curtail expenditure, as one of the instruments available to him under the general rubric of Control and Management of Public Finances. In section 5(2), it is specifically stated that:

“Notwithstanding any general or specific authority which may have been given by him, it shall be within the discretion of the Minister to limit or suspend any expenditure charged under any appropriation Act, or by virtue of section 18 and so authorized if in his opinion the exigencies of the financial situation render such limitation or suspension necessary.”

For completeness, section 18 deals also with the granting of credits.

Sen. Seetahal SC: Thank you very much for giving way. Through you, Mr. President, I just want to ask in relation to transfer to the Green Fund, I see that it is noted under that the Cabinet delegated that authority to the Minister, and since the Minister is talking about the legal basis, I understand the legal basis for the supplementary appropriation but this power, I do not think you referred to it; I am not sure if I heard it.

Sen. The Hon. M. Browne: Yes, I did at the beginning, unfortunately, you were not here when I explained the basis. I will do so later, but I did explain it in the earlier part of my speech, for which you were not present.

Mr. President, I wish to conclude by reminding hon. Senators that the Bill that we are about to debate deals with the supplementation appropriation in the sum of \$1,073,918,701.

Mr. President, I beg to move.

Question proposed.

Sen. Wade Mark: Thank you very much, Mr. President. The Bill before us deals with a decision of the Government to expend over \$1 billion in the last fiscal year, which was in addition to two previous Supplementary Appropriation Bills that were brought to this Parliament. These moneys have already been spent; what we are witnessing today is a continued abuse on the part of the Government, and it really brings into focus the need for radical constitution reform in the Republic, where the Executive must not, in the future, have control over the purse strings of the nation; that must reside in the Legislature.

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I do not support this myth of \$11 billion in savings. You put some amount in something called an Infrastructure Development Fund; you have some in the Consolidated Fund, and you put some in the Heritage and Stabilisation Fund, which is the main one I am concerned about. The rest of those moneys that have been saved are at the disposal of the Government to spend whenever they wish. So, that is not savings in the real sense of the word.

What we do know from the hon. Minister's presentation is that this Government's budget for 2008 was roughly about \$54 billion, and they put aside \$2 billion in the Heritage and Stabilisation Fund, which increased to \$56 billion. But in terms of their budget itself, it would have been about \$54 billion. You know that represented six years of a UNC administration: total budget and total expenditure. In six years we were able to spend \$54 billion, and in one year this Government was able to spend \$54 billion, not to mention that in the last seven years they have spent over \$210 billion.

So, this question about the future of this nation is in safe hands, I mean to say, let us be serious. How can the future be in safe hands when we read in the *Trinidad Guardian*, Monday, January 26, an advertisement:

“Special tenders committee, Ministry of National Security

Tender for the Supply and Delivery of SIX HUNDRED MILITARY RIOT CONTROL GEAR SUITS for the Trinidad and Tobago defence force (Regiment), Ministry of National Security.”

You are preparing for riot! You are preparing for unrest in the country. Here in the advertisement we are being told by the hon. Minister that the citizens are in safe hands by this administration. I will demonstrate in my contribution not only the abuse of the process involving what we are dealing with here today, but I will also show the wasteful spending on the part of this administration; the continued favouritism, nepotism and the accompanying corruption practised by this administration.

Mr. President, only in today's *Guardian*, the Business Section, there is a report entitled: Crime a big problem for business in Trinidad and Tobago. You know what has come out here? We are being asked to approve \$1,073 million more than was budgeted in 2008, and those moneys have already been spent. We have been told by this Government over and over, that they have practised prudence and frugality in the management of our country's scarce financial resources.

10.45 a.m.

Mr. President, may I refer you to an article as I said in the Business Section of today's *Guardian*, Page 15; to really expose and unmask these kinds of shallow statements emanating from the lips of this Government. In this article on page 15 of today's *Guardian*, the latest World Economic Forum report on Global Competitiveness revealed among other things that out of 134 countries, Trinidad and Tobago ranked No. 121, just about 13 places from the last spot for wastefulness of Government's spending. That is a record! You are on the same rank as Rwanda. You are 121! This Government is ranked and this country is ranked 121 out of 134 countries regarding wastefulness of Government's spending.

Sen. Piggott: Are you not part of Trinidad and Tobago?

Sen. W. Mark: I am part! I am ashamed that you are representing this country, because you are the one that has given this country this negative image. *[Interruption]* Because when we were there we were never ranked that number. We were —and I will tell you something later, Mr. President, let me address you, because I understand that you will be leaving the Cabinet shortly, *[Laughter]* so I do not want to address you.

Sen. Piggott: Are you the Prime Minister?

Sen. W. Mark: You are going out completely. *[Interruption]* Mr. President, may I continue? We are ranked—Trinidad and Tobago—as 121, regarding wastefulness of Government's spending.

Another area of concern as recorded in the Global Competitiveness Index, revealed that Trinidad and Tobago, in the area of favouritism—I want the Minister of Agriculture, Land and Marine Resources to listen carefully—in decisions of Government officials, our country is ranked 120 out of 134. So, this Government in terms of transparency, openness and accountability, we are seeing where this Government is almost at the bottom of the barrel when it comes to these particular issues, so, 120 out of 134, favouritism in decisions of Government officials and 121 regarding wastefulness of Government spending. I will demonstrate in my contribution what is taking place in the area of favouritism and wastefulness in regard to these matters that are currently before us in this Bill.

Imagine, look where the PNM has taken this beautiful republic. When we were there we were ranked No. 38 out of 91 countries in the world or thereabout. Today, out of 134 countries, Trinidad and Tobago is No. 92; that is for 2008/2009. Do you know where we were in 2007/2008? Out of 131 we were 84, and in

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2006/2007 we were 76. So, 76 in '06, we went to 84 in '07 and now we are 92 in 2008/2009. This is the Global Competitiveness Report on the performance of this Government, yet still we have Ministers of Government rising in this Parliament to convince, who I do not know, of the Government's management of this economy.

When you manage an economy efficiently and effectively, it is manifested in the quality and delivery of goods and services; it is reflected in our competitiveness as a nation; it is reflected in the quality of life that our people live. For many people it is better to be dead than to go to a hospital in this country. It is better to die than to go in a hospital in this country. That is the state of this so-called happiness and this so-called management, prudent management of our economy. This administration will go down in history as the most corrupt, the most inefficient, the one that has mostly mismanaged—they have mismanaged and squandered our resources. And I believe, when a UNC administration comes ultimately into power in this country, I believe that for instance a lot of these Government officials, some of them in this Chamber will be making long periods of jail sentences, because we know for a fact—

[Mr. President stands]

Okay, I withdraw; I withdraw, Mr. President. I will say that on the platform. Good!

So, the reality is that what we are witnessing today is an abuse of the process. We are being told here today to approve \$1 billion in expenditure. What is the purpose of a supplemental appropriation? It has to do with unforeseen expenditure which would not have been considered by the Minister of Finance when he presented this budget, and it is reflected in the Exchequer and Audit Act, 16(2) that deals with contingencies that may arise.

When we look at, for instance, some of these Heads and the amount of moneys that have been allocated and expended, can you tell me what is the justification? Could you tell me in terms of unforeseen expenditure that this Government and the ministries and the Ministers could not have predicted under Head 20—Pensions and Gratuities, \$20 million? Could a serious administration not project, predict and budget for that expenditure? From what we are seeing here, the information is very skimpy, we do not have much information here, so we are being asked to approve \$1.073 billion and the information that we have before us is very limited.

This is contract gratuities. Could this Government not adequately predict and plan for this? Why is it after you came for two supplementary appropriations that you now have to come for a third appropriation to deal with an expenditure that could have been predicted? I believe that this Government is totally incompetent; they have mismanaged the affairs of this economy and country and they continue to do so. Do you know why? Because they cannot manage without money. When there was plenty money in this country they wasted the resources of the country, and now that the moneys have gone—\$9 billion shortfall in revenues so far, and we do not know for the next quarter or the next two or three quarters whether we are going to experience severe revenue declines again as we believe we are going to suffer revenue declines in the coming period, and you will see how this Government can manage. The Minister of Health has already cut \$45 million from the South West Regional Health Authority. That is what we saw in the newspaper yesterday—

Sen. Narace: That is not true.

Sen. W. Mark: Well, you will speak on it. You will speak on it! But the reality is—it is in the newspaper today—that \$45 million have been cut from the Ministry of Health and here we see under "Transfers" in this piece of legislation given to us and the notes, that they took \$200,000 out of health for public relations; for publicity, promotions and advertising whilst people are dying from dengue. People are dying from dengue—

Sen. Narace: Would you give way?

Sen. W. Mark:—people are dying from yellow fever. [*Interruption*] He will speak when I am through, Sir.

Sen. Narace: On a point of clarification, Mr. President?

Sen. W. Mark: Mr. President, people are dying—I understand that there are about five and 10 confirmed cases of yellow fever in this country. I want when the Minister speaks to tell this country how many people have contracted yellow fever. A Minister of Health who manipulates statistics; PAHO is saying 206—

Sen. Narace: Mr. President, on a point of order? On a point of order! Mr. President, he is imputing improper motives. [*Inaudible*]

Mr. President: Senator, you must be very careful about what you say and do not go there.

Sen. W. Mark: All I am saying, Mr. President, with your leave, is that PAHO revealed that there are 206 confirmed cases of dengue and the Ministry of Health under the care of our hon. Minister has reported just about 12. Who to believe,

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Mr. President, PAHO or the Ministry of Health? That is the point I am making! Something is wrong and we need to get information and clarification on these matters, so I am asking the hon. Minister to account to the people of this country, both in terms of yellow fever cases in this country and the real facts surrounding dengue.

Mr. President, we talked about another item, the Ministry of Finance has given \$235 million—they said—to meet our contribution at Caricom to the Caricom Development Fund, and they say that the fund is needed for technical and financial assistance to disadvantaged countries. Well, I think that we are a disadvantaged country right now.

[MR. VICE-PRESIDENT *in the Chair*]

Too much poverty in this country; too many deaths from dengue in this country; too many people are under stress in this land and you are going to tell me that you are going to give—we have no problem with Caricom, we support Caricom, but I think that we should be accessing that fund we are giving out. Let us access it now because we need the money! You are going to spend \$600 million on two meetings; one in April and one in October and people are dying from dengue in this country. They cannot get Panadol when they go to the hospital.

Do you know these people remind me of a lady called Marie Antoinette, that was a Queen of France; when the poor and the masses were crying out for bread and justice and they were hungry and her advisors were telling Marie Antoinette—Queen Marie Antoinette the masses are hungry, they want bread—do you know what she said? “If they cannot get bread let them eat cake.” Well, they guillotine her head. She was beheaded, and I want to warn this Government that it is going down a dangerous road; this Government is taking this country down a dangerous path and they are spending money as if the Almighty God willed it to them.

11.00 a.m.

And this is why they come today and simply say: you know what, Mr. Vice-President, in the case of UDeCott—UDeCott is an example—went and borrowed US \$375 billion in order to build and construct the Waterfront Project, and now they have to pay back—[*Interruption*]

Sen. Browne: US \$375 million.

Sen. W. Mark: US \$375 million—and this company called Bouygues Batiment International out of France got the contract for \$1.6 billion to build the Waterfront Project. Do you know what happened? When they were completed

with those two projects without any public tender, without any one being invited to tender, UDeCott gave to Bouygues Batiment the contract to outfit those two buildings at a cost of \$400 million or thereabout.

Sen. Browne: That is not true.

Sen. W. Mark: Look it here; do not tell me it is not true. Look it here. I have it here in writing, an answer to a question that I posed. How do you mean that is not true? So the Minister of Planning and Development told an untruth. Look it here in Supplement Agreement I, for the fitting out works of two work towers, outfitting, \$192 million, and the second Supplement Agreement, the supply and installation of office furniture for two office towers amounting to \$185 million. That was given to Bouygues Batiment, Trinidad, without any tender. What kind of corruption is this? I am saying we want answers. Tell us for instance, if there were no other organizations in this country to supply those furniture and to outfit those two towers.

This company just got \$1.6 billion to build the towers, you give them \$400 million to outfit it. So what is going on here? I am getting rumours and so on about Bouygues and its relationship with the PNM and I am really investigating that organization right now in terms of them funding the PNM, and that is why it is payback time. I have been informed that they gave the PNM US \$5 million in the last general election—I have been informed—and each constituency was given US \$200,000. That is what I have been informed. I do not know. If I could get clarification on these matters, I will be happy.

Mr. Vice-President, I am suggesting that this Government is involved in all kinds of shady arrangements and deals and whilst they are having a good time, the masses of people are dying, are suffering, are being sacrificed; the workers are being sacrificed right now. We understand under the Ministry of Energy and Energy Industries, Petrotrin is about to collapse. It is only a matter of time. I saw in a report before me, out of Petrotrin, where they budgeted their operations at US \$100 a barrel of oil, while the Government of this country went at US \$70. How can Petrotrin budget at US \$100 per barrel of oil, when the Government of this country is budgeting US \$70?

Mr. Vice-President, do you know how many people work at Petrotrin? Close to 6,000.

[MR. PRESIDENT *in the Chair*]

If you budget at US \$100 a barrel for oil, what is going to happen eventually? If the price of a barrel of oil is now trading at \$45, there is going to be retrenchment at Petrotrin. There is no doubt about that. Already the steel plant has sent home

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over 150 workers, and workers are being hit very hard because of the mismanagement by this Government. All over the place restaurants are closing down, businesses are closing down and workers are being placed on the breadline, all because of the mismanagement and the squandermania and the corruption that this Government has been engaging in over the last seven years in this country.

Mr. President, the one I really want to deal with—because this is the one that hurts me the most. In the notes before us, we have something called disbursements to be brought to account and we are dealing here with the Ministry of National Security. This Government has come to this Parliament, they have given us no real statements, no real documentation, no real evidence, but here we are being called upon as a Parliament to approve \$609 million, and what is that for. Additional funds required to bring to account disbursements on loan from BNP Paribas, London branch and Louise TSC Offshore Limited for the supply of three offshore patrol vessels and loan from Australian and New Zealand Bank (ANZ) for the acquisition of six fast patrol craft for Trinidad and Tobago Defence Force, amounting to \$609 million. Give us some information. The Government needs to tell us what is behind this.

Mr. President, the hon. Prime Minister, on April 20, in the other place—and we got the document—made a statement on the offshore patrol vessels and its acquisition and we were told that for three offshore patrol vessels, 90 feet long—I do not know if you are going to war with Venezuela. I do not know that you need boats 90 metres long. You may need a boat for, let us say 50 metres long to deal with the coastlines and to protect your country's waters against the infiltration by drug lords, but you gone for 90 metres long. Do you know what it has cost us? The total cost is \$2.2 billion. For what? Three offshore patrol vessels. I want to tell this honourable Parliament and I am giving this Government 14 days, in which to launch a forensic investigation into the acquisition of these offshore patrol vessels, and failing which, we will take this matter to another level.

Mr. President, I want to tell you today in this Parliament, I want to “back-back” because this particular acquisition of these three offshore patrol vessels involving \$609 million as an initial disbursement is costing this population and the taxpayers \$2.2 billion. This particular acquisition of these three offshore patrol vessels is shrouded in all kinds of mysteries. You know I recently learnt that Vosper Thornycroft, a shipyard that was on the brink of collapse, was saved by Trinidad and Tobago. Five shipyards, I understand had gone down the drain, had collapsed, and Vosper Thornycroft was on the edge of bankruptcy and collapse and we were able to rescue Vosper.

Mr. President, I have information that three companies put in tenders to supply this Government with these offshore patrol vessels. The first one was the Italian, a company called Fincantieri from Italy; then you had one from Germany called Blohm and Voss; and the last one was from the United Kingdom, Vosper Thornycroft. The information I have—because the Government has refused to provide us, here we are going to be approving today, \$609 million, and the Government of this country has refused to provide this Parliament with the evidence and the documentation surrounding this whole transaction. If we had serious investigative parliamentary committees, we would have investigated this whole transaction, but we do not have it.

Sen. Dr. Saith: Mr. President, taking a queue from Sen. Prof. Deosaran on the French fries issue, Members are aware that a full statement was made by the Minister. The Members are also aware that we invited three Governments, not three companies: the Government of the United Kingdom, the Government of Italy, the Government of Sweden and Germany.

Sen. W. Mark: You lost your memory?

Sen. Dr. Saith: No!

Sen. W. Mark: Let me tell you how many you invited. You will get a chance to talk.

Sen. Dr. Saith: No. But you see, Mr. President, this deliberate attempt to mislead—*[Interruption]*

Sen. W. Mark: I am not prepared to give way to Sen. Dr. Saith.

Sen. Dr. Saith: Kentucky already fired you. Okay? Stop making statements that you know are wrong, incorrect and only seeking to make an impression. *[Desk thumping]*

Sen. W. Mark: Mr. President, I want to remind the hon. Minister—“if he have cocoa in d sun”—four Governments were invited, not three, four: the Germans, the Italians, the Swedes and the English. I have information—*[Interruption]*

Sen. Browne: The Governments.

Sen. W. Mark: The Governments—that the Italians offered to provide this Government with three offshore patrol vessels, with two interim vessels they were

going to give them free of charge, and then charge them \$5 million at the end of the service when they would have supplied the three offshore patrol vessels. They even went to the extent of offering this Government to build a shipyard down at the hanger.

Sen. Dr. Saith: How do you know that?

Sen. W. Mark: They even offered scholarships to this Government, I am informed. Mr. President, do you know what was their submission in terms of the value? \$1.4 billion. The Germans was between 1.5 and 1.6; and the English people, Vosper Thornycroft was between \$1.8 billion and \$1.9 billion. The question that has to be asked, bring the information here to the Parliament. Do not tell me about—you have never brought information except for the statement made by the Prime Minister. You have never brought the documentation. I challenge this Government to bring all the tender documents for tender one when they had it and for tender two. We want to get all the information surrounding the Government contracts.

Mr. President, I am putting to this Senate today, that there is something slimy and smelly in this transaction. Let me just bring to your attention what happened. There were three tenders, first tender was opened, and do you know what happened? Three companies were shortlisted. The tender specification was 25 knots at that time. It appears from my research that there was a leak and because of that leak, that particular company that came to offer the eventual boats to us, gave a price for those three vessels and the price that they gave when they came to the second tender, they reduced it. The first tender, they could not meet the specification 25 knots, only 20, while the Italians and the Germans were able to meet the 25 knots.

11.15 a.m.

This was an embarrassment because Vosper Thornycroft wanted that contract at all costs, so, from my information, the first tender was aborted. Then there was a second tender and during that second tender there were secret meetings between the English people and certain people who were conducting the transaction. I have their names.

When they realized that this second tender was not going the way of Vosper Thornycroft, the Government of this country aborted the second tender. So there were two open tenders and they aborted both. They went to the third tender, but they had none, so they said they were going to a government-to-government arrangement. That is where Sen. Dr. Saith is correct. They invited four governments to

take part in this exercise, but their conditions were so onerous that the Germans did not participate. It was down to two countries because the Swedes did not take part. There was a company called Soltec, which was invited to do an evaluation on the tender and the acquisition and because they invited the Swedes, they had to withdraw—conflict of interest. So it came down to two—the Italians and the English. The Italians made the best offer.

Sen. Dr. Saith: How do you know that?

Sen. W. Mark: I have evidence. [*Laughter*] I have been informed that it is \$1.4 billion, and the English people between \$1.8 billion and \$1.9 billion. So, the question here is: Why did the Government opt for the British when they could have gone with the Italians at \$1.4 billion?

I have warned the Government. I am giving them 14 days and if they do not take action on this matter, this will be taken to another level. I am not joking about this. On this transaction, costing \$2.2 billion, we could have saved \$800 million because the Italians were offering us \$1.4 billion. Why did the Government choose Vosper Thornycroft?

Mr. President, do you know what is worse? Vosper Thornycroft is now part of the BAE Systems of London. They became one on July 01, 2008. BAE is now being investigated for fraud, impropriety and bribery in many countries including South Africa, Zambia, Costa Rica and Saudi Arabia. Right now BAE is before the courts of Britain and is under investigation by the serious fraud squad in London because in a defence deal with the Saudis, valued at £43 billion, they bribed a Saudi prince to the tune of £1 billion. That is on the public record.

I am saying—and I want the Minister of National Security to tell us if he and two top-ranking coast guard officials, along with his Permanent Secretary, went on a military exposition in London in 2005 or 2006 and while there he only visited Vosper Thornycroft's shipyard. While the Germans and the Italians had their ships on display, did he go to the German shipyard; if not, why not? [*Interruption*] Tell me when you speak, not now.

I suggest that there is a serious situation—

Sen. Joseph: Mr. President, I rise on a point of clarification. The hon. Senator indicated that I visited shipyards. I visited no shipyards in the United Kingdom.

Sen. W. Mark: I did not say you visited shipyards. I said there was a military exposition and you went to that exposition and I am told that you only visited the shipyard—[*Laughter*]. Let me withdraw. There was a military exposition and

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ships were on display. I have been informed that the Minister at this military exposition only visited those ships displayed by Vosper Thornycroft. He did not go to the Italians and the Germans in the same area in which the exposition took place.

They must tell this country why they fired Soltec and who is Captain Inniss. Where does he come from? This Government purchased two interim vessels, according to the Prime Minister, for \$132 million. They bought two tugs. They had to refit them; tugs that you could purchase new on the international market through Swiftships for US \$5 million each. Those two vessels are not valued more than US \$10 million right now, but we spent \$132 million for two interim vessels.

Mr. President, I suggest that this particular transaction requires a forensic investigation. This Government must be held to account. Why did the Government agree to an arrangement with the British when they knew the cost was US \$1.9 billion; when they could have bought the same vessel for US \$1.4 billion from the Italians? There are serious issues involved here. Based on my research on this matter, it appears that very top-ranking government officials are involved.

Mr. President: The hon. Senator's speaking time has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Dr. A. Nanan*]

Question put and agreed to.

Sen. W. Mark: Thank you very much. I ask the Government to provide this Parliament with the following information. We would like to know how much it will cost to maintain those vessels for the next 10 years. You must have done a calculation on that. Give us the personnel required to maintain and operate those vessels and the cost. We understand the maintenance of these vessels will be \$1 billion and \$2 billion. We need clarification. What is even more shameful is that part of the tender talked about a proven hull. These fellows never built a ship of 25 knots in speed, but they are going to use Port of Spain and Trinidad and Tobago as guinea pigs.

The Italians have a proven hull; the Germans have a proven hull, but the English have not been able to provide us with a proven hull and we gave them \$1.9 billion and we are going to be called upon as taxpayers to fund that for the next several years. I think that the Minister of National Security, the Prime Minister, top officials of the coast guard, Sen. Dr. Lenny Saith who chaired that

inter-ministerial team have to account to the Parliament and the nation. If they do not provide this country and this Parliament with the evidential information so that we can make our own judgment, we will get other international bodies to investigate them because this smells.

The more I raise it is the more they are reluctant to provide information to the nation. I am a Member of this Parliament and I have a duty and responsibility, when I come across information, to bring it to the attention of this Parliament and, if I am not certain, to raise questions and to seek clarification. It is the Government's responsibility to bring documentation, not to get up here and just say that I am wrong. Give me the evidence.

I challenge the Government to provide this Senate with all the tender documents and the documents for the government-to-government contract. Bring it here and let us investigate it. Let us have a special parliamentary committee to investigate that matter or send it to the Fraud Squad. What is sad is that people are dying in this country; they are under real pressure and this Government is spending money as if it does not care. Why did they go into that investment? What was the basis? And they are using drugs as the excuse to cover up all kinds of activities that at the end of the day would not be in the interest of the people of this country.

We believe that this Government has taken the country down a certain path and we are going to pay a heavy price for the mismanagement and squandermania. A stadium that was supposed to be \$166 million, we are told, will cost close to \$700 million. Who will pay the price? Will the workers who will be retrenched just now or whose wages will be frozen?

The Government must take full responsibility for the mismanagement and the squandermania of our resources and not hide behind all kinds of arrangements to deny people their rights. We are saying that the acquisition of those three offshore patrol vessels is sleazy and we want answers.

Based on the research conducted to date, it appears that the whole thing was well calculated and the Government must tell us why they went with the British, an almost bankrupt shipyard in London and we are being called upon to pay \$2.2 billion. Tell us who are the agents for the offshore patrol vessels coming from Australia, from Austal.

We know the agents for Vosper here. We know it is Marine Consultants. We know that the man's name is Andre Lange. He is the man in charge. We know that company maintains those two tugs they brought down for \$132 million; that is not

valued more than \$110,000. Minister of National Security, tell this Senate who are the agents of Austal in this country. There must be agents for the six fast patrol vessels that you brought from Australia. Who are they? I have names of agents, but I will not call them now.

11.30 a.m.

Mr. President, this Government could jump high or it could jump low, but the reality is that they have brought this country to its present state, and they are now preparing to kill people and give the army riot material to confront workers in this country. That is what they are prepared to do after they have mismanaged the economy. They are prepared to use force against the people of this country. I have information surrounding this transaction and I intend to take action. I give the Government 14 days to respond and if they fail to respond, this matter will be taken to another level where they are going to be investigated by international authorities elsewhere.

When we looked at the question of other variations and how this Government has been allowed to easily transfer moneys from one Head to another within ministries—\$253 million between subheads have been approved by the Minister of Finance. As I said, the Minister of Health needs to explain to this country why his ministry made a transfer of \$200,000 to public relations to meet the cost of overseas travel to international conferences/meetings for the months of August and September, and people cannot get Panadol in the hospital.

I want the hon. Minister of Health to investigate what is happening at the Mount Hope Medical Complex involving individuals who seem to be doing their own thing by disposing of workers. Workers who are supposed to be making one year service, as soon as they have reached 11 months, they are being sent home. I would like the hon. Minister of Health to investigate that. Check out a lady called Carolyn Washington-Aigle and determine if she is getting three salaries, four salaries or one salary. Investigate why she is dismissing workers whose contracts are just 11 months.

Presently, over 300 workers are being threatened—patient care assistants, hospital assistants and clerks are being sent home by this particular individual. Workers are being moved around and, therefore, the workers at Mount Hope are calling out for justice. They are calling on the Minister of Health to intervene on

their behalf, because there is a hatchet woman at Mount Hope who is just “licking down” workers. She is destroying workers and dismissing workers. That is the information that I have received. It is my duty to bring these matters to your attention and for you to explain to this Parliament so at least the workers can be comforted in their minds that all is well.

Mr. President, the time has come for this Government and this country to look at the whole issue of constitutional reform. You see, what is taking place here, a ritual every couple months, should come to an end. We do not want an executive president to be in charge of the Executive, Legislature and the Judiciary. We want a system similar to that of America where the President is elected on a one-man one-vote basis. For example, where we are debating finance here and the Prime Minister or the executive president should never be in charge of the Parliament.

Mr. President: With all due respect, that is not before us.

Sen. W. Mark: I was saying that if we had the power as the Legislature to determine finance, the Government could not come here today after it has spent all this money and only seek our rubber stamp. They would have to come here and justify in advance the \$1.73 billion—why they want it and why we must approve it—and then we can argue with them and say why they cannot get it and tell them they can only get half of the amount. Presently, Senators are a bunch of rubber stamps. Whether we support the Bill or we do not support the Bill or whether we say we want change or not, the ayes have it. That is a mockery of democracy; it is a mockery of the Parliament. Where is the power of this Parliament? This Parliament has no power!

Mr. President: It is out of order to bring the Parliament into disrepute and the subject of the powers of the Parliament is not before us. Please, for the second time, talk to the Bill.

Sen. W. Mark: So, as far as we are concerned, the Government has a duty to perform. We are in a serious crisis in our country today. We are being asked to support a measure where \$1 billion is being supplemented and added to the original budget, and this Government is seeking to raise \$1 billion in terms of deficit financing. It is a bit ironic that whilst we are adding on one hand, we have to go and borrow on the other hand. It seems to me that there is a conundrum here. The Government is not managing and planning its affairs properly on behalf of the people and, therefore, all these measures before us today tell us that the Government is not managing and planning its business properly. That is why we have been called today to deal with a measure that the Government could have easily predicted.

Mr. President, before I close, under Head 40: Ministry of Energy and Energy Industries, could you imagine that this Government allocated \$109 million to facilitate Government equity ingestion with respect to its 40 per cent shareholding in a company called Alutech and they forgot to tell the Parliament in the budget debate that they were supposed to allocate \$109 million? They remember this after the budget. Now, is that real? We cannot take this Government seriously. This Government is just using this Parliament as a rubber stamp to do whatever it wants. In light of these measures, we would not be able to give any support to these measures in their current form.

We want answers to the questions that I have raised; we want documents to be provided so that we can look at them properly. Until we are able to get those documents and the proof in terms of this reality that I have raised, I think that we have to reserve our rights in terms of this particular measure that is before us.

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

Sen. Basharat Ali: Mr. President, thank you. I am pleased to make a contribution to the Finance (Supplementary Appropriation) Bill. In terms of the data that is before us, I am going to deal purely with the supplementation part of the Bill. I would confine my comments to items related to Head 31: Ministry of Public Administration, the item for the appropriation of \$99.645 million. I would also address the Ministry of Energy and Energy Industries appropriation of \$109.22 million; and the Ministry of National Security appropriation of \$609.3 million. I also want to talk a little about the position of the water tax which I have not seen in any budget.

So, Mr. President, let me start with the Port of Spain Waterfront Project. It is not an area which I know much about, leasing and conveyancing. I know my friend, the hon. Minister, is an experienced man in such arrangements, and I take his word that this is an international form of financing via this sublease method. I was trying to find out how we got there to start with.

As far as I know, all the lands are vested or have been vested in the Port Authority, and I looked at the Port Authority Act. As the document says, UDeCott has a lease for the Port Authority. I believe it is a long term lease. That is one item.

The next item is this sublease. The arrangement put forward to us is that the sublease is among the parties which are the Port of Spain Waterfront Development Company, UDeCott and the Commissioner of State Lands. This is where I got a little lost.

First of all, is the 100 per cent subsidiary of UDeCott, which is the Port of Spain Waterfront Development Company, the contracting party in this? Are they the asset owner? They are in charge of the project. If they are, then that would be going into their books. So, my question is, if that is so, what kind of asset base or equity base, as a subsidiary of UDeCott, does the Waterfront subsidiary have? That is my first question.

If we go down to the leases, one of the subleases is to cover the land with the Hyatt Regency Hotel and the Tower 1 which I believe is where the Minister is at presently and the car park, et cetera. That is the first sublease. As I understand it, this is something where the Commissioner of State Lands has become involved now. I do not see the name of the Port Authority anywhere and they were the original lessors. I do not see their name in any of the documentation that is before us. This is an area that I require clarification. I ask the question then, under sublease 1, is the Port of Spain Waterfront Development Company the asset owner? Everything is in their name.

In the case of the Tower 2, et cetera, that is sublease 2—these questions can be answered whenever you wish to, but they are crucial to the subject of the financing of the project—the financiers are First Caribbean International and Barclays or whatever it is.

Mr. President, from my understanding, with respect to this company that is going to pay semi-annual instalments to the financing consortium, I would like to clarify something. There have been changes in the length of the subleases. The first requirement was for 50 years and we are now hearing that it is 20 years to service a loan for 17 years. So, another matter is that this figure we have here of \$15.66 million—the sublease payment by the party here—is this one instalment of two semi-annual instalments? In other words, is it really twice that amount per annum? It is the same thing for sublease 2. Annually we have these figures coming to us in two sets of money, so we are really talking about over US \$20 million twice. Is that what we are doing?

11.45 a.m.

If that is so, then we should say so, because to me it was a little unclear whether it was this payment which was split into two, so it is either, as I said, \$21 million or \$20.5 million, whatever the actual number is; I do not have it at hand, or twice that number per year, and I presume that is principal and interest payment on the financing arrangement for 17 years.

So, I would like to get some clarification on that matter from the hon. Minister in the Ministry of Finance. I believe from reading the documentation here that this payment was due on July 01, 2008 and this is why it was advanced. So, was the next instalment then due in January 2009? I see the Minister is nodding so he is agreeing. Therefore, it is in fact a six-monthly payment.

We can now get a feel as to really how much this financing deal is costing us, and if we take \$40 million for the two and multiply that by six, you know how many TT dollars are involved there; \$250 million per annum, if I am doing it very roughly. Those kinds of numbers frighten me. I am leaving there for explanation later on by the hon. Minister.

Mr. President, I go on to Head 40: Ministry of Energy and Energy Industries. My friend, Sen. Mark, was querying this project. I do not have any specific query on the project to start with; I do not know very much about it. A description is given here that Alutech is an integrated technical development centre, which would develop and pilot manufacturing processes that are pre-industrial scale for the production of aluminium downstream products, particularly light motor vehicles for the automotive industry. Is this then a research and development company? It sounds like that in the description. Or are they going to produce materials for commercial consumption?

The more important question for me is, we are a 40 per cent shareholder in Alutech, and I believe earlier on I had seen that SURAL, the Venezuelan company—which always involved eTeck in working through this project—may be the 60 per cent equity partner in Alutech. If they are, is this figure here, \$109.22 million, to be provided as equity injection? Is the total equity, \$273 million, and has the other equity holder come up with his share, which is more than ours? We are \$109 million and the other partner or partners are \$163 million, if that is how I am doing it, \$273 million.

I need clarification as to exactly what the total equity injection is and I assume it is based on 60/40; 40 per cent for us, 60 per cent for the other partners. In which case, it would be \$273 million equity injection just for this project. I do not know what is the total cost of the project and I think we need to know really how much we are getting into, if this is the kind of project, which we say it is. We know there has been much talk on these aluminium wheels, for example, for the motor car industry, and I know SURAL is the one that has been pushing this all along.

We have no vote here, but at least we would like clarification on these matters so when people ask us we will be able to say, oh, yes, this is what is happening. I only have questions today and no answers, so I would be looking forward to answers as we go along.

I go now to Head 22: Ministry of National Security. This one I am fairly familiar with, having talked much earlier in the life of our present hon. Minister in the Ministry of Finance, and got an explanation of what these supplemental appropriations are when we come to these big amounts of financing for the three OPVs. I think most people should be familiar with the parameters of this project, and for those who are not, then I say to them that they can go and read the Prime Minister's statement on April 20, 2007, which gives the whole project, and this is where I start with all the details of this project, the cost of the vessels, the financing arrangements, and all the work beyond the delivery of the vessels. I am relatively familiar now with this project.

I have to be thankful to the Minister because he put me correct or on the right path when this supplemental appropriation came up for 2007, and then I did not raise it when the accounts came for 2007. I go back now to the final accounts for 2007, and looking at the disbursement we have before us now, TT \$568 million for this project, and I looked at the last disbursement, which would have been in 2007, TT \$449 million, the equivalent of that was £36 million; that is a conversion of about 12.5, somewhere in that vicinity.

This second instalment of the cumulative figures for the year 2008, presumably this is TT \$568 million, but I do not know what it covers, because I do not know what the schedule for the payments is in terms of the vessels deliveries, et cetera, because that would be a schedule attached to the financial agreement. I must remind Senators here that really, this is 100 per cent financing, because 85 per cent was financed through the credit facilities and 15 per cent through a commercial loan. I think this represents the total—I hope I am correct—amount of money borrowed on this project, and it represents 100 per cent of the contract cost plus all the other things, the commercials; I see they even have the cost of currency transfers. I do not know whether that is a hedge or not. If it is a hedge, when we start with the pound—and I see the Minister says no—at 12.5 at this time and go to 8.8, then we should be doing well in terms of payments for 2009.

How have we got up to \$568 million now, bearing in mind that exchange rates and everything else have been going down? I would have really preferred if all of these loans were shown as they are in here in the currency in which the loans have been made. For example, it is the first time I ever saw what the pound figure was for it; the whole amount of that contract was £160,792,450, that is what converts to this TT \$2.193 billion.

Once again I have questions for the hon. Minister. The hon. Minister of National Security is here, and I listened to his contribution in the other place, and he gave a revised schedule for the delivery. Well, I have to take his revised schedule for the delivery of each of these vessels and compare them to what—well they are different from the original schedule from the April 20 number, because the first vessel according to this was from March 2009, which is now November 2009. This is seven months if you take March, six months if you take April as the delivery time. Then the second vessel was to be delivered in October 2009, that is now gone into May 2010, and the third vessel now November 2010. That is the revised schedule for these vessels, so the fight against crime will be delayed or postponed for a little while.

Hon. Minister, if I may, the March figure which I gave is the original schedule, those came from this document which is what I was using, April 20, prime ministerial statement. Those are the delivery dates in that agreement. I was asking someone last night, I know there is a large element of training for these vessels—I think it is about 200 odd people—and I was wondering how far have we gone with that, because if the vessels were on time it would be another two months before they should have been ready to—a different crew will probably be bringing the vessels to Trinidad and Tobago.

I would like the hon. Minister to say how we are progressing on that because that is an important element, because we so often do things and have people contracted to come and run them, and the benefits are lost or delayed considerably. That is my second question on the OPVs. I know the two interim vessels were also covered by that \$132 million. Is that partly responsible for the bigger disbursement during 2008? I ask this question because \$568 million is quite different from \$449 million from the previous year.

On the question of fast patrol craft, which is the first arrangement we have had with the Government of Australia—this is a contract which is with Austal—very little information really is available to us on this one except that we have a TT dollar figure of \$390.76 million for the six fast patrol craft. I asked the question—I cannot remember when—sometime in 2008 on this one. Since that number was not corrected I did not know otherwise, but seeing that there is a disbursement of TT \$41 million on that, as far as I understand it, this financing is in Australian dollars, if I look at Australian dollars at the middle of last year that would come up to something like AUS \$70 million, but I am subject to correction from the members of the Ministry of Finance or the Minister of National Security.

More so, as we are now disbursing, the Australian dollar has dropped considerably. In fact, from previously, it has dropped I think to—I cannot remember the number. Once again from my reading of it AUS \$1 when we were doing this financing, would have been about TT \$5.5; today it is TT \$4.1, on the basis that we are still maintaining a kind of priority with the US dollar. This may come out a bit cheaper; this is why I asked what does this \$41 million cover? Is this 15 per cent of the total contract? If it is a normal OECD type consensus arrangement it will be 85:15, so that is 15 per cent. Is it 15 per cent, although in my arithmetic it is looking more like 10 per cent, plus the fees, et cetera.

So, an explanation is required, because there is nothing else in the public domain on this particular project, which I understand two of them are to be delivered this year. I do not know the details of the delivery, but I am sure the hon. Minister of National Security will be updating us on that.

12.00 noon

Mr. President, I would like to go next to the water taxi project because I have not seen any—[*Interruption*] We have a lot of information about the water taxi project but the finances for this project we know very little about to date. Budget wise there is not a big amount for that project anywhere and I would like to know the arrangement for these four vessels which we have with us now. As far as I know there are three vessels—the three that we have there now, the *HC Katia*, the *HC Milancia* and *HC Olivia*—and each of these is supposed to cost—they are used vessels—US \$1.858 million which comes up to roughly TT \$35 million and one bigger vessel, 449 passengers, that is the *HC Su* and that we know very little about and that is quoted in euros, 2.678 million euros.

These prices are in the public domain, I think it was the *Express* people who have given those numbers, so that one other vessel is TT \$22.36 million, so a total of \$57.3 million purely for these used vessels. I do not know how much we have up to the end of 2009 in approved budgets, because if I go back to the spending I think it is about \$28 million spent in 2007, there was a provision for \$50 million out of the Infrastructure Development Fund (IDF) in 2008, so that is TT \$78 million if I am correct but included in that should be the work being done on the sites, the preparation of the San Fernando terminal and—well, I do not think anything has been done in Port of Spain to date. So, that is what is in question. For 2009 there is a sum of only TT \$35 million, but what we know or what has been there is that we still have outstanding the four new vessels to come, the four water taxis which are budgeted, as far as I know, at US \$40 million and they have gone out to tender and were near award, according to the Ministry of Works and Transport at the time. So, I am not too sure how this is being funded.

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I realize that I missed out last year that in the PSIP of 2008, there is an authorized amount there of TT \$408.127 million as a budgetary amount in PSIP 2008 and that same number has remained in PSIP 2009. If you look at the penultimate page of PSIP 2009 you will see that number there—\$408.127 million and this is tranche 5 for those who might want to look at it and the projected expenditure for this period, 2009 was \$35 million. If I add up what we spent in 2007, plus the \$50 million for 2008, plus the \$35 million for 2009, I come up to \$113 million. So I just want to know what this item under PSIP is and how we have financed the procurement of all the used water taxis that we have with us now.

As we all know, the service was launched officially, I think, on December 18, was it? [*Interruption*] Around there my colleague tells me. When this system was on, there were positive comments and then negative comments, but in my view there is a serious concern until and unless there is a dedicated berth for this project. Having the temporary cruise ship complex—we see it all the time, every time there is a cruise ship coming in, there is a notice now from NIDCO saying our service will be different or part suspended on so and so day. For one thing, it puts a number of people out because you cannot plan and secondly, NIDCO is spending money now quite often—if you look at the newspaper they are spending money quite often—in advertising that there is going to be an interruption in their service.

So, my personal view is that the water taxi system was not ready for putting into operation. Maybe, politically it sounds good but I do not work like that. I am a plant person, when I say my plant is ready for commissioning it is ready for commissioning and it is going to go into operation. So, I plead with the powers that be to really find out what is going to happen with the summit conferences coming up and cruise vessels coming in and whatnot. Are we going to have any kind of system there at all? We have the money spent and we do not know what is happening. That is what I have in terms of my comments, because we are spending money. We want value for money, we do not know how these vessels were negotiated. From my information the three vessels that we have right now—the 1,500-passenger vessels—were all made or built at the same shipyard that we have been talking about—VT shipyard, in fact that is public information that they were built there, and I will come back a little nearer the end to something on one of those vessels, the *HC Katia* which has a problem.

Mr. President, as I said, there have been some positives, some negative comments and one of the concerns that came up quite early is the question of sabotage on the vessels. I have not heard any since, but—

Mr. President: Senator, I have allowed you some latitude in terms of the water taxis but I do not recall anything being said by the Minister about water taxis and I do not see anything in any of the documentation. I do not think that we have any business talking about water taxis at this point. I think that is the subject of some other debate. Please move on!

Sen. B. Ali: Thank you, Mr. President, but I was asking where the moneys have come from to pay that. What arrangements do we have? It is \$53 million of our money that has gone into the purchase of used water taxis, one of them, the *HC Su*, we know nothing about.

Mr. President: Senator, unless it is part of the documents in front of us and part of the reallocations, do not go there, go somewhere else please, and talk about what is in front of us.

Sen. B. Ali: Well, Mr. President, if I have a question relating—I am asking whether there was no supplementation for these vessels. How have they got here? Because it is not in the documentation does not mean to say I should not ask about them, surely.

Mr. President: File a question.

Sen. B. Ali: Sorry?

Mr. President: File a question.

Sen. B. Ali: The question I have asked already—

Hon. Senator: File it, file a question.

Sen. B. Ali: File a question? I do not like to go the route of filing questions, I can tell you that. If I know I cannot speak about it, but I would like to say to this Senate that one of those vessels—and look people may not know it, and this is important, Mr. President—

Mr. President: Senator, please! Please. I have asked you nicely, move on to something else, please. It is not before us and we really cannot have a debate here talking about whatever Senators wish to talk about. There are matters on the agenda, there is a Bill before us and I would ask you to address yourself to the Bill. Now you are an experienced Senator, you know how to do that.

Sen. B. Ali: Thank you, Mr. President, but I raised some matters which are life and death matters. One vessel ran aground, the *HC Katia* ran aground on its first trial and there was a big report on it. I want to make—

Mr. President: Senator! Senator, please take your seat! Now, this is now going to be the fourth time. If you are going to persist I will instruct you to remain seated. Now please, do not let us go there! There are many other things that you have to talk about I am sure, so please talk about the Bill. Thank you.

Sen. B. Ali: Mr. President, I will have no alternative but to go public with it, which is my alternative. I will! I will indeed, because it is a matter of, as I say, safety, so I will go public with it. I hope I will not be stopped with what else I want to say and this relates to the budget figures for 2009; it came out of a statement of the Prime Minister, we have been hearing from the hon. Minister in his presentation about what the new figures are and what the deficit is.

I took the trouble, Mr. President, of giving the two Ministers over there who look after these matters what my views were, that it was not a \$7.2 billion shortfall, it was much higher than that. My calculation was \$14.2 billion, but there was no reaction, and I propose today, in fact to say to the nation that although the Minister has said we are in safe hands, I am not convinced that we are in safe hands. This is why I speak to it.

The Minister said we are in safe hands because we have back up and whatnot, so, although there is nothing in the document about it, I am reacting to what the hon. Minister has said. I do not believe we are in safe hands, because if the Prime Minister says that we have a \$7.2 billion deficit based on a certain amount of revenue, and I do not even agree with the amount of revenue and I work out a bigger deficit or shortfall, then I feel that I should be able to say once again that these are the matters.

That is why last Tuesday I gave copies of what I did to the hon. Minister of Energy and Energy Industries and to the hon. Minister in the Ministry—

Sen. Enill: Thank you, Senator for giving way. Mr. President, the Senator is correct, he did do calculations. The difficulty that I have with dealing with him is that the matter of arriving at revenues involves 146 people, all of whom make projections on the receipt of taxes through the Board of Inland Revenue, using various cost relationships based on various work programmes and also based on sensitivities between NetPack going into different locations.

Now we do a number of things that involve four specific ministries and about 10 companies. In those circumstances I find it rather difficult that any Senator can sit down and challenge the Government on information that even in many instances is not available to this Minister and therefore in those circumstances it

was difficult to basically respond to the Senator. The fact is that in the computations that were done on the last occasion the same group of technocrats that were involved used different sensitivity parameters and came back with a result. That is the result that we have used and in those circumstances that is what it is.

Mr. President: Thank you for your answer, Minister. However, with the greatest of respect to you and the hon. Senator, the budget for 2009 is not before us today. Now there are other times and occasions when we will have the opportunity to debate that. I can only adhere to the Standing Orders. The Standing Orders require that we speak to the issues before us. The budget for 2009 is not before this Senate and therefore it has no place in this debate. It is not really a discretion of mine. I will be wasting your time and the public's time if we talk about things that are not before this Senate today, so please, let us talk about the matter before us.

Sen. B. Ali: Thank you for your advice, Mr. President. Under those circumstances I will not say anything further, except that there are other people in the energy sector who were saying the shortfall is double digit. Double digit means more than 10, might be 14, but it will be more than 10 and without any avenue for saying anything and having heard that we are in safe hands I am prepared to go public once again, have a press conference. I have all the numbers here and I am prepared—on this matter and others—to have a press conference at some time soon and say well look, I disagree with what the Government has put forward and the Government has not responded to me in any way. I will say this is what I give to you and I will expect then that somebody will say something.

I do not intend to be sensational. I do not work on sensationalism, I take it quietly and this is why I brought it here last week and I said well next week we have a Finance Bill and we will talk about it and there was yes, a nodding of heads on the other side but, evidently, you decide what the rules are and procedures are, and I agree.

12.15 p.m.

Mr. President: Senator, with the greatest of respect, I do not decide what the rules are. The rules are very clear within the Standing Orders. It is only for me to implement the rules of this Senate. I am a servant of the Senate, I am a servant of the Standing Orders and it is my duty to ask Senators to comply with the Standing Orders. I have given you a tremendous amount of latitude now, even to the point where you are virtually debating my ruling and I am trying to be very nice here

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now. Now please, move on. It is your right to take whatever issues you want to debate or to talk about into any other domain. If it is not before this Senate, you may not bring it here. It is your right, your constitutional duty to do whatever it is that you wish, but you may not bring it here unless it is before us.

Sen. B. Ali: Thank you, Mr. President. On that basis, I thank the Members for listening to me at least, but not getting all what I feel they should get in this debate.

Thank you very much. [*Desk thumping*]

The Minister of Health (Sen. The Hon. Jerry Narace): Thank you very much, Mr. President. I rise to support the Finance (Supplementary Appropriation) (2008) Bill, 2009 and I am just here to address a few matters.

Mr. President, let me start with the first matter, the Caricom Development Fund. The Caricom Development Fund is a fund that grew out of the CSME, and that fund was designed to assist disadvantaged States, sectors and regions. I heard Sen. Mark saying that it is time that we benefit. Trinidad and Tobago can benefit from that fund. If for example, any sector feels that they are disadvantaged as a result of the CSME, then that fund which is currently about \$66 million, is now made available to those manufacturers who may be able to access that fund. But more important than that, is that this fund and the intention of this fund is to create the backbone that will assist in the development of business, safeguard jobs and treat with overall support for companies that may be disadvantaged as a result of this whole integration process.

Mr. President, what is more important, the fact that once we capitalize it up to \$120 million and the fund appears credible, we can now approach donor agencies and our intention is to take that fund to US \$250 million. So by us contributing, what we are in fact doing is creating a fund that will ultimately be a robust fund and will ultimately redound to the benefit of Trinidad and Tobago, and indeed the entire region. But more so Trinidad and Tobago, because in looking at what happened in the European Union, the EU interregional trade rose by 41 per cent in the first 10 year's, in Nafta it rose by 17 per cent and Mercosur it rose by 67 per cent. In the case of Caricom, the intraregional trade rose by, I believe it is 43 per cent of which Trinidad and Tobago enjoys some near 90 per cent of the intraregional trade.

So in just addressing the issue on the Caricom Development Fund, I thought that we need to put it on the table that you are really helping small manufacturers, people who are employed in the manufacturing industry, and you are really

helping small people at the end of the day by ensuring that there is a fund that will look at all of this. And the people who benefit it is not just Trinidad, it is the very market to which we look to sell. So, I just thought that I would clear up that issue on the matter of the Caricom Development Fund.

Mr. President, I think I have to make the point that I heard Sen. Mark say that in their entire period they spent only \$54 billion. I want to make the point that, "you will sow what you reap". *[Interruption]*

Sen. Rahman: "You will reap what you sow."

Sen. The Hon. J. Narace: Sorry, "You will reap what you sow." Mr. President, I just want to make the point that I have had the good fortune to watch an administration, from many years back, set a vision to expand and grow the economy. And if it is by doing that, we ended up with a higher quality of life where, for example, the minimum wage was increased, where wages were increased, where people's benefits were increased, where programmes were increased, then clearly what really happened with this new administration, is they were able to grow the economy by creating those opportunities through proper policies. There were proper policies in place and those policies started a long time back, but as the Manning administration came back into office, they started to pursue those policies and as a consequence, you would see that amount of money was able to be realized in terms of our budget.

Mr. President, Sen. Mark has asked for the justification of some figures and some issues to be clarified. I want to start with the \$6.6 million which was moved and I want to say that the average amount of money spent on drugs in the public system is \$29 million per month. At the end of the fiscal year 2008, the remaining amount was \$6.6 million and this was merely one week's expense for drugs, and this was primarily due to the open purchase orders during the period.

You see, Mr. President, there is a time lapse because most of the drugs in the public system are from the overseas suppliers and these open purchase orders often arise due to the normal delivery time of two months. So by the time it came in and by the time the bill went forward and so on, you will end up with a situation where there was just one week out of 52 weeks that remained unspent, and therefore, we very efficiently and prudently transferred that to deal with other matters. It was merely the allocation.

It is standard practice that every year, any expenditure incurred using the funds from the IDB Health Sector Reform Programme Loan must be reflected in the Government books, in an instance where the approved budgetary allocation is

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insufficient to accommodate such expenditures. This allocation must be supplemented by another account. In this case, funds were transferred from the drugs allocation to supplement the shortfall that occurred in the human resources strategy account. This transaction in fact did not involve an actual expenditure per se, but rather it constitutes an established means of reflecting actual drawdown of loan funds. Just a paper transaction.

The Ministry of Health continues to be proactive in meeting its financial obligations and is committed to modernizing the health sector by the year 2020, as we have promised. In this light during fiscal year 2007, we spent 96 per cent of the recurrent expenditure, and 86 per cent of our Infrastructure Development Fund was exhausted.

Mr. President, he also asked for us to account for the \$200,000 transfer under the overseas travel expense. This constituted a visit, as we are members of the board, for the 48th Directing Council PAHO meeting, conducting the 60th Session of the Regional Committee to the Americas of the World Health Organization meetings in Washington DC, during the period September 27, 2008 to October 03, 2008. So this expense was largely to fulfil our obligations because there was a Caricom meeting there which dealt with the finalization of the region's health agenda; the development of CARPHA which is a Caribbean Public Health Agency in Trinidad and Tobago; the development of population-based and individual approaches to the prevention and management of diabetes and obesity; matters involving cervical cancer prevention; neonatal health care; the development of a regional strategy for adolescent and youth health; the development of a regional strategy and plan of action for strengthening of vital and health statistics; round-table discussions on climate change; and the WHO Framework Convention on tobacco control. So that deals with that \$200,000.

Let me now deal with the issue with the transfer of the funds to the RHAS under the VSEP. The removal of the dual system of employment by the RHAS and the Public Service Commission and the subsequent transferring of staff to the Regional Health Authorities are critical initiatives required to effectively decentralize the delivery of health care services. Decentralization is meant to empower health service delivery managers to manage and improve the services for which they are responsible. The RHAs already have some measure of flexibility in the management of their finances to solve problems and to get better value for the money.

Through the Voluntary Separation of Employment Programme, the RHAS will now be empowered to reward the efforts of dedicated staff wherever necessary, and thereby effectively employ human resource management strategies to significantly improve the quality of health care delivery. That brings me to a point

made by Sen. Mark, when he spoke about this lady and so on, and this is what we are now doing: putting in the proper institutional strengthening, the proper mechanisms. In fact, that is why it was so important for us to pass the RHA Regulations, so that now they are empowered to do that, and we at the ministry are conducting HR audits, financial audits and different kinds of audits. I have taken note of what he said and we intend to continue to audit and check and ensure that what we build is a meritocracy, and what we build is a level of efficiency and efficacy in all that we do in terms of the RHAs.

12.30 p.m.

So, at the inception of VSEP, approximately 3,000 persons were eligible. To date, a total of 1,700 officers who were employed by the Ministry of Health and who were working in the institutions of the RHAs have accepted VSEP. In addition, 717 officers have exercised the option to transfer directly to the RHAs. So this means effectively that the full complement of the staff working in the RHAs will now be employed by and under the direct management of the RHAs.

This accomplishment is indeed a critical step in removing letters of complaint and the frustration of our health care professionals. Clearly, under the leadership of this administration, the transfer of health care professionals has renewed the staff commitment and the level of productivity under our health care system.

So, Mr. President, this will bring greater certainty, transparency, accountability and the kind of efficiency we are trying to build in the RHAs and that is why that money was moved to pay for the VSEP. Therefore, we have not moved those people across to the RHAs. We have the balance of people to move, about 800, and when we complete that, we would have completed where, when you work in an RHA you will have a clear line of instruction; you are now accountable to that organization. That deals with that issue.

Mr. President: Hon. Minister, it is now 12.31 and I would like to take the lunch break. If you have another minute or two, I will let you wind up; if it will take you longer, we will come back after lunch.

Hon. Senators, we will suspend the sitting for the lunch break until 1.30 p.m. The sitting is now suspended.

12.31 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

Mr. President: Hon. Senators, the temporary Senator to be sworn is here, so he will take the oath. Let me now read the appointment.

Senator's Appointment

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SENATOR'S APPOINTMENT

Mr. President: Hon. Senators, I have received the following correspondence from His Excellency the President, Prof. George Maxwell Richards, T.C., C.M.T., Ph.D.:

"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: MR. FOSTER CUMMINGS

WHEREAS Senator Bridgid Annisette-George is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, FOSTER CUMMINGS, to be temporarily a member of the Senate, with effect from 27th January, 2009 and continuing during the absence from Trinidad and Tobago of the said Senator Bridgid Annisette-George.

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 23rd day of January, 2009."

OATH OF ALLEGIANCE

Senator Foster Cummings took and subscribed the Oath of Allegiance as required by law.

FINANCE (SUPPLEMENTARY APPROPRIATION) (2008) BILL

Sen. The Hon. J. Narace: Thank you very much, Mr. President. We have dealt with a few matters, including the \$200,000 that the Senator asked about. Let me deal with some of the other matters raised by Sen. Mark.

On the issue of dengue fever, I have always said, and I will continue to say that it is not just Trinidad and Tobago that is treating with this issue, but the entire Americas. Suffice it to say that the query he raised showed one with the screening test and one without because the TPHL just deals with the confirmed. The point is not so much that, but what we have done and what we continue to do. That is the crux of the matter.

I have said before and continue to say that one case or one death is one too many. We are here to serve people and to treat with all these issues.

Suffice it to say that during the period 1997—2002, a total of \$205 million was spent and during the period 2002 and 2008, approximately \$300 million was spent.

We have continued to collaborate and work with members of the community in terms of task force committee meetings, public health staff visiting, not only by local government, but by all members, clean-up campaigns and chemical application. We are now going house to house with microphones and fliers enlisting the support of all regional corporations and councillors to make sure that we go to every nook and cranny to provide the support that is required and we have increased our staff. We have now printed more than 250,000 fliers. The challenge is that we must ensure that the cycle peak years are broken. The year 2008 was a cycle peak year and we are working towards breaking that cycle. The Ministry is working assiduously to achieve that.

I now wish to speak about yellow fever. For the record, surveillance activities resulted in the detection of yellow fever in mosquitoes in December 1988 when their government was in office, and in 1985 and January 1989 it was found in monkeys in the forest. For those who know, it has been endemic in Trinidad and Tobago.

I want to quote the newly-elected President of the TTMA, but before I do that, the autopsy report on dead monkeys during December 2008 confirmed that death was due to yellow fever. We put the information out there and dealt with it in a very proactive manner. We started health education. We had sensitization via video, radio talks, billboards, flyers and posters. We conducted outreach programmes paying special attention to forested and remote areas using the services of mobile units. We intensified our vaccination and catch-up immunization programmes and we will continue with mosquito control measures.

Yellow fever in the Caribbean has occurred as early as 1620. The earliest record of the disease in Trinidad and Tobago is in 1792. There have been no confirmed cases in Trinidad and Tobago since the last outbreak in 1979. In 1954,

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the virus was isolated in patients from the Northern Range. That was the first human case. It has not occurred in humans in Trinidad and Tobago since 1979 when 18 cases were discovered in locations in the Trinity Hills area. None of these 18 patients were immunized and no evidence was found of an urban spread. Following this outbreak, 80 per cent of the population, over one year, was immunized between 1979 and 1980. In addition, an ongoing routine immunization programme was implemented in 1979.

Let me talk about the vaccine availability. Currently, as of January 26, 2009, we have approximately 20,000 doses available throughout our health facilities. We have ordered 110,000 doses for the first quarter of 2009. We shall be receiving 60,000 of those by the end of the first week in February. The total number of vaccines requested for 2009 is 190,000 doses and an adequate supply of syringes is also available. Yellow fever vaccines are given routinely to children 10 years and over, to all persons working in forested areas and to all those travelling to countries where it is endemic. The average childhood coverage for yellow fever in Trinidad and Tobago has been 90 per cent for the last five years. We capture the children coming into the school system.

Sen. Sharma, we will certainly miss you here. The value that you have brought will no longer be here, but be that as it may.

1.40 p.m.

Vaccines are given every day at all the health centres. Presently, we are targeting the high risk population: hunters and people who live and work in the forest, et cetera. They would take priority over others. We have a very systematic approach in trying to treat with this matter. Of course, we are going to continue the vaccination programme. The Ministry of Health has contacted the Forestry Division in the Ministry of Agriculture, Land and Marine Resources, and we have spoken to the Conservator of Forest, Mr. Ramnarine, about recommending all hunters who have a licence to get vaccinated.

Sen. Seetahal SC: I just want to get it clear, through you, Mr. President. Is the Minister saying that eventually we all have to get vaccinated? I am not sure, I would like to know. I hate injections.

Sen. The Hon. J. Narace: Eventually all of us will have to get it. First of all, most of the children in schools would have had it, but we are trying to target persons who are at risk and then move in a systematic way. Clearly, we cannot vaccinate 1.3 million people tomorrow. We are ensuring that this is done in a systematic manner.

Mr. President, do you know what is most important? At the swearing in ceremony of the new president of the Tobago Medical Association where I had the honour of being a guest, the president congratulated the Ministry of Health for the way in which it dealt with the issue of yellow fever. I want to add my own words of congratulation to the people in the Ministry of Health for the good work they have done. At the end of the day, it is the people in ministries; the people in the health centres; the administrative staff and the people making the decisions who really need to be congratulated or not congratulated in terms of the work. All we can do is set policies, programmes, targets, measure our deliverables and provide resources but, at the end of the day, we have to thank those people for what they did.

One of the things we must be careful about is not to be alarmist. When we become alarmist—Sen. Mark is not in his chair—we cause ordinary people to go through traumatic circumstances but, more than that, sometimes we can do danger to the country. I just want to say to Sen. Mark, in his absence—I am sure that Sen. Dr. Nanan is going to tell him for me—that he should check the president of the TTMA and he would probably have a few words to share with him. So that takes care of dengue and yellow fever.

Sen. Dr. Nanan: Would the Minister give way?

Sen. The Hon. J. Narace: Mr. President, let us deal with the \$44 million—let me tell you why I am not giving way. I came to this Parliament to make a contribution to my country. When I came to this Parliament, I thought that we would all collaborate and do the best we can for every citizen in this country. In fact, I was having a conversation with the Leader of the Independent Bench, Sen. Prof. Ramesh Deosaran, and I told him that I noticed that everybody is targeting their guns at the Government, but where are the churches and the leaders in this country? It certainly cannot be left to Sen. The Hon. Martin Joseph alone to deal with crime. Where are the other persons who are involved in the society? Even in the fight against dengue, is every household ensuring that the hygiene in their homes is proper? Where are the local government representatives in all the regional corporations? Are they organizing and mobilizing their communities and so forth? It is not about pelting mud. Where are we going? People are looking at us.

I do not intend to quarrel with anybody; I do not intend to descend into the gutter, but I intend to account. There must be a sense of integrity in the way we conduct ourselves. We took an oath to be honest, truthful and to do right. Are we faithful to that oath?

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Sen. Mark said that he has a document where Trinidad and Tobago ranked 134th. I have the document. That is why Sen. Mark is not here. He said that Trinidad and Tobago was ranked 134th. Do you know what the truth is? The truth is that in the 2008/2009 Global Competitive Index, out of 134 countries, Trinidad and Tobago ranked 92nd. Trinidad and Tobago had competitive advantage in the following areas: government debt; government surplus deficit; soundness of banks; national savings rates; strength of investor protection; quality of the educational system; quality of Maths and Science education; quality management of schools; quality of primary education and personal computer technological readiness. [*Desk thumping*] There is a document.

Sen. Mark: I have the same thing here.

Sen. The Hon. J. Narace: Mr. President, I am going to lay it in the House. I am going to lay it for every Senator to see it. I have it here. In 2008, Trinidad and Tobago scored above average when it came to such pillars as institutions, 3.4 points out of seven: health and primary education; higher education and training; goods market efficiency; labour market efficiency; and financial market sophistication. We scored higher than average countries. Mr. President, I am not upset with Sen. Mark, but I am going to pray for him. [*Desk thumping*]

Do you know what is going to happen? If you continue with this adversarial nature, what is it going to do to young persons in this country? We need to find truth. It cannot work. We have to find a way to collaborate. We have to find a way to encourage good people to bring their skills to bear in governance, particularly given the current economic and global circumstances. We cannot run people away. You cannot just be pelting mud all over the place. You just cannot do it, and you must not do it.

Mr. President, from November 04, 2008, I am an inspired man. Do you know why? When I saw what happened in the United States of America and when I saw the behaviour of the President, I cannot bring myself to be less than him. As upset as I may become, when I hear untruths from the other side, I will continue to treat with this matter. [*Desk thumping*]

Mr. President, he spoke about waste. Let me tell you that in the United States of America there are some 60 million Americans without health care. There are 11 million Americans without any jobs. Do you know what? There is no light in sight, because you hear the utterances coming from Washington that it is going to get worse before it gets better, and here in Trinidad and Tobago, our circumstances have been so much better; not in all areas, including health. I am not happy with the state of health care in our country, but I am happy where we have reached. I am happy with our approach and where we are going.

The Senator spoke about waste and I thought today that I would deal with him. Mr. President, presently, do you know what we are trying to do? We realized that we needed a long term plan so that people can take care of their own health circumstances. At the end of the day, when people take care of their own health or their communities, that is how you build a stronger society. What we ought to be doing, is concentrating on how we can provide it. We brought a transformational team together and consulted and we came up with three areas where we needed to work. The Senator spoke about waste, but let me tell him what we did in 2008. *[Interruption]* Mr. President, in the PNM, we know it no other way.

We came up with three objectives: prevention, maintaining a First World health care delivery and, of course, a comprehensive customer based public health system. With respect to prevention, we recognized that primary care would be important to that prevention.

Let me just tell you what we did last year. Last year, we set about a short-term intervention, a fiscal intervention and a long term intervention. In terms of infrastructure, let me tell you what we were able to open last year. We opened the Oxford Street Enhanced Health Centre; the new neonatal ward at the Port of Spain General Hospital; the new Pediatric Accident and Emergency Department at the Eric Williams Medical Sciences Complex; the new Pediatric Specialty Unit at the Eric Williams Medical Sciences Complex; a new Orthopedic Ward at the Port of Spain General Hospital; the new Barataria Mental Health Wellness Centre; the new San Juan Health Centre; the new Debe Health Centre; the new Ste. Madeline Health Centre; and a new ward at the St. Ann's Psychiatric Hospital. That is infrastructure in one year.

We have also worked on the following facilities: the St. James District Health Facility; the National Radiotherapy Centre; the Petit Valley Health Centre; the La Romaine Health Centre; the La Brea Health Centre; the Gasparillo Health Centre and the Gran Couva Outreach Centre.

What we are trying to do with all these health centres is to go into the communities and encourage people to live healthier lives. We want to encourage people to test for diabetes, et cetera, because it can save them before they actually become a patient at the hospital. We want to encourage healthier lifestyles; we want to encourage wellness; we want to encourage people and the community to take responsibility. What we should be doing here is saying how can we, as a Parliament—I brought the Tobacco Bill, because I know what tobacco does and I am going to bring back that Bill here. We know what tobacco is doing for our children. We know it is a gateway drug; we know it is causing people to get cancer; and we know how much resources are being spent. What we are trying to do in that area is to try to get prevention.

We have started and soon we are going to be completing the new cauterization lab for heart patients; a new surgical ward; a new ultrasound unit; the refurbishment of the national intensive care unit at the Mount Hope Maternity Hospital and better result than the 82.7 per cent. Mr. President, I could go on with all what we have achieved, but I think that I am going to bring a Motion to talk about the health sector in Trinidad and Tobago. I think I need to do that.

1.55 p.m.

Because you see, Mr. President, if you look at what is going on in this country—he is speaking about waste, about what has occurred in education and I hope that the Minister of Local Government will tell of all that we have achieved in education, which is why in this chart document we were able to score so well. I really hope that she has a very good understanding of it and I hope she would share that with them.

I want, at the end of the day, to remind Members on the other side, that over this five-year period, whatever we are able to achieve as a country is going to be to the benefit of our children. Once I went to Tobago and I never imagined I would need to use a hospital in Tobago. My daughter and I were on the beach; she went surfing; she had an accident. The next thing I knew we needed to get emergency health for her, and it was the Tobago ambulance and the Tobago hospital that came to her rescue.

I make that point all the time, that is why I am so serious about this matter, in that we never know who will need to use it. Richard Thompson is a man of great means, little did he know on New Year's Day that the Port of Spain General Hospital would have been responsible for his life.

Mr. President, what I am saying here is that health is not a matter to be politicized. If you have meaningful questions, in fact, I just checked on the lady from Mount Hope, Mrs. Washington-Aigle; she is collecting one salary with an acting allowance when she acts. She has fired no one. We are hiring people right now in IT and other areas, and there has been no \$44 million cut. What we are doing is we are ensuring that wherever money is spent, we want “bank for our buck”, we want more value, and we are looking for efficiency, proficiency, and if somebody has a contract for a year and the contract comes to an end, then we have to respect the way funds are allocated, and the way the management arrangements are planned.

The minute someone's contract comes to an end, is no longer required, you get a big outburst, oh, they are firing people, and they are cutting back. I want to

appeal really—and you know I always like to appeal to a few people in this Senate—to say that I am hoping that we, as Senators, will recognize the seriousness of the oath that we took, and I give an undertaking that if there is an issue in the Ministry of Health, all it takes is one letter, and I am going to investigate it and the chips will fall where they may.

Mr. President, talking about waste and how much money we waste. When I dealt with that NHIC matter, I was resolute that the public purse must not be pulverized. The public purse must not be pilfered. I was resolute that the public purse is something we had to protect as Senators. I remembered when I said that we are going to go the distance, you know what it resulted in? It resulted in \$150 million savings.

I told the RHAs—and the parliamentary secretary has a great responsibility in this—that we are looking at every project; we want value for money. Trinidad and Tobago being in the fortuitous position that we find ourselves in today, must spend wisely, efficiently, and that is what the directive of the Prime Minister and the Cabinet is, and that is what in the Ministry of Health, I am trying to do.

Mr. President, I had planned to speak for an hour, but I think I have got across most of my points, and I have saved thereto, so, that is a bit of efficiency.

With those few words, I want to support this Bill and I want to thank hon. Senators.

Thank you very much.

Sen. Mohammed Faisal Rahman: Thank you, Mr. President. I have great pleasure in making my contribution today to the Finance (Supplementary Appropriation) (2008) Bill, 2009. There are many, many things swirling around in my head and I do not know really where to start. There is so much.

Sen. Hadeed: Start by saying I will support Sen. Mark. [*Interruption*]

Sen. M. F. Rahman: I will come to that, but there are more urgent issues. One of the maxims we have learnt when we were young is that, “Money is the root of all evil”. We have heard that many times, and we are today assembled again, for the fourth time in this particular 2008 budget, to discuss this evil of money.

So many times in the past we have had the manifestation of evil out of the misuse of funds and in the present crumbling era, because surely sanity has to prevail in the present debacle. In the present crumbling era we have had the grandest opportunity for evil to flourish amidst a welter of denials and protestations.

The last speaker, the hon. Minister of Health, has extolled the efforts of the Government, but you see the Government is not judged by its efforts nor by its expenditures; it is judged by its results. This is the measure of good governance. Sure, you have opened many new wards and various hospital wings and so on. I do not know if you have added to the total number of beds, because this is one of the areas where we have been very lacking.

Certainly, it seems as though the Government wants to believe that the more it spends the more it has succeeded. This is a delusion, it is a fallacy. If I were to go to a banquet, fill my plate, then ask for seconds—like *Oliver Twist*—and be facilitated, then I were to go after that and ask for a third helping, then go after that and ask for a fourth helping, somebody would have to make a remark, what an absolute glutton he is, and this is the fourth time.

Even in a collapsing situation in the middle of last year and the late part of last year, we have had this Government return for more and more. We are a captive chamber; we have no say in this matter. Fortunately, our system of government, unbalanced as it is, where we have the majority having its way, and we are only permitted to have a little say, at least we can raise our voices in the hope that consciences will be pricked and that the voices of the people will be raised in protest.

Soon we may not have that luxury; soon we may have a different form of government, and that is the day that I fear, but while we are here and we can say nay, even in vain we would say, because the judgment is not on the effort and the expenditure, but the judgment is on performance and accomplishment. We judge ourselves by what we can do, others judge us by what we have done, and this is something that the Government has never been able to understand, because it proclaims its virtue, it is competent, it is caring, the other terms that are always so hackneyed here, but it has failed.

I have always talked about this thing called prioritizing. The good Minister of Health, yes, you are making a great effort; your life has been revolutionized, you pray, you work, you strive, but it is a government that we are dealing with. If the Ministry of Health is making provisions to deal with autopsies, dead bodies, maimed, mauled and murdered people, you are doing a great job, but there is a different department that we have to look to. It is governance.

When I received this appropriation Bill, the first thing that jumped out at me was the six hundred and something million that was being allocated again to the Ministry of National Security, additional to the three earlier helpings that have

been doled out. Without even going to see what was the reason, the first thought that came to my mind was, we are continuing to pour money down a black hole; throwing good money after bad, because here again, we have a situation of tremendous expenditure, with minimal success.

It is not for the first time that we are hearing that this year will be better than last year. When we come to examine where this money is being put in the Ministry of National Security, we have to stop and wonder. We have been told again and again that the OPVs will deal with the drug trade and consequently, it will deal with the guns, and consequently that will deal with crime, and consequently that would impact upon murder, and consequently we would have a less murderous society, and our ranking would rise in the world graph.

Now, we are being assured that this year will not be anything like last year. But what has happened? The OPVs that we were promised in April 20, 2007 by the highest authority in the land, the first was to be received in March 2009; the second was to be received in October 2009; and the third was to be delivered 10 months after that, and that is August 2010.

Without notice, surreptitiously and without acknowledging those prior deadlines upon which the drug trade assault was based—because it is those vessels that are supposed to root out the drug trade, and we have questions about that—and without quietly admitting that we have come and we regret to tell you that certain things have happened and we now have to push those dates back, we are told on January 23, 2008, that the new contract—the word was not even used—the contract delivery dates, as if those were the original contract delivery dates, without any embarrassment, without any apologies, for the three OPVs are as follows—these were the original dates says the good Minister—OPV 1, May 15, 2009, compare that to March 2009; OPV 2, February 15, 2010. So one OPV would serve the purpose for a year and that was supposed to be October 2009, it is now February 2010; and OPV 3, which was originally August 2010, now very kindly, October 15, 2010.

Mr. President, those OPVs were supposed to impact upon the drug trade, as a consequence impact upon the country; as a consequence impact upon the murder rate; as a consequence impact upon the society as a basis for which we are being assured that no way will 2009 be like 2008, but we have already reached 42 murders for the year, and we are barely 26 days into the year. This does not auger well.

In the middle of assurances everything is falling apart, and what will be the new dates later down the line, God alone knows. We have been told that the impacting upon the drug trade which is now deferred, and we cannot look forward to anymore, so we can look forward to rampant crime, rampant murder in the interim—

2.10 p.m.

First of all, we heard the Minister of National Security state that countries that are not—he did not say countries that are not affected by drugs, but he named a lot of other Caribbean countries that are similarly affected by gun crimes and by increased guns. So, to use a common term that is not applicable here, he has disaggregated in that speech, he has separated guns from drugs, so he has acknowledged in a different forum since guns are proliferating in the region, it is not unusual to have guns proliferating in Trinidad and Tobago. Yet on the other hand, he will be constantly linking the two here. He is constantly linking the two here. So, we have the situation here where the country is really—it has no guarantees, no reassurances.

Recently I heard the Minister on the television saying that the Minister of National Security is no longer responsible for policies with regard to crime, it is now the Commissioner of Police, and the Commissioner of Police as we all know is an acting Commissioner of Police. He works on a basis of some process, so to say, extension to extension. I understand that the Commissioner of Police is now going to answer for some of the responsibilities that were formerly those of the Minister of National Security. I mean you just walk out the hot seat like that and send somebody else to sit down and you know he is not going to sit down there for very long.

Mr. President, money is the root of all evil and here we have money being poured into a fantasy idea that this is going to be a panacea for our social ills relating to crime. The Government has not been able to stem the use of guns in Trinidad. They have not been able to control guns, but we have another problem that has been bothering me. If the vessels are supposed to stem the flow of drugs inwards, into Trinidad—and we have been told that Trinidad is a transshipment port, and this has been proclaimed in recent times as if to alleviate the extent of the problem we have, as if to minimize it.

Trinidad is a transshipment point, a popular one, for the drug trade. So if we are looking into the incoming flow of drugs to be halted by these vessels, what are we doing at all concerning the aspect of the outflow of drugs out of this country?

Is there any measure in place? What are we doing in that regard? What is the Ministry of National Security spending its money on in that regard? And I want to say this, that the biggest market for drugs in the world is the good old United States of America. They have facilities that we cannot dream about. They have coast guard; they have navy; they have marines; they have—good lord—Homeland Security; they have all sorts of things and yet the drugs continue to get into there. How will the OPVs help us? If the great United States of America cannot stop the drugs from getting into their country, why are we spending \$2.2 billion when we could have spent \$1.4 million to not achieve what we are not going to be able to achieve with the OPVs?

At least, if we are going to spend the money in vain let us spend less of the money in vain. You understand the logic there? It is totally illogic, I agree with you. *[Laughter]* It is totally illogic! If you are going to spend money why spend plenty to do nothing? Spend less and do nothing. *[Laughter]* You will save some money and accomplish the same nothing. *[Laughter]* This is the PNM logic. So, you know what they are really saying, if we are going to spend to do nothing “leh we” spend more.

And that brings the question about why do you give a contract to a “fella” who is giving a bigger tender instead of giving a “fella” with a smaller tender? Why? They did not give Hafeez Karamath Limited the contract to do the—*[Interruption]*—but it was because he was too high? No, it is a parallel, Mr. President. It is a parallel, it is a logic; you have a policy. Do not give the contract to the higher bidder; give it to the lower bidder. Here, in the OPV situation you are doing the reverse, it is the same government we are dealing with. I have no brief for Hafeez Karamath Limited. I have nothing to do with that company! But I am saying that here is a Government policy; do not give the highest bidder. But when we go to a private—not a shipyard—exhibit to the exclusion of others, we choose the guy who is the highest, and we are dealing with security—*[Interruption]* I am not reading, I am speaking extemporaneously. I thank you very much.

Hon. Senator: What document are you quoting from?

Sen. M. F. Rahman: What did I say regarding quotation? *[Interruption]* We have had mention in this—*[Crosstalk]* No, no, and we have had—no, no, I realize you wanted to know that I was supporting the point. *[Crosstalk]* Yes, I am relying upon the information given in this Senate. I am relying upon what has been said by my leader, Sen. Mark—

Hon. Senator: Ooh!

Sen. M. F. Rahman:—and if he is correct then the aspersion for excessive spending and the aspersion for inappropriate spending will be dismissed, but let us leave the matter to be decided. The jury is still out on the matter. *[Interruption]* Denial is not an answer.

If we had had transparency in this whole matter of the OPVs, you would not have these allegations. I would not be standing here criticizing you, because you would have done the right thing. But when we have the fourth coming to the table, now I would like to have some of that turkey and some of this, and you are taking a fourth helping, a very generous fourth helping and we can only talk about it, you better get prepared to listen to what we have to say, because you know, we are sticking on the Bill and we are sticking to the issue and we are not going into areas where we are not supposed to touch.

Mr. President, the performance of the Government in several areas leaves a great deal to be desired. If the Ministry of Health, under the new Minister is making greater efforts, performing better and accomplishing more, bully for him, good, we are glad about that, but you see he might be changed next week. We do not know what Cabinet shuffle is going to come. He has no security of tenure.

Hon. Senator: You have?

Sen. M. F. Rahman: No, that is why I could say what I want. *[Interruption]* I could say what I want! *[Interruption]* Yeah, yeah, I could say what I want, I do not have to be afraid, I am not going to lose a Minister's job, I might get reshuffled but I am not going to lose a Minister's pay, you know.

The point is this, that nothing hinges, *[Interruption]* nothing in the national weal and welfare hinges upon my presence in this Senate. *[Interruption]* I cannot be arrogant and conceited to believe that I make such a difference, but the Minister who is performing today, he has to look at the past performance of that ministry. He could come and dance for us today, but that does not exculpate the Government from its failings and omissions. This is a matter that we have to look at. When you come for the fourth time to get money for the same—you know, I cannot understand what is the meaning of the words “to budget”. What is the meaning of the words, “to budget”? *[Interruption]* Do you go to the supermarket with your grocery list and walk with a certain amount of money and then decide to buy three times as much? How do you do that? Which intelligent, sane, rational human being does that?

We have a whole cadre of Ministers who do not like to be called OJTs, performing like they are OJTs; they are now learning on the job. We have had—I mean we have just had another budget.

Mr. President: Senator, do not call the conduct and stature of Ministers or any other Senator—that is really out of order and you should not go there. Everybody here are honourable hard working servants of the State and you should not do that. That is to denigrate their office and you should not do that, that is clearly outside of the Standing Orders, so do not do that.

Sen. M. F. Rahman: Thank you, Mr. President, I take it, Sir, that to call anybody an OJT in here is to denigrate them, so the Government is denigrating a number of people by making OJTs available. You are training people for specific things, if that is a denigrating term, well then I am sorry the Government has—

Mr. President: Senator, I am going to ask you one time only, do not challenge my decisions please. In the context in which you used it, it was to denigrate the office of Ministers of the Government, Ministers of the country and that is improper, and you know that it was improper and that is why you did it, so do not do that, please.

Sen. M. F. Rahman: I stand corrected, Sir. Then I must put it down to inexperience, that our inexperienced new Ministers came to budget for 2008 after succeeding at the polls at the end of 2007, and made guesstimates based upon advice which has proven to be totally imaginary, delusionary and off-base, and having worked in their ministries diligently as honourable men have repeated there ever since their time and based their new budget for the current year on a figure that is totally in the clouds and we are heading for disaster, but the cloud, there is the silver lining you know. There is a silver lining. Our very experienced Prime Minister has assured us that he has the cure for it all. He has the cure for it all!

The key to success, to enterprise and to economic glory lies in the opportunities that are being presented by the twin summits that we are going to host. With those summits we are going to have areas opened up to us. In a crumbling world where economies are collapsing and people are not going to be leaving their countries to visit little rocks for tourism, we are going to have everybody inspired by the fact that we are holding two summits to leave their countries and to come to Trinidad and boost our economy. So you know what, we are being very reassured by the good, experienced, well-trained Prime Minister that we are a-okay and that his two summits are precisely what we need. That is the shot in the arm, that is the cure! That is the cure-all, that is the key to the future door that will open the fall in the revenues, that is going to justify us using inflated figures for revenue projections, and we are going to face, hopefully we are going to see—

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Well, I do not know if we start off on the wrong foot, the 2008/2009 budget has already proven to be a non-starter, a failure and a collapsed idea. So, I do not know, I do not know during the course of 2009 how many supplementary appropriations we are going to face up to and we are going to have to find outside funding because we are going to be embarking upon deficit financing. This is one of the ogres that are ahead of us. We have got ourselves so accustomed to being fast and loose with money, spendthrift, that we have got to the stage where, "gosh" boy, I got to buy that, I got to have that; we got to do this, we got to do that and there is no bridling of this desire to spend. There is no bridling.

If we are having a supplementary appropriation today when we could have said hold on, we will deal with that expenditure a little later down the line. You know, this Caricom contribution, as noble as its cause may be, was not a priority. The United States is always late with its contributions to the United Nations fund. How come we have to prove to the world that we have the most money to give away, to blow? How come? Why? Do we not understand that the fuse is getting shorter and the time bomb is ticking away? Can we not understand that the time has come to gird our loins? The very belt that the Prime Minister has asked us to tighten, the Government has to tighten.

You know, when you are out of funds and you supply and you pay a particular creditor or you settle a particular bill preferentially, you are guilty of committing a bankrupt act. I believe our legal mind here could support that description.

2.25 p.m.

We are performing bankrupt acts when we take our funds and put them en masse into any direction, and regardless of our credit standing, our credit rating Gentlemen, "Neither a borrower nor a lender be, for borrowing dulls the art of husbandry."

We are going to find ourselves far from a positive situation if we do not curtail, if we do not put—You know, one of the great sages in my religion says, "Put the yoke upon your own neck before God puts it upon you." We have got to put the yoke upon our own necks before circumstances force us to put this yoke on and then it would not be easy. We have to practise thrift; we have to practise conserving our funds. When war breaks out, you start to ration before the supplies go out. You do not wait. You have heard about the seven lean kind devouring the seven fat kind.

Sen. Browne: January 15, 2008 [*Inaudible*] any crisis.

Sen. M. F. Rahman: I did not hear what the good Minister said, but I gather he is trying to explain that the Government incurred these debts before the collapse. You know it is a funny thing, but from the time that first budget was given, which you are now trying to supplement, the cry went out and the Governor of the Central Bank was talking about the matter. Everybody was talking about the matter; everybody was warning the Government and the United States of America had been in recession and they did not know it; not that they did not know it, but they could not confirm it. You could only confirm it on the basis of nine months of statistics. It was in recession and they knew it, but they could not prove it. And it is in those circumstances—and what excuse do we have for the 2008/2009 budget.

If this was incurred in advance of any catastrophe, surely, we were not unaware of the subprime tsunami that was on the way. But in our supplementary appropriations here, we are making reference to institutions and one of them is the Barclays Finance or something. Well let me share this little bit of information. Barclays Bank in the United Kingdom is now in deep trouble. I do not know how this is going to impact upon us with regard to the people that we are dealing with in this finance deal here that was mentioned, but certainly, every area of the global economy is affected adversely and if you do not learn from the mistakes of the past, you are going to repeat them.

We have geared ourselves. We have set ourselves on the course for a repetition of the debacles and catastrophes with the present approach to expenditure. We do not know the first thing about thrift, we are living in hope. We have been assured that the price of oil will go up. Well I want to say if it goes up, it will come back down because that is how things work, cyclically.

Sen. Browne: Gold will go up and down.

Sen. M. F. Rahman: Gold will go up and go down, but it will maintain its worth when currency becomes discredited. It will continue to have a back-up value; it will continue to have its intrinsic value. But if we do not change our ways and if we do not take this matter seriously—you see, everything that is said on this side gets a glib answer from that side. This is the problem. And then we hear of the untruths coming out of this side.

Hon. Senator: [*Inaudible*]

Sen. M. F. Rahman: The good Minister said the untruths coming out from this side. I am not saying it; I am repeating what he said about us. He should be careful. He should have been careful, but it was not observed what he said and

Finance (2008) Bill
[SEN. RAHMAN]

Tuesday, January 27, 2009

nobody here took umbrage because we do not expect him to see his own—You know there is an old saying, "Monkey cyar see his own tail"; so we cannot expect that wisdom to emanate. But we are speaking—let me tell you something. If you hear there is a fire somewhere, do you not tell the occupants you better get out? You do not say, let me go and verify this fire and make sure that this fire is really burning before I move my family out. So when we get information such as we do here, we do not have to wait until we cross every "t" and dot every "i" with verification. No, no, no, you talk about it and if it is not true, you provide the proof. So the duty is to forewarn.

We are ploughing through the seas economically. We are ploughing through economic seas in this country with the abandon of the captain of the *Titanic*. Right now we are on course, pulling in offshore patrol vessels (OPVs) and fast vessels and going with radar and Lord, spend, spend, and spend. Dazzle them with spending, and that is why it is one supplementary appropriation after the other, but we are heading for rocky waters filled with icebergs. You know something, when the captain drowns, all the passengers and crew are going to drown with him. Unfortunately, the captain is not in his own private little OPV, he is in the *Titanic* and what they say, "Captain the ship is sinking", you remember that same song? Well, captain the ship is heading in the rocky and dangerous waters, but the captain is not listening. We are continuing on the course to believe—

You see, if we had a vote here today on this Bill, I am sure that the Independent Senators would have had much to say about this. Fortunately, as I have said, the Government still has to air the matter; ventilate the matter, so we can say a few words. But the Government's hands are free. By God, if public opinion had not been raised with regard to certain other expenditures, we would have had supplementary appropriations going through the roof. I mean, this is going through the roof enough already, but it would have been explosive. Were there no bridle in the public voice to Government's policy, Government's policy would have exceeded all bounds. Thank God, we still have people who are concerned, but the Government does not listen. The Government still is a "look good Government".

In its expenditure, it would have been very responsible if we had had infinite resources and if we were printing US dollars 24/7, then we could have spent all the money we want. But unfortunately, we have finite resources and the funny thing is not only are our resources finite, but the global demand for the products and the resources that we have is a diminishing market. Long before our reserves and

natural resources are depleted, the world will stop being interested in buying what we have because they are going an alternative route. Do you know something? President Obama has gone the route of solar energy, wind energy, electric energy, but there is another system where you have hydroelectric energy. I did not hear him mention that, but the United States of America has rivers and if they were to harness the turbulence of the sea and run the cables from there inland, then you have generation through the ocean and then you will have—Do you know perpetual motion? Well, the ocean is in perpetual motion, so you will have an endless energy source to tap.

There is no guarantee that our resources are going to be attractive resources for the rest of the world. At the end of the day, we might remain with enough residue to run our little country and provide some electricity and so on, but I will tell you, Mr. President, these are not happy days. These days are happy days only to the deaf, dumb and blind who do not see, who do not hear and who do not talk and they are living in “Lu Lu land”, because to people who have perception and can see a little further than their noses, we are in a dangerous time. We are in a pre-collapse state. You know among one of the things I have seen—the prioritizing and so on is so skewed—is that the Ministry of National Security did not even buy vehicles. They used the vehicles money that was allocated for leasing and so on, and the police always continue to be in need of vehicles. Yet they are going the route of buying 200 vehicles for a temporary affair. Where is the sense of balance and priority and common sense that one would have expected?

A Government is managing the affairs of the people—and that brings me back to something that the Minister of Health said. He was complaining: Why is everything expected of the Government? Where are the churches; where are the people; where are the different segments of this society? But they went to the election in 2007, knowing that the rest of the society functions in the way they do. They got into Government to govern in the circumstances that existed at the time. This is the people they sought to govern. Do not come and tell the people—and I will tell you something. If you are given the right or the duty to govern a people that is rebellious and lawless, it is for you to implement the law, impose the law and to ensure that there is conformance.

As we have a President who insists very rightfully upon sticking to the rules, the Government has to follow your example, Mr. President. It has to follow your example and stand up and say, "No, enough of that, we will not have it." And if the person requires to be jailed, he is to be jailed. We are entering upon an era where we are contemplating a set of laws, where one man can pardon anybody he

wants; one man can decide whoever has to be prosecuted; one man can decide anything. The Constitution of the Assembly that is supposed to govern this country from first thing to the last thing—we are heading in an area where even these expenditure requests and supplementary appropriations will not be even relevant.

So, Mr. President, I celebrate the fact that today I can stand here and make all the noises, throw out all the ideas and support the charges and bring your attention to the things that you are burying them in because the day may soon come when we will not be given this luxury. We may not be allowed this facility. Certainly, those who support that office will continue to feel that they are doing the right thing because they judge themselves by their own perceived nobility. Unfortunately, man has been incapable of attaining the status of perfection. As a matter of fact, man has to be so because he has to seek God's mercy for his sins. So if we did not make the mistakes we make, we would not have to say, forgive us, O Father.

So we are not governed by angels, we are not governed by flawless men and we are not casting aspersions. I am as flawed as anybody else, but do not put in me, do not repose in me all of the authority to do as I please because you are going to make me into an ogre. Power corrupts and absolute power corrupts absolutely. I quote our good Prime Minister who has quoted of course, dozens and thousands before him, "Power corrupts and absolute power corrupts absolutely." And yet we have power being sought while the seeker declaims the aspiration to power.

This is a funny thing, we are being very coy about the power we seek. At the end of the day, that power is to appropriate to expend, to budget as they please. But again I come back to the question of budgeting. I was making the point when I got into dangerous waters just now. We need to learn the art of budgeting, the art of thrift and the art of avoiding profligacy.

Mr. President, a remarkable thing happened again today. About a year ago, I got two documents and I did not know which was the one we were dealing with—I had mentioned it in the Senate. One was \$1 billion more than the other one. It came out of the same Ministry of Finance and it showed up the sloppiness in the Government. I had a feeling of déjà vu when I received the current documents because I received one set of documents on the 21st. I spent the night busily poring over it and doing all sorts of things, and the next day I received another document. They told me that that one was the wrong one and this is a new set of things.

2.40 p.m.

In the old one, there was a lot of debt forgiveness that the Government had embarked upon and it was a 57-page document and while a new batch was printed and very clearly the blame has been placed upon the Director of Budgets. It was said that the Director of Budgets had advised that the wrong document was forwarded to the Office of the Parliament and was erroneously dispatched to us.

I would like to question some of the write-offs that the Government has done which appeared in the inappropriate document, which was sent to me. One of the problems is that a couple of pages were missing from the new set of documents, which were retained in the old document that were valid for the new one. I am in a state of confusion, that is why I am not referring to the notes and I am speaking the way I am on the different aspects of this Bill.

Mr. President: At this point, you are not speaking about the Bill at all, other than the fact that you got the wrong one. Please try to focus on the issues. While it is very entertaining for you, it appears that you are attempting to filibuster and use up the time you have available. You will be far more effective if you speak to the issues and mention the matters that should be debated. The public has a right to hear the issues. That is what we are here to talk about, so please do that.

Sen. M. F. Rahman: Again, I am guided by you, Mr. President. I should not have mentioned the fact that I got the wrong documents and I was confused as a result.

There were a few points I thought salient. I was making the point earlier that we have made this contribution to the Caricom Fund very promptly and we have complied with the request to front-load contributions. I would like to recommend that whatever we have to front-load and bring forward now and in the future, we let it wait. We have a formality which I would think is not unreasonable. We would like to ask the Government to present its revisions to, if not the Parliament, then to a committee.

We have a situation where we do not have all the money to spend anymore. We now have to look at what will happen. We have hopes for the future; that the summits will bring big bucks, but we have to be a little more cautious. Let us institute the joint committees that will oversee the Government's decisions to spend the people's money. We are not talking about money that belongs to any particular segment of the community. It is a sovereign wealth fund that we are jeopardizing.

Mr. President: The hon. Senator's speaking time has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. W. Mark*]

Question put and agreed to.

Sen. M. F. Rahman: Thank you, Mr. President. I have been trying to show that there was a degree of ineptitude and slipshod dealing with finances when I was bringing in the issue of the documents. I make that point because if we cannot budget in advance, then we should defer the additional expenditure we are proposing on the basis of whatever emergency. If there is an emergency and we have to return for additional funds, we should have the courtesy of coming, as we have the courtesy of coming for a budget, for a supplementary budget. We need to formalize the procedure for releasing funds.

I will try to go through the batch of documents. One of the questions I had was that of other Caricom governments responding to the call for front-loading. It seems that the Trinidad and Tobago Government has paid the greater sum and from what the Minister of Health has told us, there is an intention to increase that Caricom Fund to \$250 million. I am not sure how he is going to accomplish that magic of going from \$120 million to \$250 million, but that is a means that we can probably use for Trinidad and Tobago. We can use whatever means we can to bump up the finances we have. I know that the National Insurance Board does not have that sort of investment success to double its holdings in the manner in which the Minister of Health seemed to suggest.

Head 40: Ministry of Energy and Energy Industries: this Government continues to keep on course, like the *Titanic*, on a project that has become a disaster. Has anybody on the Government side not heard that there is a recession and that industries are shutting down; automotive industries are in need of bailing out; huge industries are cutting back; aluminium industries and the steel industry in particular are contracting globally and virtually shutting down? And here we are proceeding apace to put money into something that has clearly turned sour. We are talking about, not a dollar or two, but about putting TT \$109 million or US \$17.2 million into an enterprise that has been recognized as a disaster by the rest of the country, and not the Government, from day one. Now, with the economic crisis in the world, even the Government has to look again at this and yet we are chugging along with Alutech and Alutrint as if everything is on course.

We are going the way of investing, pouring our hard-earned foreign exchange into plant and equipment that will be mothballed in five or eight years. I cannot

sound enough of a warning bell. This is total madness and the Government has to come to terms with the very dangerous direction in which it continues to proceed.

Notwithstanding how successful the summits turn out to be, it will not give any catalyst to aluminium sales in the world. It will not revive motor car sales; it will not increase the consumption of steel in the world. The only thing the summits can possibly accomplish is to expose us to the tourism industry globally, like Miss Universe did a few years ago and probably bring a few curious people to Trinidad and Tobago.

That can only take place if the global village is economically healthy and not people being unable to take the holidays they want. We do not even have a national airline going to London and Europe anymore so that it can bring people to Trinidad with a discounted fare so that they could spend their money here.

We are hamstrung. We cannot look forward to anything that will give a boost to the foreign exchange earnings of this country beyond the reducing income that our natural resources of oil and gas are now continuing to bring in a trickled down way.

The other commodities we export—and we have heard the question of us enjoying 90 per cent of the Caricom trade—we are only enjoying 90 per cent of a reduced Caricom trade. It is not 90 per cent of the burgeoning, exuberant, highly successful Caricom trade that we have been accustomed to.

We use percentages and figures when it suits us. You will get a big slice of a small cake. You have to pay attention to this. I say: Pull out now! Mothball that idea! Do not wait to mothball the aluminium plant. It was always an environmental disaster. It was always ill-advised. There was no redemptive aspect of that plant. The nation has been against it and we insist on pouring money into the plant. It reminds me of the time when a very brilliant gentleman, who had knowledge of geology decided to site a very heavy industry in La Brea and it turned out to be a disaster. We spent millions, only to realize that we could not site it there and we had to move. This Alutrint and Essar are disastrous ventures especially in these collapsing economic times.

I have already covered the matter of the Minister of National Security.

On the question of health, pensions and gratuities, it is, to me, indicative of complete blindness and lack of foresight. People are on pension and retired already and we have to project their pensions. We have to come for a supplementary appropriation to cover recurring debt. What school of finance governing have we been learning from? I cannot understand. I cannot believe you

will have a Head 20 for \$20 million for supplementary appropriation, Ministry of Public Administration. We have a lot of enquiries being held right now and a lot of stuff coming out, so we will come back to this sort of problem at another time. We have incurred these expenses and will have to face the railroading of this Bill.

There were several other little matters which I do not think I need to go into. Let me just pick out one or two more little points. In the Ministry of Agriculture, Land and Marine Resources, there was a heading, "Relief of Flood Damage". Unless I am crazy, last year was the worst flood year in Trinidad and Tobago in decades and there was actually a saving of \$1 million transferred to personnel expenditure. Did the Government dishonour claims or do nothing with regard to flood relief? I find it amazing that \$1 million budgeted for relief of flood damage was actually saved. I thought there would be a supplemental vote for that because that was something you could not plan. You cannot plan the weather for two or three days, will you be able to plan it for a year? We expect that the floods are something over which we have no control.

On the Ministry of Education, I see that we had savings under grants for students in special schools of \$4.9 million. I do not know if you discontinued a programme there. Book grants of \$8.7 million were saved. Have we stopped giving books? I do not understand.

2.55 p.m.

I find these areas of savings to be suspicious. I do not understand them. Surely, our talking about profligate expenditure did not lead you to cut back in those areas. We have to believe that when we were asking the Government to cut back on excessive spending, those were the areas you needed to concentrate on.

With respect to the Ministry of Health, that is another matter. Again, in this reallocation, we have seen the deferral of hiring new staff. It seems as though every ministry is understaffed. I do not know how you can expect efficiency if the ministries are understaffed. Understaffing is a recurring area where savings are being effected. I cannot understand that.

Drugs and other related materials and supplies; \$6.2 million was saved under the Ministry of Health. I thought we were short of funds for drugs. You hear of a drug shortage, but you do not hear that we are holding back money. To me, this is an area that is, again, suspicious.

I am wondering whether there are errors in these reallocations. I cannot see some of these allocations being bona fide. When you are cutting back on money which is supposed to buy vehicles to stop crime; when you are cutting back on

students' subsidies, loans and grants; and when you are cutting back on drugs and using these savings to fund overseas travel and conferences, something seems to be a little off the rail here.

The Government Information Services Limited benefited to the tune of \$3.4 million in the Ministry of Public Administration. The Government Information Services Limited sounds like public relations. We have a Motion coming up regarding campaign funding. The Government is always spending money to make it look good, even from the beginning of its term in office. There might be some aspects to look at in that direction as to how good and justified are those expenditures

Mr. President, \$3.2 million was saved in the Ministry of Tourism under "Wages and COLA". Again, they are reducing staff in the Ministry of Tourism. Again, how are we propagating and improving these ministries by reducing staff? Are we overburdening the remaining staff? What is the reason for the constant reduction in staff? Mr. President, these are questions that are very basic.

We have incidences of flexible financing with this Government. That is just another term for bumbling management. Mr. President, I thank this Senate for its very patient hearing, and with these few words, I will take my seat.

Sen. Dana Seetahal SC: Mr. President, thank you very much. The Bill deals with two matters that we have heard before: the supplementary appropriation of over \$1 billion and transfers between Heads within various ministries. In respect of the supplementary appropriation, I wish to deal with two matters, and the first is under Head 31: Ministry of Public Administration. It relates to \$99.645 million; the payment of the first instalment in respect of sublease 1 and a certain amount in respect of sublease 2.

As I understand it, what has happened here—I am sure that I am going to be corrected if I am wrong—is that King's Wharf was leased to UDeCott which is a state-owned company of Trinidad and Tobago by the Port Authority which owns that land. A requirement of the loan for the development of the waterfront was that the State should enter into a sublease with UDeCott. The State, thereafter, subleased from the Waterfront Company, which is a wholly owned subsidiary of UDeCott, the King's Wharf. What we have here is the payment of US \$15.6 million as the first instalment in respect of that sublease and a further payment of \$4.95 million in respect of sublease 2. Mr. President, I have concerns about this.

We are talking about the State funds here. My understanding of UDeCott is that it is a state-owned company and, therefore, the assets of UDeCott would eventually be devolved to the State. However, the attorney-at-law for UDeCott is reported to have stated recently that UDeCott has no legal or constitutional obligations to the Government of Trinidad and Tobago.

In other words, he said that the Government of Trinidad and Tobago has no legal or constitutional authority over UDeCott. This was said at the opening address of the commission of enquiry that is now continuing. Now, if that is so, I have to wonder why \$100 million of our money—that is the citizens of Trinidad and Tobago—is being used to fund projects by UDeCott. If UDeCott is independent, it means that they should go about their business by financing their own projects and making their own profits. That is my concern. I think what attorney-at-law, Mr. Goddard QC said cannot be true. So, the Government must tell us something more about its relationship. It ought to be clear, but it is not clear by virtue of what we are hearing at the commission of enquiry.

My second concern has to do with the \$609,287,000 that is being appropriated by the Ministry of National Security and that is in respect of the \$568 million that is going toward the payment for the three offshore patrol vessels. From what I have read and garnered, the total cost of these three vessels is TT \$2.2 billion. We have already paid \$449 million and we have paid \$609 million in 2008, which we are now approving. So, that is over \$1 billion that has gone toward the purchase of the three offshore patrol vessels.

Now, we have paid all this money and we do not have any of the vessels. One would think, in the normal course of business activity, if you are buying a car or a house, you would make a deposit and you would get a loan from somewhere and probably pay the company a higher amount, but you would get the item delivered. If we are buying three items and we are spending \$2.2 billion, one would expect that having paid half the amount of money, we would have something solid, but we do not have anything solid. [*Interruption*] I am talking about the normal course of how human beings carry out their activities.

So, we have spent that amount of money, and we are now being told that we are not getting the delivery—we have lived up to the end of our bargain—until October, 2009 of the first vessel. I heard my colleague talk about the other vessels being delivered in 2010. Of course, that is a matter for concern. In this time of belt tightening—we seem to be insistent on belt tightening and, rightly so, we have not entered into a recession as yet, but we have to be careful about our money. We have spent so much money and we do not have anything to show for it except a contract on paper. That is my concern.

Maybe the Ministers have been to visit, I do not know. I have nothing to show. I did not see anything on the Internet. I did not see a website saying this is the first offshore patrol vessel and this is where it is. Perhaps we should have that kind of feedback. Why have we paid this amount of money? Why have we been contracted to pay \$2.184 billion for vessels that we are told are going to operate in extraterritorial waters; that will provide extended surveillance and capabilities that will be useful for interdiction and anti-smuggling operations; disaster preparedness; combat and high speed interception? All these matters sound well and good, but why the delay of several months?

One would expect that one would be eager to benefit from all these capabilities, given the fact that we have been told repeatedly that drug trafficking and drug use are at the heart of the crime in this country. That is what we have been told and, therefore, I would expect that there should have been more accountability for us not having those vessels in a quick time.

You see, my concern is a real concern, and I think it may be shared by citizens. We have had equipment brought into this country. We have spent millions of dollars on equipment such as the blimp. We had one blimp that was not suitable to our atmospheric conditions. The persons who bought that blimp apparently did not know that there are different conditions for different blimps. You could find that information on the Internet. You only have to type in “blimp” on the Internet and you are going to find the information and drawings, and that kind of information would be forthcoming. Mr. President, this was not known and we got a blimp that was faulty and, subsequently, we got another blimp.

Now, we were told that these blimps have been useful, but the problem is with a murder rate—I would not say general crime because, generally, I do not think that crime has escalated in the way that people believe, but the murder toll has escalated five times in the last nine years. From 1997, it has gone up to 545. So, that is five times, and we did not see any benefits from this blimp.

We have also had CCTV cameras. We have been told about them and they have been installed. Apart from two cases that I know where cameras were used, it is my experience that many police officers do not even know that they can use them and have access to them. Oftentimes there is some malfunction. The point I am making here is that we have spent a lot of money on these pieces of equipment and then we find out that they are white elephants.

So, we are spending \$2.2 billion on three vessels—we have not seen any—and we would not be able to make use of them for another 10 months and the likelihood, judging from past experience that they would be useful is not shown

and it is not believable. This is something that we do not have optimism about. That is the problem. We have heard many things about many matters that could assist us in the fight against crime and one hopes that would validate a statement made by my colleague, the Minister of National Security, that this year is going to be different but, so far, there is very little to support that.

3.10 p.m.

Moving on to the transfers, there is the first matter on page 22 of the notes that I wish to ask about, is the matter of \$2.48 million moved to the Family Court. The reason given is this, “since the appointment of a number of positions were not finalized in fiscal 2008”. I would like to know what positions are we speaking of here.

Are they positions in the Judiciary, or the Magistracy, because you know people have been speaking about the need for more judges. For example, in the civil courts, some judges have a docket of about 300 cases and that is plenty cases in a high court to do. It is not like the Magistrate’s Court where you have more summary justice. Even so, magistrates have dailies, like some of them could have 100 cases. So, I would like to know what positions and why. There has been no explanation; this is just a blanket statement. It could be a number of positions anywhere. It could be messengers, cleaners, drivers, so perhaps the Minister could enlighten me, at least.

The second point is closer to home, at Head 5, in relation to Parliament. Provision was made for the payment of salaries and allowances for staff of the newly created security unit for the entire fiscal year, and this was only utilized from May 2008, when the unit became functional and there was a savings. So, there was a savings, which went to this, membership in the CPA, and additional cost relating to recruitment, training, uniforms, purchase of arms and ammunitions, and communication equipment for the security unit.

Mr. President, I have some concerns about the security unit in Parliament. Is it that there seems to be need for a unit other than the police because we do not have confidence in the police? My understanding of any security unit in this country is that it is less potent than the regular police; that many of those persons would be at best special reserve police.

Therefore, if it is that we are to be protected in this Parliament by members of a security unit of whose background we do not know, I would wonder, because from my experience—I am not saying this about any security personnel here—I have done several cases where security personnel have been charged with

criminal offences, of course, a few police officers themselves have been charged, but I am talking about their background is not determinant; they have been not as responsible. It is not as if our Act dealing with security officers is strong. It has come before this Parliament before and there have been concerns about the lack of any kind of directive to have security firms register or any kind of prohibition against people functioning as units or as private security outside of possibly SAUTT or something of that nature. I do not know that other units are accountable in any way to the Ministry. The only reason that SAUTT could be accountable, is because it is made up of officers who are already within the protective services.

It sounds all well and good for us to have a security unit here; that they be trained; they have arms, ammunition, communication equipment, and that we should feel safe, because of that. I actually would feel safer and do feel safer knowing that there are police officers outside with proper equipment and automatics, who can deal with people entering the precincts of the Parliament. I would appreciate some information as to the necessity for some kind of internal security of this kind. I do not want to hear that in many departments you have other security working along with the police or something of that kind. It is either you have one or the other in the Parliament.

The third area I would like to know something of—rather than say I have concerns—is in relation to that \$21 million, which was transferred within the Ministry of National Security to deal with the completion of the upgrade of 51 stations, and priority given to the completion of five model stations and three police posts.

What I would like to know is, did the bulk of the money go to the upgrade of the 51 stations, or did it go towards the five model stations? In that context I would like to find out what is the next phase for the next five model stations, because many police officers, understandably, are concerned that they are not within the five model stations, and they do not have air-conditioned comfort and that matter.

I am not saying that a police officer should be pleading for air conditioning but one necessarily would compare oneself to colleagues in another station, and one would say, why are they being treated in what appears to be a more favourable manner. There is equality of treatment in the Constitution after all. If you are in a model station, Senators, it would mean that it is model in many ways, and that model would mean that you have more equipment, more officers, more everything. If I am a police officer, I cannot just transfer myself to a model station. So, therefore I would like to know when it is my turn. When is it going to happen? What about the next five?

In that specific regard, I live in the Curepe—I prefer to say St. Augustine, but it is nearer Curepe—area where there was a raid recently. If you all had read the newspaper, Club Bounce and all of these things. The St. Joseph police station was earmarked for something but what happened is, it was moved up to Maracas Valley in the very tight area and the only parking you have is on that street which is very hilly, and it is not pleasant to go there. Very nice land for that St. Joseph police station, but when is it going to be built?

Over the years, you have had complaints about police officers in that station; up to last week, I saw that in the newspapers. You know why? Police officers generally reflect the surroundings that they are in. If you are in horrible surroundings, you would behave something like that. I have found that if people are in nice, clean, air-conditioned, with a pleasant head and everybody looking reasonably happy, you behave in a decent fashion.

Therefore, I make a call for those persons living in my area to let us have a decent police station, please. Tell me when it is going to happen. It has been talked about for the last five years but all that has happened is that those 100 derelict vehicles were finally moved over the Christmas period. Thank goodness for that, but that took about one year and a half to put them up for sale; could have made plenty money selling them before that.

In respect of public utilities, \$10 million—is it \$10 million—at page 31, that has been transferred from another Head to TTPost. The \$10 million is to meet the cost of the new industrial agreement between TTPost and the Trinidad and Tobago Postal Workers Union, and so. Four or five or how many years ago, since I have been in this Parliament, which was only 2002, we have had legislation come here in respect of TTPost. We have been told that TTPost was meant to be much more efficient, that is why we no longer have Trinidad and Tobago Postal Service or whatever; it was restructured. This in my view, has proved to be unsuccessful.

I can tell you that despite the promises that we would have 24-hour delivery of regular service, it was said that 94 per cent—I will never forget that—of the mail would be delivered between 24 hours and the rest within 48 hours, this has not been happening. All my bills, well four out of five, I receive them late; I pay them late. I have to pay a penalty and it is not because I do not pay them when I receive them, it is because TTPost delivers them late.

I do not know why this is so. I do not know if it is because you have closed down this big post office and you have these small booths all over the place. I will tell you that as a citizen of this country, I resent paying money to a new industrial

agreement for such a company which I find has not been successful in this country, in replacing the Government-run one. People talked about it being Government run and how bad and inefficient it was, but now that it is TTPost it is much more inefficient.

My final point is actually to compliment the Government on the street lighting programme. I have to say I see there is a final transfer in relation to a transfer of money towards street lighting; \$3.7 million. In our area and in many of the areas near to me, street lighting has made a marked difference to the availability of the sporting facilities. For example, in the Eddie Hart Complex, in this Parliament, about five years ago, I talked about the need for lighting, and it was put on, not necessarily because I spoke about it, but the fact is, we have it.

There is a savannah opposite what used to be the police station in St. Joseph; they have night cricket there. I have seen all kinds of cricket going on at 10.30 p.m. I think this is a very good thing for the quality of life in Trinidad and Tobago. Also in the Aranguez Savannah, and the streets in the night look so much better when they are properly lit with yellow, unlike the kind of ugly lights you had before. I think that is a very good programme, and it seems to be working well. It is a pity it has not really had a significant impact on the reduction of crime.

I have to say that I do not think that crime outside of murders has significantly increased. Maybe it did have an impact in terms of robberies and that sort of thing. So, compliments to that and that is a good valid transfer in my opinion.

That is my contribution, Mr. President, thank you.

SUSPENSION OF DEBATE

The Minister of Trade and Industry and Minister in the Office of the Prime Minister (Sen. The Hon. Dr. Lenny Saith): Mr. President, I seek the leave of the Senate to go back to agenda item 11: Statement by Ministers or Parliamentary Secretaries, to allow the Minister of Planning, Housing and the Environment to make a statement at this time.

Thank you.

Mr. President: Hon. Senators, it is the desire of the Government to suspend the debate on the Bill before us to revert to item 11 on the Order Paper, for a statement to be made by the hon. Minister of Planning, Housing and the Environment. What is the will of the Senate?

Hon. Senators: Ayes.

Mr. President: Very well. The debate will be suspended. Minister.

STATEMENT BY MINISTER**Cleaver Heights Housing Development Project
(Forensic Investigation)**

The Minister of Planning, Housing and the Environment (Sen. The Hon. Dr. Emily Dick-Forde): Thank you, Mr. President. Thank you also to this honourable Senate. I have been authorized to make the following statement to this honourable Senate and by extension to the people of Trinidad and Tobago.

Hon. Senators are advised that today, the Government has engaged the services of Mr. Robert J. Lindquist to conduct a detailed forensic investigation and to report on the Cleaver Heights Housing Development Project. This project, which is a joint venture between the Housing Development Corporation and NHIC, a construction firm, has been included in the terms of reference of the Commission of Enquiry into the Construction Sector, which is being conducted currently.

3.25 p.m.

The need to engage the forensic investigators into matters related to the Cleaver Heights Housing Project became necessary following the observed discrepancies with the submission by the management of the HDC dated January 21st, 2009. The Minister of Planning, Housing and the Environment in consultation with the chairman of the board raised several concerns with the draft submissions. Additionally, many of the concerns have not been answered satisfactorily by the management of the HDC.

The nature of these concerns is quite worrisome and the following have not been explained satisfactorily:

1. The lack or absence of a signed contract between the NHA, HDC and NHIC on which the initial HDC draft submission was silent.
2. The inconsistencies in both the HDC and NHIC documents on the agreed contract price – that is whether \$133,129,000; or \$134,129,000; or \$143,449,000.
3. A variation sum of approximately 23 per cent of the contract sum of \$133,129,000 was proposed by NHIC of which 93 per cent has been paid to date by the HDC. Payments made to NHIC for these variations show no evidence of internal approvals according to procurement procedures.

4. NHIC appears to have received full payment for the land, however to date no documents have been lodged with the HDC to confirm NHIC's ownership of the land title, which to date has not been transferred to the HDC or to the beneficiaries.
5. The number of the contracted houses has been reduced from 408 to 383 with no commensurate decrease in the contracted cost for housing units.
6. The project has only outline planning permission from the Town and Country Planning Division, and there are no final regulatory approvals from the Ministry of Works and Transport, WASA, Fire Services, regional corporation and no final approval from the Town and Country Planning Division.
7. The lack of evidence of established project management tools like front-end loading and controls, schedule and cost analysis, change order procedures, meeting minutes among other things.

Of particular concern to the Government are two of these issues. The first area of concern is the contract price. The components of the original contract price have been altered several times over the period of the project in the HDC's and particularly in NHIC's documents to reflect a price of \$143,449,000 which was the total recorded in the letter of award to NHIC dated May 03, 2005. In that letter, the total contract sum exceeded the sum of the individual components of this project. As a result, the contract sum was stated as \$143,449,000 VAT exclusive in the letter of award. However, when the cost of the land and infrastructure of \$40,480,000 is added to the housing cost of \$92,649,000, then the total should be \$133,129,000.

In addition, and subsequent to the different figures referred to earlier, documents from the HDC and also from the contractor beginning from the first valuation attached to the payment approval form of July 04, 2005, contain different amounts that result in the contract sum of \$143,449,000 VAT exclusive and this is now being quoted as the current contract sum by both parties but arrived at from very different routes. Note that this figure was previously not consistent with the total of the component figures agreed to in the letters of negotiation, or in the letter of award. Therefore, the \$10 million discrepancy appears from the documents of both parties to have been incorporated fully into the contract price through changes to components to the contract, one month after the letter of award in 2005 by NHIC and subsequently by the HDC in November 2008 through the inclusion of a new item valued at \$10 million.

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The second area of concern is the issue of the land transaction which forms an integral part of the joint venture deal. A search of the land registry on January 25, 2009 has revealed that the land on which Cleaver Heights project is situated is owned by Cleaver Heights Development Company Limited (CHDC), who purchased it in 1991. It is not owned by NHIC, the contractor on the project, who sought and received payment for the land from the HDC.

By a letter dated December 22, 2003 National Housing Authority (NHA) advised Cleaver Heights Development Company Limited that based on the strength of the information sent by it to NHA in response to an invitation published in the print media, Cleaver Heights Development Company Limited was being invited to develop and submit a specific proposal for the development of Cleaver Woods North. The letter invited Cleaver Heights Development Company Limited to provide certain specified information. Curiously, a letter dated January 22, 2004 from NHIC containing a proposal for the design, finance and construction of housing units at Cleaver Woods North purports to respond to this invitation. The Cleaver Heights Development Company Limited is owned by Emile Elias who has one share in his personal name and Emile Elias Holdings Limited which has 49,999 shares. NHIC is not a shareholder of Cleaver Heights Development Company Limited.

Further, at the date of the award, the land was mortgaged by Cleaver Heights Development Company Limited to the First Citizens Bank Limited (FCB) to secure the sum of \$15 million. By a Deed of Release dated October 01, 2007 a portion of the land, comprising 24 lots, was released by First Citizens Bank Limited. It is therefore possible that the remaining portion of land remains encumbered. All of this, if substantiated is contrary to the spirit of the joint venture agreement, where the land must not be encumbered and it is expected that the contracting company owns the land.

Moreover, and of greatest concern to the Government is that there is no evidence that to date the land or any part of it has been conveyed to the HDC or to the State. However, NHIC, which does not own the land, began to receive payments for the land from its first invoice on the project in mid-2005, and by October 2007, it had been paid approximately \$16 million for the land, at which time the land was still encumbered to FCB in the sum of \$15 million. To date, NHIC has been paid over \$20 million for land that it does not own and for which there has been no transfer of ownership to the HDC or to the State.

In the Cleaver Heights Housing project, the HDC's records in some instances conflict with NHIC's records. Additionally, the HDC's records appear internally inconsistent, without a paper trail explaining these inconsistencies. Also, NHIC's

documents appear to be internally inconsistent. It is the Government's hope that the forensic investigation into the Cleaver Heights Housing Development between NHIC and the HDC will yield valuable insights into the inconsistencies and inaccuracies observed in the documents, and in particular to clear up the issue of land ownership among other critical issues with this project.

From the time that concerns with this project were raised in the other place it has been mired in controversy and there have been allegations and counter-allegations. In the circumstances, it is necessary to bring in an independent investigator of international repute to determine the true facts once and for all. The HDC has and continues to provide adequate and affordable housing units for young families, the elderly, and the challenged in our society who are low to middle income earners. The Government hopes to see the emergence of a better HDC with improved efficiencies in both cost and delivery of projects to the benefits of the over 100,000 applicants in our database.

In conclusion, Mr President, I also wish to advise this honourable Senate that I have today lodged a statement with the Commission of Enquiry into the Construction Sector giving detailed particulars of the inconsistencies and inaccuracies in the submission made by the HDC on January 21, 2009.

I thank you. [*Desk thumping*]

FINANCE (SUPPLEMENTARY APPROPRIATION) (2008) BILL

The Minister of National Security (Sen. The Hon. Martin Joseph): Thank you very much, Mr. President. I am pleased to participate in the debate on the Finance (Supplementary Appropriation), (2008) Bill, 2009.

In joining this debate, I am going to respond to statements made by most of the speakers who went before starting with Sen. Wade Mark who spoke about the circumstances surrounding the offshore patrol vessels, followed by Sen. Ali, followed by Sen. Rahman and then of course, Sen. Dana Seetahal SC. Before I do that let me deal with the last matter Sen. Seetahal SC raised, even though it is not part of my preparation, and that is the question of the parliamentary security.

My understanding is that the issue of the parliamentary security was a matter discussed at the, I think it is the House Committee, if my memory serves me correctly and I think on the recommendations of the House Committee—I may be wrong, I am not so sure—that any progress as it relates to the whole question about the parliamentary security and arrangements associated with the parliamentary security is taking place. My understanding also is that part of the

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thinking is that you wanted a dedicated law enforcement entity with skills in competencies and capabilities that are unique to the Parliament. My understanding also, is that there was a situation with respect to—I think it was—the court and process—I may be wrong—that may have been responsible for providing security arrangements here and because of the lack of control over manpower availability, et cetera, those were the things that may have been taken into consideration. I hope I am not out of place because like I said, that is my understanding as to the genesis of the question about the parliamentary security. So, I just thought that I should respond to that.

Mr. President, when this matter of the OPVs was first raised in this honourable Senate, you would recall that Sen. Wade Mark had said that the Government was going to spend some \$12 billion on three offshore patrol vessels and he came and he talked about this was going to be the scandal of a lifetime, it was going to surpass the airport scandal, “bobbol” and corruption, et cetera, with respect to the three offshore patrol vessels—\$12 billion he had claimed was going to be the cost of them.

We had indicated that that was not the cost and we were not in a position at the time to indicate what the true cost was because of the process that was taking place as it related to that and gave this honourable Senate the assurance that when the information was available the first thing that I would do is to come and bring it to the Senate. Well, of course, needless to say, the headline all over the newspapers and for some time was “Government spending \$12 billion on three offshore patrol vessels”.

You would recall, that as a result of that, the Prime Minister—and I think somebody alluded to it before—on Friday, April 20, 2007 in the Lower House, when all of the arrangements were finalized, et cetera, went to the House and gave a comprehensive statement and the process followed to arrive at the arrangements put in place for the offshore patrol vessels and indicated that the overall package was going to cost some \$2.2 billion.

3.40 p.m.

Mr. President, I also came in the Senate and made a statement in keeping with my commitment, not my commitment, but the commitment of the Government and indicated the process, the true cost and also made available to every sitting Senator, the statement made by the Prime Minister. At the time, Sen. Wade Mark felt that that was insufficient information—much more details. He talked everything that he said here today. He said that he understood that there was

corruption associated with this, the Italian company came with a cheaper cost and people were implicated. He told me that I was disappointing him because I was supposed to be the beneficiary. He talked also about my visit to the United Kingdom, and that I talked to VT. In coming to talk in this debate today, I came to deal specifically with the delays and the reasons for the delays of the ships. And not only that, but also the process that is in place now to deal with the construction and how we are ensuring that the interest of the Government of Trinidad and Tobago is well represented.

We also indicated that it is was a three-way contract among the Government of Trinidad and Tobago, the Government of the United Kingdom and VT. We explained everything with respect to the Italians. But again, I think it is necessary because of the way in which Sen. Mark sensationalized the whole thing; about giving the Government 14 days notice in which they either bring the reports before us, about the process through which we went. Let me go over again, the process used as it relates to the question of the three offshore patrol vessels. I think it is unfortunate because earlier on, you were talking about not wasting the time of the Senate and the public's time. But I think it is necessary to go back through the process and explain how we arrived at where we are and then deal also with some of the concerns.

Sen. Rahman talked about how we sneaked in—people did not know about the delays. Not only that, he talked also about an approximate additional \$600 million. No such thing. But let me deal with the process.

As Sen. Mark indicated, we initially invited four countries to tender for the offshore patrol vessels, the governments of Italy, Sweden, United Kingdom and Germany. He mentioned earlier on the process as aborted and stuff. Yes, we said that. Earlier on the process was being done almost as if—first of all the coast guard had the responsibility of developing the RFPs, et cetera. There is no hiding about the fact that the process was done in a way in which they did not give us the best opportunity to acquire the vessels. As a result, an interministerial committee was established by the Cabinet to deal with the whole question associated with the offshore patrol vessels. That ministerial committee is guided by a technical committee—no politicians, no Ministers—technical competency to guide the process. An independent procurement expert from the United States Navy was engaged. He asked who is Captain Innis. That was asked before and that was answered.

Sen. Mark: Could you provide us with his curriculum vitae?

Sen. The Hon. M. Joseph: Mr. President, in that interministerial committee, technical evaluation committee, there was an independent procurement expert, US Navy. That committee looked at the submissions made by both the governments of the United Kingdom and Italy. At the end of the day, the government of Germany decided that it was not going to engage and then the Government—
[*Interruption*]

Sen. Mark: Why?

Sen. The Hon. M. Joseph: Because it was not willing to enter into a government to government arrangement— Sweden also declined. So it was left with the governments of Italy and the United Kingdom.

Mr. President, the evaluation committee looked at the proposals under the various headings as financial arrangement; crew and naval training; maintenance and support package, price and interim facility. Those were the major areas. At the end of the day, the technical committee, evaluation committee made a proposal to the ministerial committee indicating that VT was the best proposal in terms of these areas. As a result of that, the ministerial committee accepted the recommendations made by the evaluation committee. The recommendations were submitted to Cabinet and the Cabinet approved.

After due consideration of the cost, quality responsiveness and requirement of the RFP, the Government of Trinidad and Tobago selected the proposal that was considered the most attractive. The respondents included, like I said, Italy, the United Kingdom and the vessels were to be built by VT Shipbuilding International of the United Kingdom, and as he said correctly earlier on, is now known as BVT Surface Fleet.

On April 05, 2007, the Government of the Republic of Trinidad and Tobago executed six documents. Firstly, there was a head contract. This was executed between the Government of the Republic of Trinidad and Tobago, the Government of the United Kingdom and BVT. This head contract draws together three other contracts associated with the design, construction and supply of the three offshore patrol vessels for use by the Trinidad and Tobago Coast Guard.

Secondly, there was the execution of three subcontracts; one is a government contract. This contract was executed between the Secretary of State for Defence with the Government of the United Kingdom and the Government of the Republic of Trinidad and Tobago. Under that contract, the Government of the United Kingdom would provide the Government of Trinidad and Tobago with independent professional advice on the progress and performance of the offshore

patrol vessels project. To that end, the Government of the United Kingdom will provide independent advice on the design and construction of the three offshore patrol vessels and also on the vessel acceptance process. The cost of this contract is \$50 million and is being implemented on a cost recovery basis only.

There is a shipbuilding contract which was executed between the Government of the Republic of Trinidad and Tobago and the shipbuilder identified by the Government of the United Kingdom to design and construct the three offshore patrol vessels, BVT. This contract has two associated arrangements, a maintenance support programme and a crew training programme. The price of the vessels is \$1,455 million; the training price is \$84 million and the maintenance support price is \$463 million. Of course, there is an interim facility. The contract was executed between the Government of Trinidad and Tobago and BVT for the supply of two interim vessels for the Trinidad and Tobago Coast Guard.

Sen. Mark: Mr. President, through you, could the hon. Minister indicate to the Senate, what was the actual bid of the Italian firm, just as he gave us for the Vosper Thornycroft? Could he give us a detailed breakdown of the Fincantieri offer? We would like to get that Sir, in detail.

Sen. The Hon. M. Joseph: Mr. President, I do not have the details of that here with me, but that could easily be provided.

The interim vessels were delivered on July 03 and 09. Of course, the reasons for the interim vessels are because of the length of time it is going to take to build the three offshore patrol vessels and the importance of the patrolling. I will get back to the question about the patrolling of the coast, et cetera. So, the two interim vessels arrived, they were reconfigured and have been commissioned. They are doing work as it relates to patrolling the—

Sen. Mark: For \$132 million—[*Interruption*]

Sen. The Hon. M. Joseph: Mr. President, there has been slippage with respect to the construction of these offshore patrol vessels. Sen. Seetahal SC asked about accountability. In building boats, there are some uncontrollables. Yes, the original dates for delivery of the vessels were: the first was to be delivered on May 15, 2009—[*Interruption*]

Sen. Mark: But that is not what the Prime Minister said—[*Inaudible*].

Sen. The Hon. M. Joseph: That is subsequent. When the Prime Minister indicated in his April submission, the initial delivery dates, they were based on discussions and negotiations with VT.

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Mr. President, what happened since then—and Sen. Mark indicated VT joined forces—there was a commercial arrangement between VT and another company. I cannot remember the name of the other company.

Sen. Mark: That is the corrupt company called BAE Systems.

Sen. The Hon. M. Joseph: I do not know what is corrupt. As a result of that merger which occurred between shipyards or two shipbuilders, there were some delays as it relates to the original date of the submission.

So as a result of that, the dates given to us with respect to the delivery of the first offshore patrol vessel was May 15, 2009; the delivery of the second offshore patrol vehicle, February 15, 2010; and the third offshore patrol vehicle, October 15, 2010. Subsequently, to be exact, September 18, 2008, BVT further advised the Government of the Republic of Trinidad and Tobago of new delivery dates for the OPVs.

Sen. Mark: Is there a penalty clause?

Sen. The Hon. M. Joseph: Those things are being discussed. I do not want to prejudice what is likely to be the outcome of any discussions and I make no additional comments on that in this Senate at this time. The new delivery dates—I am saying this because Sen. Rahman indicated that it was almost as if we did not want to disclose it. There is no such thing.

In the other place, I was able to indicate what the new delivery dates are. The first offshore patrol vessel is now promised for November 2009, a delay of six months. The second offshore patrol vessel, May 2010, a delay of three months, and the third offshore patrol vessel, November 2010, a delay of one month.

Mr. President, certainly, we are not happy about the delays with respect to delivery of the OPVs. Sen. Seetahal SC said that we are not seeing anything; we are spending this money and we do not know what is happening. There is a mechanism that exists between the Government of Trinidad and Tobago and the Government of the United Kingdom. There is a board that is responsible for overseeing the construction of these vessels, and that board is constantly monitoring the construction of the vessels.

Sen. Seetahal SC said that perhaps we may need to put it on our website or something. I do not think that is necessary because the actual construction is taking place. It is not to say that the construction is not taking place. Steel cutting and all of those things have been completed—[*Interruption*]

Sen. Mark: You went and see it?

Sen. The Hon. M. Joseph: No, I did not go.

Sen. Mark: Why not?

Sen. The Hon. M. Joseph: Because we have reputable people who are monitoring. It is an agreement between the Government of the United Kingdom and the Government of Trinidad and Tobago.

3.55 p.m.

We have people who are monitoring. We have, on the ground up at VT, people from the coast guard who are supervising the construction. It is not that construction is not taking place. *[Interruption]* I can give you that information. They are all technical people from the UK Department of Defence and from the Trinidad and Tobago Coast Guard.

Mr. President, I give the assurance that construction is proceeding. We have had slippage because of certain problems that the shipbuilder encountered, so the concerns raised by Sen. Mark, referring to this as sleazy and smelly and all the other kinds of things, is in the normal Sen. Mark style.

As I indicated, construction of the OPVs is well on the way. Delays have been encountered, but we are confident, on the basis of what the manufacturers have indicated to us and on the basis of our monitoring of progress so far, that we do not anticipate any further delays. The Government of Trinidad and Tobago is looking after its interest in terms of the delays. *[Interruption]* I am not in a position because I do not want to prejudice the likely outcome by saying anything at this time.

Let me give you the new dates again. The first OPV is scheduled for delivery in November 2009, a delay of six months; the second OPV, May 2010, a delay of three months, and the third OPV, November 2010, a delay of one month. Those are the new dates and these are the slippage periods for the OPVs.

The other issue raised by Sen. Ali was the question of the training of the crew. Incidentally, the delays give us a lot more time as they relate to training. The interim vessels allow for training. Training is also to take place in the UK. We are also in the process of recruiting additional officers and sailors so that the concerns you raised will not happen; we will not find ourselves in a situation where the OPVs are delivered and we do not have trained personnel.

Sen. Drayton: With regard to the slippages, can you tell us whether there are escalation clauses within that contract that, because of the slippages, we could see an escalation in terms of the cost, or is the cost final in terms of this \$600 million?

Sen. The Hon. M. Joseph: It is a fixed price contract. The chairman has advised me that we have not accepted the reasons for the slippages as yet. Hon. Senators, I have to be circumspect in terms of what I say because the Government of Trinidad and Tobago is still looking after its interests.

The question of training as it relates to the OPVs is well in hand. The number of persons required to be exposed to training, is having that training and that is part of the benefit of the arrangements with the UK government and VT. You can be assured that the training required to manage these offshore patrol vessels, which is at the highest level, is in fact taking place.

Sen. Ali: Have we gone through this recruitment—the number is initially for 225 persons—which will also take into account people who have been put on the training programme as a replacement for those already on the ground?

Sen. The Hon. M. Joseph: Mr. President, I do not know if you have noticed that in the newspaper we have been advertising both in terms of officers and regular sailors. I can assure you that the training programme necessary to make sure there are sufficient numbers to man these OPVs is taking place.

I think Sen. Mark also made heavy weather about agents for the six fast patrol craft. Since he did not raise any concerns about the process—

Sen. Mark: Not yet.

Sen. The Hon. M. Joseph: Let me just indicate that the same ministerial committee, the same technical team, seven firms, were invited from Australia, Netherlands, Israel, Germany, USA, Portsmouth and Israel and, at the end of the day, Austal Ships of Australia, the same technical team negotiating, advised the ministerial committee and the committee accepted the recommendation.

Let me back up. In the case of the OPVs, the independent procurement expert came from the United States because the other countries were Italy and the UK and we did not want any conflict of interest. We made sure that there will be none in terms of the selection of the appropriate shipbuilder.

Sen. Mark: Tell us about Soltec. Did you fire them?

Sen. The Hon. M. Joseph: I do not know what you are talking about. Just pose a question.

True to form, I anticipated that someone would misunderstand the nature of transfer of the \$21 million from the rent/lease vehicles and the question of the improvement works to the police station. Sen. Rahman talked about a time when police need vehicles.

Let me indicate to the honourable Senate the circumstances surrounding the question of the \$21 million. The original allocation for the improvement of the police station was \$14 million from the development programme, an injection of \$21 million from the recurrent vote from the General Administration Division for rent/lease of vehicles and equipment, brought the final end-of-the-year allocation to \$35 million, all of which was utilized.

The injection of the \$21 million was sourced from available funds from the rent/lease equipment vote where provision in excess of the needs of this vote was made in the 2008 budget for the repayment of leases for equipment and vehicles which were fully liquidated in the 2007 fiscal year. In other words, Mr. President, there were excess amounts of moneys in this particular vote which went across. *[Interruption]*

This was not with respect to vehicles. The vehicles vote is being taken care of. So the rent/lease vote for 2008 was allocated \$95 million in accordance with the requirement of this vote. Approximately \$31.7 million was expended on loan repayments for 2008 and the \$141,224 for rental of vehicles for the General Administration Division.

Part of the remaining balance was transferred to other votes as critical needs were identified. The refurbishment programme was identified as one such need, therefore this adjustment in no way affected police needs for vehicles in 2008.

Sen. Seetahal SC asked whether or not it was for the model station and/or the police stations primarily. Fifty-one police stations were upgraded, five model stations and three police posts were taken care of.

For fiscal year 2008, phase 2 of the refurbishment work was started on 51 stations. By September 2008, 33 stations were 100 per cent complete. Of the remaining 18, 10 were approximately 70 per cent complete and eight approximately 50 per cent complete. The original scope of work for the remaining nine stations was completed in December 2008.

The Ministry also completed selected work on four model stations in the San Fernando, West End, Arouca and Morvant Police Stations. These works were valued at approximately \$7.3 million and, of course, you know that the major work is to convert the charge room to a reception area. I do not know if you have ever gone into the model stations and seen what it means.

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These works were in support of the initiative to transform the police service and, in particular, to provide a more client-friendly environment for interaction between the police and the public. Work on the fifth model station at Chaguanas was more extensive and entailed the refurbishment of the entire compound so that that is still in progress.

With respect to the five additional police stations for which the model station initiative is being extended, those five stations are Belmont—this is brand new; it would have taken into consideration the move from a charge room to the reception area—

Sen. Seetahal SC: You can leave out Belmont and substitute another one?

Sen. The Hon. M. Joseph: No, the model station is not just the physical thing. It is an entire “policing for people” kind of initiative. Belmont, Crown Point, Marabella, Mayaro and Point Fortin are the others. Mayaro is also new. Point Fortin, Marabella and Crown Point are not.

You raised the question about the model station. Other police officers are asking when they will become model. When we introduced the “policing for people” and the modern station, because we were trying something different, it was necessary to do it on a pilot stage. We have now ensured that in every police division there is a model station and we will use that as the means to make sure that, as we become more comfortable with the shift we are trying to make, it spreads to the rest of the police service, so that it stands a better chance.

4.10 p.m.

Sen. Seetahal SC: Now, if there are 60-plus police stations and you have 10 model stations, surely, in the second round, it would have been better to take the ones that are new and substitute them with the others. For example, instead of Belmont Police Station, you could have had Central Police Station. Now, if you have been to the Central Police Station, you would have seen the cells there. They do not have anything like chairs. You could have done it that way, and then a wider number of police officers would have had better facilities. That is my concern, and I am sure many officers who are around here.

Sen. The Hon. M. Joseph: I hear the hon. Senator, but the question about determining which one should be the model station is something that was based on discussion with the police organization. Now, there is something with respect to the model stations. Model stations have a field advisor. In the first instance, the field advisors were foreigners, because we were bringing into the police organization something that they have lost for quite a while; basic things like roll call, et cetera.

Some of the things that you see and take for granted when you are looking at movies, et cetera, occur in other places in the world and we take them for granted. So, when you start in the morning, the shift that worked the night before would be able to indicate what kind of operation is taking place and so forth. The model station is not just the building and the transformation of the charge room. We call it policing for the people.

Sen. Nicholson-Alfred: Thank you for the opportunity to ask a question or two. The grandiose plans that you have brought there for us, re: police stations, I am wondering what is happening in Tobago. I did hear you mention Crown Point, a facility that I am very familiar with, but I want to tell you, in terms of improvement, nothing has happened in Tobago. We have Old Grange which is the worst police station. That is the area where all the crimes are taking place. Even when the policemen and policewomen have to change their clothes, they have to leave the station and go home and return. I am very familiar with the police surroundings, because of the work I do.

I want to tell you that what you are saying here about Tobago, I believe that is only a promise. I would really like to see something happening in Tobago. We have Roxborough and Old Grange Police stations which are in a state of disrepair. We are very short of policemen. I wish that some of that money would go to Tobago. Do not allow Tobago to fall into the past like the others. Help us to save ourselves before the back slings to come.

Sen. The Hon. M. Joseph: I hear the hon. Senator. I am aware of Old Grange Police Station and the state of a number of police stations in Tobago. You see, we are doing two things. We are upgrading police facilities and then we have the question of the model stations. You see, at the end of the day, the intention is to make sure that all stations in Trinidad and Tobago are model stations. As I said, we have to start somewhere. We have started it as a pilot project. In the case of Tobago, we are starting the pilot project in Crown Point. Remember, we are extending the model stations from five to 10.

Now, the model stations are supposed to have an adequate number of vehicles; they are supposed to have a sufficient amount of manpower; and the person who is in charge of the shift should not be less than a sergeant. So, there are certain requirements for a model station. We understand what the circumstances are and, as I said, we are tackling them from two angles; improving the existing stations, even if they are not model stations.

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Now, let me respond to Sen. Rahman. He said that I said that I am no longer responsible for policy and I am just handing over these things. That is amazing. One of the things that we have recognized—I am saying “we” as a society—is that if we want good law enforcement, we must have good law enforcement officers and they must also have the ability of law enforcement to do the job. As I said, in the other place, you would recall that when Guiliani came here—there was a big issue with respect to crime and Clico brought him down—he said, do you know what is the solution? The solution to our problem is, first of all, we must make the Commissioner of Police accountable, and the Commissioner of Police must have control over his police service and, in the absence of that, nothing is going to happen.

Mr. President, we have taken steps to address that matter and, I think, we have done well as far as that is concerned. What have we done? We have passed legislation to change the responsibility of the Police Service Commission, because it was necessary. There are persons who do not agree with the approach, but this was a joint approach between the Opposition and the Government, at the time, coming out from what has been referred to as the crime talks.

We had to change the responsibility of the Police Service Commission to ensure that the commission is responsible for the hiring and firing of the Commissioner of Police and the Deputy Commissioner of Police—serving as an oversight or appellate body on the decisions of the commissioner as it relates to the management of his organization with respect to things like discipline and promotion.

Now, we have given the commissioner the power to fire, hire and promote, et cetera. In so doing, recognizing that we were calling on the police service to do things that they were not accustomed to, we had to beef up the management capability of the police. We received approval for some eight executive management positions in the police service. We are also saying that we want the Police Service Commission to be able to review operations of the police service, which is a whole new structure with a staff of about 40 persons.

We have amended section 123 of the Constitution which now gives the commissioner operational authority to manage the affairs of the police service. Last week Friday, a learned lawyer and a former Attorney General, quoted something that says the Minister of National Security is responsible for the operations of the police service. They did not want the politicians to have operational responsibility for the police service. They said that if the politicians have responsibility for the police service then they could manage the operations

and say where to raid, where to do this and where to do that, et cetera and the Minister cannot do that. Now, they are saying that the Minister is abdicating his responsibility. [*Laughter*]

Sen. Seetahal SC: Since you have mentioned those two pieces of legislation, I do appreciate what you are saying, but the third piece of legislation, as you would know, the Police Complaints Authority, is non-functional for 11 months now. Could you indicate to us when you intend to appoint a director and a deputy director?

Sen. The Hon. M. Joseph: I was going to say something about my colleague, because we are colleagues in the Senate. Mr. President, can I follow your ruling and stay strictly to what was presented here? I am saying that within the context of a statement made in the debate by the Senator, when I talked about policy and dealing with that matter as it relates to the operation of the police service, I am responding specifically to that. I hear what the Senator is saying.

Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. D. Seetahal SC*]

Question put and agreed to.

Sen. The Hon. M. Joseph: I have to thank Sen. Seetahal SC for extending my time. Obviously, Senators do not want to hear me. Mr. President, I was trying to stay away from that specific question that Sen. Seetahal SC asked. It is something that we have to address.

Mr. President, the Senator talked about the fact that Trinidad and Tobago is a major transshipment point for drugs and that is a fact. He said that I was disaggregating the guns from the drugs and so forth, but I was really trying to understand where he was coming from and to understand his argument.

We have said that the drugs are accompanied with the guns and the guns remain. He asked about the role of the OPVs. The role of the OPVs is to help serve as a deterrent; the ability to detect the inflow of drugs and guns. The Senator said that in the absence of that, what does it mean?

Mr. President, given the circumstances which exist now and given the fact that a go-fast boat from Venezuela could reach here in about seven minutes, there is need for us to increase our coastal capability. The UN World Bank—they did not have to tell us that—said that part of our problem has to do with our borders. There is no question about that. It is indispensable, and we have to put assets out there.

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The Government has invested in a radar system. The radar system allows us to see the pattern of movements, but seeing the pattern of movements is just one thing. We are in a position now to see what is happening. We have to put assets in the water in order to do certain things, and the offshore patrol vessels are going to allow us to do that. We also have helicopter capabilities, et cetera. The question is, do we have to wait until 2010? The answer is no.

We have other vessels that we are going to acquire. When those vessels are available, you could rest assured that they are going to shift the whole focus of drug dealers. There is no question about that. Drug dealers exploit weaknesses in law enforcement capabilities. So, it is certainly an important part of our arsenal to deal with the question of crime, but we have to use what we have until we get what we want.

The Senator asked how are we going to stop the outflow. It is clear that if you reduce the inflow of drugs coming in, what you are also going to do is change the dynamic with respect to the extent of the outflow. It is so obvious. Do you follow what I am saying? So, to give the impression that we are spending valuable taxpayers' dollars in the wrong place—the Senator was trying to convince the people that is what we are doing and that there is no relationship between the investment in these important naval assets and the reduction of crime and violence in the country. So, what I am saying is that kind of thinking—you started off by saying that you do not know where to start, so I guess all that contributed to what you have said.

Mr. President, I do not think that I have anything else to respond to. I hope that I have responded to the two areas raised by hon. Senators on the other side and, with those few words, I thank you for the opportunity to participate in this debate. I thank you. [*Desk thumping*] [*Sen. Dr. Carson Charles stands*]

Mr. President: Senator, could you postpone your start until 5.00 p.m.?

Sen. Dr. Charles: Yes.

Mr. President: Okay. Hon. Senators, we will take the tea break at this point and resume at 5.00 p.m. The sitting is now suspended until 5.00 p.m.

4.25 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

[MR. VICE-PRESIDENT *in the Chair*]

Sen. Dr. Carson Charles: Thank you very much, Mr. Vice-President. I rise to make my contribution in the debate on an important Bill such as the Finance (Supplementary Appropriation) (2008) Bill. Notwithstanding the fact that we in

the Senate do not vote on determining whether this is passed or not, I am sure that our contributions are taken seriously by the Government and by all others within earshot, even when they may be judged to be a little out of what is before us.

I think I must start by saying that I always like to look at the big picture; what is really behind all of this; what is happening here aside from all the details. The Government has come, as they must come at the beginning of this year to confirm really, what had taken place last year.

First, they came with the 2009 measures, then they come now with the wrapping up of the 2008 budget. So, that is what we are doing. In doing this, they are asking to increase it by \$1.073 billion; that is what the Government has really come for. They have presented all the details of where they are moving money from and where they are carrying the money to, and so on.

The real thing is that there is no way that we could really get involved in some of these details here; we have to pass them or agree to them, because the Government said so. These things have been done by officials with the consent of the Minister of Finance, according to the financial rules and so on. It is quite obvious that what you really want, if Parliament has to approve this, and if we take the point that Parliament is not powerless and toothless, and all these things and we are not going to bring Parliament into disrepute—I know it is not toothless and powerless.

If Parliament is going to approve something, it ought to know what it is approving. That seems to me pretty straightforward. How can we know what we are approving when you have got these details here? There is no mechanism to find out what it is about. To me that is the most obvious thing. There is no mechanism to find out what it is about.

So, we use the debate here to ask questions, and what is quite inadequate is that, we have to ask a question and hope that somebody would respond across the table; beg for a document, et cetera. Hundreds of millions, billions of dollars are sometimes involved and we have to beg for some information, as though it is we, personally, who want it.

It is not personal; I do not personally want any particular information. The money is not mine, it belongs to Trinidad and Tobago. We speak on behalf of the citizens when we ask for information. This is what is wrong with this entire process, that we are going to approve something here, and in many of the proposals before us we would not be able to determine the merits or otherwise of these various transfers, and you take money from this Head and you put it into that one, and so on.

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If the Government is serious about this process, you really ought to consider the role of the parliamentary committee. The committees that are established are non-functional, and you may need to have a committee system in place that could deal with this, so you do not have to get upset when we ask you for information, or even when we make accusations that you think are not true, because someone got some information and presented it to you, and say well, this is what I know, and you get upset about that.

If you do not want to be upset about that, then you really have to have a system in place whereby people can actually ask the questions or make the accusations in a committee and get the facts and things can be refuted, and so on. I want to start with that point first of all.

I want to go secondly to the point that the Government is "bol' face". How big is the 2008 budget?

Sen. Mark: It is \$54 billion.

Sen. Dr. C. Charles: It is \$54 billion. I had lost count. *[Interruption]* Yes, I know we have plenty revenue; I know that, and as much as you have revenue, so you can spend. *[Interruption]* I understand; I am not accusing the Government of spending money it did not have. This year you might have to do that, but I am not accusing you of doing that last year, because you had plenty and I am saying that therefore, it is an exercise here of validating, rubber stamping something that you did already, because you had the money and you spent it.

I am just saying something is fundamentally wrong with a Parliament being required to do things that way. You should address the issue so that the Parliament is not left to function that way. There is great value in becoming an Opposition parliamentarian. You know many years ago I was in the Parliament, and I was on the Government Benches, and so, I have had the opportunity to know what it is like to be on the Government side, and after a year now, to know what it is like to be on the Opposition side, and to know what it is like to be in the driver's seat and to know what it is like to be in a powerless position.

It is important to have that experience, because many of the Government Members have not had that experience. *[Crosstalk]* If you remember you would have an idea of the importance of doing things a certain way, because when you are on the Government side, you really think this is all mostly a waste of your time, and you have to come and go through this process, you have no choice, you have to come and present your things here and get it approved, maybe defend it, and you really have other priorities. You have so much to do in your Ministry; you are driving the entire system of Government from the Cabinet.

That is where it is driven from, and our system is not supposed to be that way, but that is how it is. You come to Parliament and it is almost like a ritual you have to perform, but when you are in Opposition, you learn the value of the Parliament in a more serious way. Therefore, I think those who have had the experience on both sides, again, we should do better than this.

The problem with the Minister of National Security for example, this afternoon, I think it is mostly the fact that this information that he has provided, is not in the public domain. Even what he has provided is really quite inadequate. You have hundreds of millions of dollars involved in contracts, tendering, and so on, and we cannot get any idea of the figures involved at all. Nowhere can anyone outside of the Government get any information on the figures. So, you leave it open for people to speculate, because you cannot know how much it is. You cannot even ask, well listen, was the tender of the British firm less than the tender of the Italian firm? You cannot even answer that.

I am not saying you must give the contract to the lowest bidder. We all know that you do not always give it to the lowest bidder, there may be circumstances required to do otherwise, but usually you can answer the question. Even in giving a contract, for example, to construct a building, there are rules, tendering and so on, and you can find out where the Government is involved in giving a contract to a contractor to put up a building. You can actually find out what was the value of the competing tenders.

Here we are in a situation with hundreds of millions of dollars and there is no way we can find out what was the value of the proposal from the competing firm. Do you not think that people are left to speculate or in fact confirm in their assumptions, that you did not go with the lowest tenderer? You are not saying what the reason was, and therefore what do you expect?

I am just pointing out these little flaws. I am not one to accuse the Minister of National Security for all kinds of sins. I have said before that most sins are not his. I do not think he can cure the ones that we have. I do not think he has the slightest chance of dealing with the problem of crime in the country, because it was created by forces way above his head, but that does not mean that he should not do his job. He should do what he can do; do his duty and so on, but in this particular case, certainly he can provide us with more useful information, even though he sought to give us some.

Before going into any details, I want to also respond to a point the Minister of Health made: What about all the other players? What about every citizen? What about the householder? Surely, Minister, you cannot compare the ordinary householder to the Government or to a Government Minister; big difference.

A householder has certain duties, yes, he must lead in his household, head of the family, takes certain responsibilities, make sure there are no cans of water around in the yard, et cetera. You say it all the time, and I think all the people hear it, and many people probably pay attention, maybe some do not. It is not the same as the Government.

What we call on the Government to do, is not to do everything, but to do its job. The Government's job is to lead. You are not elected to Government as administrators, as bureaucrats, as managers of corporate enterprise, like the ministry is a company or something; it is not like that. The Government consists of people who are leaders, and you are elected to lead the country. That is your primary responsibility, to give example, to take responsibility, even when it is in doubt as to who should take responsibility. It is your duty as leader to always take responsibility, to lead, and let others follow. For those who wish to dissent, the system is built in a certain way that gives you automatic majority, so that you can go ahead and lead.

So, now I comment to the Minister that responsibility and leadership, which belongs to the Government, does not fall anywhere else. The householder does not share that with you at all. You have to take your duties and do not get too nervous. I see you were a little nervous this afternoon.

Sen. Narace: Will you give way?

Sen. Dr. C. Charles: I will always give way to you, Minister.

Sen. Narace: Thank you very much. I think that is a very important point that you are making, through you, Mr. Vice-President, and you are absolutely correct, but my question to you is, let us get into the mechanics and the definition of that leadership. In other words, if we are speaking towards building a better nation, what is the role of the media? Because I went to one of the consultations of the Minister of Local Government, and she was seeking to lead and provide the leadership. Then you turn on your television stations and you see something completely different. What is your suggestion to the national community, the media, and us as Senators? What is your view?

Sen. Dr. C. Charles: I understand that complaint, Minister, that you find sometimes that you do not get a fair deal, but that is a complaint that all leaders have. Some leaders believe because they do not get a fair deal the solution is to take more and more power every day, and more and more you are in charge of everything. After a while, you only trust yourself, and you think you alone can

determine what is right. That is a temptation all leaders face. It is the nature of human condition. I want to suggest that one does not fall into that temptation—I am sure you know what I am referring to—and instead take your licks.

As a leader, guiding the media for example, you have to take some licks, and you have to keep on encouraging the media to be fair, impartial. You are not going to get it overnight, but you will get some of it if you work at it, and that is what the Government has to do. We have to do the same thing. You think we get a fair share all the time? I mean, how much of what I say here you think is likely to be reported somewhere? You think I make a problem of that? Perhaps the things that would get the sensational—

Sen. Narace: Because you are not sensational. [*Laughter*] [*Interruption*]

Sen. Dr. C. Charles: That is the point, exactly. The point about leadership is, you take your licks. [*Interruption*] No, the Government is just as sensational. You come this evening with your statements and so on; it is a slippery road. Mr. Lindquist seems to have a permanent place here in Trinidad and Tobago. War is hell, especially when you have to fight friends and former friends.

Anyway, I am making the point that leadership does require you to take some licks, not to overreact, and to relax a bit, Minister. It is a challenge in health, I know. The system was constructed in a certain way to ease your burdens, Minister. There is an organization called a local health authority. You know what the local health authority is?

It is the regional corporation in your area. You know why that exists? To ease your burdens. But when you emasculate the local health authority; when the regional corporation has no role to play in anything—I mean we have \$2.541 million for Community Improvement Services Limited. You form these special purpose companies to emasculate local government, because that is what they do.

5.15 p.m.

Instead of giving the money to the local government corporations and empowering them to do the job, you form these special purpose companies in the Ministry of Local Government and you give them all the money. Then what do you think will happen to the local health authority? The local health authority is emasculated! Local government right now—I am not saying the Minister is doing something evil. [*Interruption*] I am just telling you the consequences of your policy positions. Because those are consequences of your policy positions, you think perhaps you are getting greater efficiencies by establishing these special purpose companies. I am telling you on the contrary, you emasculate the local

government body which is the local health authority. You should instead be building up and boosting the confidence of the local health authority and of all of those councillors. Why do you think we have so many councillors? We debated the question of whether we should have so many councillors in a small country like Trinidad and Tobago. We said it is an advantage; you got a local politician everywhere who is part of the Government system; you have got to raise that persons' morale; this money should be going to them instead so that they will always have cash to do something. They have no money, and all of these transfers taking place and so on.

I do not see anywhere you transferred anything to local government, \$1 billion more you want. Have you asked for \$100 million or even \$10 million for the local government bodies to give them something? No, you have not asked for a cent more for them. "They have enough". Of course they do not have enough, they complain every day, and when you find your job is so hard in health, it is because you have no local health authorities to carry out the job in primary health care to educate people at the local level, to visit their houses and so on.

So, the Ministry of Health has to do everything. The Ministry of Health has to do everything and the more you emasculate them and set up these special purpose companies to do the development works, the more the burden will fall on the Ministry of Health and its various officers who are in the field. So it is when you mash up the local government system by changing the policy structure a bit, because you have confidence in central government, that is why. So you are not sharing political authority instead with the local government bodies, you are sharing administrative authority. That is what you are doing! Political authority is more powerful. You motivate the councillor and he feels he is responsible, he is in charge. The people elected him. They will go to him when they know he has some money and they will harass him. They could find him in his house. The average councillor knows people come to his home on a weekend you know. You cannot find the Minister on the weekend in his house, they go by the councillor when they have a problem and that is what you use.

So, I am telling you that is why you have more and more headaches, Minister of Health, and you are going to have more and more headaches until you turn around and empower that system. Just like we cannot maintain any roads because the Ministry of Works and Transport has to maintain everything and the local government bodies have no money to maintain anything. So, you are going to have more and more difficulties in trying to maintain every single road in the country from head office, which does not have the presence of a politician,

because the Minister cannot be everywhere; he cannot see everything and he cannot get complaints from everybody, but a councillor can, so he is going to respond to what is happening in the area, but when everybody knows he gets no money and he can do nothing then he is under no pressure, he does not respond to anything and so on.

Under the Ministry of Works and Transport I have a whole lot of items I am going to get to in a little while, but these are general points, of if you like, policy and so on, of where I think the Government is going wrong. A big chunk of this money is going to UDeCott. These days I do not want to say anything about UDeCott because enough is being said about them. All I will say is that I think Senators might remember, I told them about the temptation and the pitfall that go with having these state companies, they become nations on their own. You put people there and after a while they become gods. They are using state funds, but after a while they are listening to no politician, they become little kingdoms and they are doing their own thing and they are going to put you in trouble. They are going to incur debt, they are going to establish all kinds of contractual arrangements and you are going to have commitments of all kinds to meet.

When the Treasury begins to decline and you do not have the amount of money to distribute in Treasury bills from day to day as you wish and you cannot put \$1 billion on the budget at the end of the day, you are going to have a problem with all the stuff that these enterprises are doing out there and all the obligations that you will have to go and satisfy out there that your various corporations are putting you in. That includes corporations like UDeCott and all the creatures of UDeCott, because UDeCott seems to have created a whole lot of other creatures of its own. So, UDeCott and its creatures, you are going to have to deal with that and you are going to have to deal with others that are long established, like Petrotrin and so on. All of them you are going to have to deal with, because they are all making commitments, they all will be going into the red and you have to go and pick up and mop up everything. When you have plenty money you can do it, when you do not have plenty money you have a sudden contraction. I mean, how could Petrotrin budget on the basis of \$100 a barrel? I mean, they do not consult, how could they do that? How could they do that? They must consult. How could they do that on their own? But these are the kinds of things that happen.

So, UDeCott is getting its \$99 million and the whole waterfront thing is a whole debate. I do not want to get into that; we have said so much about it; we will say more about it later on but the waterfront really is such an enormous waste. It is terrible! Enormous waste of public moneys to create that whole thing

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out there as though we really were just bathing in it. You do these things when you have a solid foundation in place, you could afford to spend moneys on these things, but we have no solid foundation here as we now know; once oil prices collapse we see how weak our foundation really is. We have no solid foundation.

Alutrint, \$109 million. It is tiresome, the Alutrint debate is tiresome I say, but I am sure that there will be a continuing debate on that point elsewhere.

The fast patrol boats and so on, we had a lot of comments on that; that brings us into the domain of the Minister of National Security. I think that the Minister of National Security should review the pace at which he is doing things. The Minister might think he is doing his best; the ministry may think it is doing a great deal of hard work—I want to tell you two things, one is that the country does not think you are doing so well and one might have a tough skin and say, well I could take it, but the country does not think you are doing so well. It is an important point. The country really thinks you are doing badly as Minister of National Security, you have to pay some attention to that because people are really hurting and it is because you are not—either you are doing the wrong things, or if you are doing the right things you are doing it too slowly. You are way behind; you are not going to catch up.

While you try to put the police in shape to fight crime, we are going to reach the stage of 1,000 murders a year just now. It is going to take years before you establish these stations all over the place. If you establish five model stations, that is your pilot, it is working, okay, we like it; the next stage is not another five, it is not one or two in every region, that is not the next stage, the next stage is full scale operation. Full scale, that is the next stage. Full scale throughout the country to bring it up to that level because you are behind, time is not on your side. The murder toll is just climbing every day. And even though you may not be responsible for the policy positions that led to it, you are certainly responsible right now. The buck stops with you. I do not care how much power you give the Commissioner of Police! The Government, the Cabinet has collective responsibility for the affairs of the country and the buck, therefore, stops with you as Minister of National Security.

Whatever administrative powers you give to the Commissioner of Police, the responsibility for security of the nation falls on the shoulders of the Minister of National Security. You cannot escape it!

Hon. Senator: Well said. [*Desk thumping*]

Sen. Dr. C. Charles: By definition you cannot escape it. All I am saying is—I am not saying you have to do the Commissioner's job. The Commissioner's job is hard, you know. It is a tough job, I see he is out there raiding some place in the newspapers there, leading the raid himself—I would not comment on that—but he has a tough job, so I am not saying you do his job but I am saying, Government has the responsibility, the buck stops with you and therefore you have got to strategize as to how you are going to bring the police force into the modern age, into today's world. How you are going to do that now. Not how you are going to do it over the next 10 or 20 years. How you are going to do it now. And I have not heard any plan that says how you are going to achieve that within a short space of time.

I am hearing things that are structural, institutional, and so on, and they are going to take a long time. I am not saying do not do them, but I am not hearing anything about what is going to happen now. So that if you say you do not think we are going to have so many crimes, so many murders this year—I got some information yesterday, a friend of mine who is an attorney, her husband was held up by some bandits going to collect some moneys. They had on no mask, they just held him up, took his phone. "They ain't get rid of the phone, they using the phone. If you call the phone, they answer." That is where they have reached now. They commit the robbery in broad daylight, they took the man's money, they took his phone and they are answering the phone. You understand! You can call them and they answer on the other end. That is where they have reached now! In other words, it is in your face! They are showing you, they are demonstrating to you they have contempt for the police service. That is what they are telling you! They are saying we can do this in broad daylight, no mask on, no fear of being identified. We answer the cellphone and we will speak to you if you want, you do something about it. That is what they are telling you.

What is the ordinary citizen to do, confront the bandits himself? How can our citizens do that? You are not armed and loaded, you cannot confront the bandits yourself, they are not afraid to die, they are willing to engage you at whatever level you want. It is the police authorities, they are the ones you have to turn to, to take something like this up, and the people have contempt for the police force. Why? Because the police force is not up to scratch. I am saying, I am not trying to cast blame anywhere. I am saying, you are operating in a different time zone to what is real, and this hope that we are going to have a lower crime rate this year, that is pie in the sky, that is totally out of order. That is not going to happen at the rate that we are going, we are going to have higher and higher murder rates because nothing has changed structurally and the service is so far behind that the

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guys know the service cannot catch up with them. Morale is dropping at a terrible pace in the police service. It is falling every day! So I want to say, do something about it now, let us see what you can actually do that is in 'real time'. And whatever plans you have for institutional change, as a man who I know has some professional competence in that aspect of things, yes, important, yes, but as a politician—and that is why politicians are in charge of the country—as a politician your duty is to go beyond this issue of institutional change and do what has to be done to meet the challenges of today, today. That is my point!

Mr. Vice-President, the list here is long. All the transfers here, so I had to choose a few things to talk about; no need to speak all night on everything, so I chose a few things to speak about.

The issue of agriculture is very tempting and always tempting to speak about but I will leave it for my good colleague here to speak about. I would only say one thing about agriculture, you have flooding here, from the claims point of view, but the flooding from the other side—I mean, I do not know why you have fewer claims—from the point of view of the causes of flooding which is what leads to the claims, do you not think that is connected somehow to the Ministry of Works and Transport saying that the—let me just get the reference here—the reason for savings, they saved money by vacant contract positions not filled in the technology unit. A number of new contracts not awarded for the painting of roadways.

The Ministry of Works and Transport unable to find suitable accommodation for the relocation of the Licensing office; there is so much here on this to deal with the Ministry of Works and Transport, you know I have to try to be calm about it. But I want to get to the bottom of the Mechanical Services Division, unable to adequately carry out its repair and maintenance function because of a shortage of supervisory and technical staff, savings of \$795,000. The security contract for the Mechanical Services Division was awarded in the last quarter so they saved \$500,000. So it looks like in mechanical services you can save any amount of money you want. I was in charge of the mechanical services division; I doubt it has changed in 20 years or 40 years. [*Laughter*]

It is a place where guys really have a hard time, because the culture of maintaining vehicles in the country is so poor, it is so poor. I was the beneficiary of what little we could have learnt from another government-to-government contract. By the way, that is something we went through before. We learn now it does not work; it does not function. It does not work. It is a bad idea, the government-to-government contracts. Just en passant, government-to-government

contracts do not work because the government you are contracting with does not seem to take much interest in seeking your welfare in respect of their companies in their country. They are really facilitating their companies getting a contract. That is a fact of life. So if you are in a government- to-government contract, you are really wasting time and you might as well deal with the company and just be hard-nosed about it.

5.30 p.m.

So at least we learnt that from the last failed attempt at government-to-government contracts when we had plenty money and the Government at the time, the PNM government, wanted to fast-track things. So it went government-to-government contracts, bounced its head, did badly, has come back now and done the same thing. I do not know why you are repeating the same mistakes, but I am just saying that there is something that we learnt because we had some Germans here in a government-to-government contract in the transport system.

Sen. Dr. Saith: Secondary roads.

Sen. Dr. C. Charles: Well, we were on secondary roads too. I was in the Public Transport Service Corporation (PTSC) as the Planning Officer, so we had them in the bus system and so on, teaching us about maintaining the vehicles. You learnt something about the culture it takes to maintain vehicles. We do not have that culture in the public service. We hardly have the culture in Trinidad, quite frankly, about maintaining vehicles. People have a difficulty in changing the parts on schedule, according to the written schedule in the document. They feel that they could use that part because it still looks good. That is Trinidad's way of thinking. It is still working, so you keep on using it.

Guys have a difficulty in changing things on schedule, taking the engine out because we have reached the point according to the mileage when the engine should be removed, another engine put in and that engine sent for reconditioning or for service and you take it out and move it, they have a problem with that. They will keep on using it and fixing it for as long as it works and it will break down all over the place.

So Mechanical Services Division never functioned properly. They could not function. Guys have the habit of scrapping this and taking a part from this one and using a part on another one and so on. It is a culture and the German guys had real difficulty trying to come to grips with the culture here. They never could find a way of functioning themselves because it was so different. We recognized that there was no point in fighting it, so you simply contract out the supply of

equipment, and you do not bother to have any Mechanical Services Division. We tried with the VMCOTT. I do not know if VMCOTT had worked at all, but it is the same thing trying to do your thing in-house. You might as well contract it from the private sector because they get paid by hours of time that the equipment is actually working. So they have an incentive to make sure that you have working equipment in your hand.

Sen. Browne: [*Inaudible*]

Sen. Dr. C. Charles: No, but even if they lack the culture, that is their problem because when their equipment breaks down, they do not get paid for it. They get paid for hours of working equipment in your hand. That is it, let them solve their problems. So, you are always sure you are going to have working equipment. That is the only formula that worked when we tried it and that is the only formula I think will work here.

So this mechanical services thing here is a waste of time, but I am making the connection that for as long as you are scrambling to get equipment by depending on some department to maintain them and so on— How can you have equipment in the watercourses, cleaning them in the right season? Now is January, we should already be getting ready to go and clean watercourses all over the place to maintain the system for when the rains come. How can you have it available when you depend on your own internal system and you have to save over \$1.25 million from vehicle maintenance sections, which they certainly need, but they are not ready to use? Hence the problem will be with us still for flooding every year because we do not have equipment available, and in the watercourses on a continuing basis to maintain them and prevent the flooding from taking place in the next rainy season. You have to look at the connection between these little things, because little things have a way of creating very big problems.

The Ministry of Works and Transport deserves a little attention in my contribution and I want to make a few comments on the Ministry of Works and Transport. The Ministry of Works was unable to find suitable accommodation for the relocation of the Licensing Office, currently located at Wrightson Road. Something like this really makes the point, but what are we supposed to do about this? Accept that, that is it? A big operation just went on at Licensing Division ‘inconveniencing’ endless people. The whole place was shut down because police went in to arrest this one and arrest that one. The Ministry of Works could not find suitable accommodation, so this is the laissez-faire kind of attitude of the Ministry of Works to the Licensing Division.

The Minister said it was not a problem for him; it is a problem for the police. All the accusations of corruption and officers being charged and so on, of his own people. It is a problem for the police. He does not see that he has any responsibility at all in how his department runs and whether the rules are followed or not; it is a problem for the police. So you just casually state that you cannot find accommodation, so it goes into another year and another year and it will keep on going over from year to year.

The demand for motor vehicle inspection stickers was below the level projected—\$700,000. Seven hundred thousand dollars in motor vehicle stickers—I am not sure what that is. It is a lot of motor vehicle stickers. So the demand for motor vehicles inspection stickers was below the level projected, so you saved \$700,000 and we are supposed to simply say, that is approved, that is okay, without asking the question as to what that means and wondering why would the demand for motor vehicle inspection stickers be so low.

Sen. Browne: There are vehicles on the road running [*Inaudible*]

Sen. Dr. C. Charles: Exactly. Is it that people are no longer coming to have their vehicles inspected? If you projected some demand and it was not realized, it is because something has gone wrong between what you projected and what actually happened. This is serious because the amount of money for stickers, somebody should investigate whether we have a great deal of vehicles out there with no stickers that are not coming in for inspection. Is that of no importance? Nobody is pursuing that.

The non-acquisition of a new asphalt batching plant resulted in a reduction of operation at Agua Santa. Agua Santa "kind of gone through" a long time and I am not sure what they are now, but I see they are still operational. So I guess it was important to get the plant for them. That might help in keeping roads maintained instead of having to buy expensive asphalt from contractors, although these days with the way the industry is going, I guess it will be a little easier. I know it will be cheaper to get asphalt when you want it. Contractors are already feeling the pinch, and guys would not even have to import as much as they used to, materials and so on.

The functions of government: The government is a complex organism and apart from the political dimension, there is the administrative dimension. The administrative side of it is not going well. The problems that we were plagued with over the years continue with us, thus from year to year we are still plagued with almost all of them. Year after year, reform of the public service, so much talk

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about it, and we are still plagued with it. Every year we have these transfers and savings that really simply mean that somebody could not implement their programme or their project. I think if you really want to make a difference—because you said you want to transform the country, ‘developed country status’ and all of that—you have to do something more than you have been doing for the past seven or eight years now, about these things. It is time that we do not just see the same thing repeated every year of the so-called savings, which simply means somebody could not do the project, did not get the project done for the money that you allocated to them and the money had to be returned.

Mr. Vice-President, as I said, I want to be brief this evening deliberately, so I will move from Ministry of Works and Transport and make a couple comments. One comment which I really want to make is about the Ministry of Community Development, Culture and Gender Affairs, to perhaps inform Members of a little thing here that you might pass over casually. Item (vi) says:

"To meet the shortfall in operating expenses of the export centres due to increases in utility and NIS rates as well as the cost of goods and services—\$1.3 million."

I want to tell the Government that this is a good time to revisit this export centres project. Do you know where the export centres project came from? I was the first chairman of the Export Centres Company that was established under the UNC administration in 1997 or thereabout, and it came from our project for what was called before, Industrial Cottages, which was conceived at a time, a little more like what we are now in or what we are going into, than the time just passed because in a time of plenty people do not want to hear about these things. In a time when you do not have money falling from the skies, people will take a little time and start and think.

Unfortunately, it is the only time people really think. We look for ways and means because people are going to be unemployed. That is a fact, Minister, when money is raining we are all caught up with spending it and the PNM is actually quite good at that. You have an expertise at spending money not really productively, but just spending. I think you really thrive in this sea of money. It goes all over the place and so on and I do not think you do too well when you do not have it. Winning election? Well winning elections in a time of money, and in a time when you do not have money, you will see how difficult that is. So we have to be a little more creative again now to survive these times.

The export centres as I said, the concept of the company itself actually came from the Industrial Cottages and the idea there was, you have been training all these people in the youth programmes and so on, what will they do after you train them? They go from one training to the next training, to the next training, to the next and look for a job somewhere. You have people who are skilled or people who were trained in particular areas and what they require and what they need to actually do to create jobs for themselves, is a strong arm of guidance. Because after they know they have the basic skill, they need to learn business as well. They need to get some kind of assistance with the culture of business. They also need finance and they need assistance with management, accounting and so on, but they need practical things as well. They need a place for quality control for whatever they produce.

Some of the nations we talk about—China is doing so well and so on— do we know how they really created their engine of growth? A lot of it had to do with untapping the enterprise and industry of the ordinary people of a lot of small firms, small operations, that network—small firms cannot network on their own. That is why I spoke to you just recently about the value in someone having a house upstairs and a business downstairs. You should reconsider the idea of taxing that person more money because they bought a piece of land which they were going to use for commercial purposes where they were living all the time.

That is something you should promote because that is how you create these small enterprises, right in people's neighbourhoods, in the communities. A lot of the communities we have around the place here—we cannot create jobs for them unless they could create jobs in their own communities. Who is going to establish a serious enterprise in some of these areas right now? To get robbed? You cannot even get a Kiss van to deliver bread in some of these areas. They would not even go and deliver. People cannot even get to buy LPG gas because they are not passing on their streets to deliver gas because they are not going in those areas to be robbed.

So how are you creating jobs in those areas? You have to find a way to seed the productive enterprises in the areas themselves among the persons who have some skill, have some spirit of enterprise, the young people especially, but they have to produce things that are valuable. So for it to be valuable, they must have a centre where they can get quality control, where they can get market access—because they cannot go and create markets themselves, they can do bulk sales—

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where they can get raw materials; they can do bulk purchases and get the advantages of price and so on. In other words, that is the centre that creates—it is the hub that makes it possible to have this kind of community business, and that is where the concept came from.

As I said, it eventually found its way here and eventually got lost along the way because I do not think that the vision was carried all the way through. But I see the company here in passing and I see it is treated as a rather trivial matter. I thought that I should share with Members a little bit about the central role which this was meant to play and which it can still play if one is serious about it, in transforming the economy at the community level, so that we do not have an economy which is simply based on bringing in some guys with some foreign capital, giving them some cheap gas so they can go and produce some things down in Point Lisas and so on, and then they do everything for us and we simply collect the money and give it out in dole; give it out in CEPEP or whatever. That is what we do right now, that is our economy.

If you want to transform that, you have to take the bull by its horns and stop being afraid of engaging the people at the community level and making them into entrepreneurs or at least find out the ones who have an entrepreneurial bent and facilitating them at doing actual business and creating jobs for themselves in their own communities, otherwise Minister of National Security, I am sorry, your job is going to be even harder because these guys cannot get work anywhere. Nobody wants to go in their areas and nobody wants to hire them.

5.45 p.m.

Mr. Vice-President: The speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. W. Mark*]

Question put and agreed to.

Sen. Dr. C. Charles: Thank you very much, Mr. Vice-President. Time flies. There is one more point I will make on the same issue of economic diversification and what, in my opinion, is one of the things that you have to do. There are so many things that you have to do to rescue this country from the economic storm. We have time and I am happy that we have some money, but we will not always have time. We have time when we can see the storm, but do we have the will to tackle the fundamentals?

One other point which I would like to make in that vein is that while you are tackling the fundamentals locally—and you know what they are, the inefficiencies and so on; I am not sure why you are not doing it. You know it. I suggest that community business is a plan. Not everyone can go into agriculture or go to Point Lisas.

I am also saying that while you are putting this money into the Caricom Fund—I support the idea of supporting Caricom; that is an important market to us; we are in a better position than the other Caricom countries so we should meet our obligations; we have agreed to give a certain amount of money, let us give it—what are you doing about a Caribbean-wide economic strategy? Other countries that are more powerful see the storm coming and are working in concert. This economic storm cannot be faced in the world today without cooperative and concerted action. Listen to what President Barack Obama of the United States is doing. While he is doing what he has to as President, he is calling on Americans to do their part. He is using his goodwill because they listen to him. It has to be done with cooperative action, which is why I criticize the Government for squandering the goodwill. It is important. *[Interruption]* You have to have the goodwill. You cannot squander it. The fact that we oppose, criticize or accuse you does not affect your job. *[Interruption]*

You are still the Government. We cannot unseat the Government in the Senate with our six votes. What are you worried about? Do not be thin skinned. I am making the point that Caricom, which I know is dear to the Minister's heart, needs to do this because the Europeans are doing it. They are facing the storm as a united body with concerted action. It is the only way to face it.

Giving Caricom some money is not enough. We have to lead in the Caricom region in the development of a Caricom-wide economic strategy to face the storm. When we help them, they will help us. Most of them do not know what is going to happen next with their tourism industry, for example. When their tourism industry collapses and their buying power falls away, we cannot sell in their markets. So where is the leadership?

I am pointing out to the Government that it has a special responsibility because the times that we face have come with them in the driver's seat. I am focusing on our duties in the context of the limitations that we have. We have no committees to investigate these things in detail. We have to operate within the limitations that we have. While we are doing that, you have your duties which deal with leadership in the society and even in the Caricom. You cannot stop by giving money that you promised. I am not seeing that part at all and, above all else, I am not seeing this dynamism.

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Has your Prime Minister come back in good health? If he is in good health, then you can dynamite this thing. I am not seeing the dynamism. If there is no dynamism on the Government side, the country will become depressed and you would have to do the decent thing—get out of the chair. Either drive or get out of the driver's seat.

Sen. Subhas Ramkhelawan: Thank you, Mr. Vice-President, for giving me the opportunity to speak on this Finance (Supplementary Appropriation) (2008) Bill. As I join the debate, two words come to mind after spending just over one year in this honourable Senate: hybris and humility; hybris for the past coming into the present, and humility in the context of what we can expect down the pipe coming into the future.

We have experienced, as a country, record levels of revenues over the past two to three years, each year setting a new record. So that, as we debate this Bill, we are advised that revenues would have reached a record level of \$56 billion plus. At the same time, we have reached a record level in terms of our sovereign wealth fund, some TT \$18 billion, and we have stashed away several billions in the Infrastructure and Development Fund.

In that, there is a sense that we have a fairly healthy economy, but in the context of the future, the storm clouds are not just storm clouds, they are 100 hurricanes that we will have to face.

[MR. PRESIDENT *in the Chair*]

Therefore, we can manage a storm and we can manage a hurricane of whatever force that comes, but there will be a time when we will have to manage 100 hurricanes all at the same time. These are challenges that we as a country and as citizens will have to face and manage in the context of what is coming.

I am of the view that much of what is to come will hit us with a delayed effect from what has been hitting the world, the tsunamis across the globe, the credit tsunami and now the economic tsunami. Now, as we address several of the issues, the increase in expenditure by \$1,073 million does not seem exceptionally significant because it is less than 2 per cent of revenues generated for the year. But we are not going to experience these revenues going forward. Already the hon. Minister in the Ministry of Finance has spoken to adjustments that have been made under the Exchequer and Audit Act and has said that he did not necessarily, as a result of that, come to Parliament to make any.

In that context, we have heard of two adjustments and yet we understand that there must be more to come in terms of the adjustments to revenue because, as we

speak today—the last adjustment of gas was at a netback figure of \$3.25 per mmbtu—gas, as at 2.00 p.m. today, was \$4.50 per mmbtu and our revenue estimate will be at about \$2.25, if we use the same ratios that have been coming forward in the adjustment.

I want to go back to some of the areas for which expenditure estimates have been adjusted. One is the Caricom Development Fund. I have no argument with that. The subleases in respect of the Waterfront Development Company, \$99 million, again, is part of an overall package and I do not think that anyone can have an argument against that, save and except that it was a significant oversight of \$99 million.

Enough has been said about the integrated Technical Development Company, \$109 million, and the challenges going forward whether you are making automotive parts or light automobiles. We are living in a world where, as we speak, adjustments are being made to production and production lines are being cut whether in the US, Japan or Asia.

So, to speak to the efficacy of expenditure is an important consideration, not only looking back, but looking forward. Since our revenues will be adjusted based on the statements that we heard today, and since with your leave, Mr. President, this is a money Bill coming from the other place, I will digress a bit to address some of these issues later.

As I went through some of the adjustments and the expenditures made to date for the fiscal year 2008, one of the questions I would like to raise in the area of health is: What is a good health system? I heard the hon. Sen. Mark speak of many of the global competitive indicators in terms of wastefulness and favouritism and give us a mark and a ranking. I heard my colleague, the hon. Minister of Health retort with some other indicators as to the health of the country—and I say health advisedly, not in terms of what is happening at the hospitals.

My concern is that we still hear so many stories of people in the health sector. So many of our citizens report in the newspapers on too frequent a basis of not getting a bed and of having to sleep in the corridors of the hospital.

In the context of Vision 2020, what would be the number of beds that will take us up the ranks from probably what might be considered low levels to somewhere that is consistent with our economic status as a middle income country? Is it that the number of beds we have put us in the category of the less developed or the under developed? Please give me a benchmark. How short are

we? How long will it take us to get where we want to go? That is a very important consideration because of talk about being a developed nation, of achieving developed nation status and of getting to 2020. What is the figure and how far are we away from it?

6.00 p.m.

Sen. Narace: Senator, thank you very much for giving way. Let me just say two things. First of all, getting to 2020 and becoming a developed nation is a journey. During the years, you are going to have different levels of readiness, different levels of accomplishment or attainment toward developed country status. So, in terms of how we are going to get people to behave in a First World manner—in terms of checking their health; in terms of using the appropriate prevention; in terms of accessing primary care, et cetera, could make a big difference with respect to how many beds we are going to need if they are not using that kind of approach. That is why I went through the pains to say that the work we are doing is on the preventative approach; putting these primary care centres in place and then doing the prevention programme. I want to make the point that First World status is not just beds, but it is an attitude. It is how we conduct ourselves.

Sen. S. Ramkhelawan: Sometimes I regret allowing room for clarification, because I am uncertain and doubtful than I was before my colleague, the Minister of Health gave that clarification. I still do not know, at this point in time, where we should be. I know, for example, that at the end of 2010, the Heritage and Stabilisation Fund which is part of Vision 2020 should have been US \$2 billion. I know that it is US \$2.888 billion, but yet I cannot hear what should be the figure. What I am hearing is that people are sitting and lying down on the corridors of hospitals in this country—that is via a number of newspaper reports. Give me a figure and tell me how short we are. That would have made more sense. So, I am no better off as far as that matter is concerned.

Now, with respect to the question of national security, we continue to run an offshore national security system and an onshore national security system, very much like our economy. We have been hearing about the patrol boats for a long time, and we have been hearing about the radar system and so forth. All that is good and fine, but my colleague, the hon. Minister of National Security, would be aware of some of our local sayings that while the grass is growing, the horse must not starve.

In our case, we are starving for the quality and adequacy of security of persons onshore. This is something you hear as you go around; this ongoing fear. So, it is good that we have spent \$600-odd million to make sure that we guard our perimeters, but it is also equally important to secure the centre. That is my only thought on the question of national security, not just expenditure, but effectiveness.

As time goes along, we are going to have less resources being applied to all these areas and, therefore, we have to be more effective in our expenditure. This is not a criticism and it is not an attack on the Government. The Government is quite capable of defending itself in every single area but, in a sense, this is an admonition we are hearing across the country from citizens at every level—from the north, south, east and west, whatever is their station in life. They are concerned and they are fearful and, therefore, the expenditure and the budget adjustments, whatever they are, should really be to improve effectiveness, and not just a paper statement saying that we have spent so much money, we are spending more, we are spending less and we are adjusting.

I really want to address two matters with regard to this Bill and the adjustments that have been made. The first is that in July 2008, we passed a piece of legislation which I believe is now called the Treasury Bonds Act. At that time, I raised the question of value destruction—raising money from the system. My understanding is that more than \$1 billion was raised under the Treasury Bonds Bill. I stand to be corrected by the hon. Minister—taking this money and raising it at 8¼ per cent or 8½ per cent and putting it in a blocked account where it cannot be used and paying interest on it. That is why we have found interest payments amounting to a further \$160 million, which was previously estimated for liquidity management—taking money out of the system. I have no quarrel with liquidity management, only to the extent that it does not result in value destruction. That \$1 billion that we have put into a blocked account for nine years or 10 years, as the case may be, will become necessary for us to use to fund this country as we go along. I think it is important.

I raised the matter with the hon. Minister in the Ministry of Finance. Is it his intention to make adjustments to this particular Treasury Bonds Act? If not, we are taking resources—and I speak to effectiveness—and putting them to non-productive inactivity through sterilization. The Minister did this believing that he was living in a developed country, because the English does it and so forth, but I

have news for him. [*Laughter*] Certainly, I would appeal to the Minister to give us some clarification when he is winding up, not now. I already had clarification from the Minister of Health which was not particularly clear. I would appeal to the Minister to tell us what he is going to do with these funds that may be hidden assets or hidden treasures. They can only be of value if we extract them and utilize them properly.

Secondly, again, I speak to effectiveness. With respect to the question of transfers and subsidiaries to the state enterprises sector, I raised this matter some time ago, and you had asked me to bring it up at another forum, and I think this is the appropriate forum to bring it up. Are we getting the best bang for our buck in terms of our transfers and subsidies to state enterprises? Today, I am going to give an example. Caribbean New Media Group Limited is 100 per cent owned by the State. I believe it was the hon. Minister of Trade and Industry, in another incarnation, who spoke to the need for the establishment of this Caribbean New Media Group upon the demise of the then TTT. Hopefully, its restructuring would have resulted in better and positive results. How has it fared? What has happened? How is the State utilizing its resources effectively or ineffectively to support what is a non-strategic investment? We do not need it.

We have television stations and radio stations fighting among themselves to generate a little revenue. In the 1960s and the 1970s the State may have needed a television station, but the State does not need a television station or a media group. It does not need it. There are approximately 30 radio stations and about five television stations.

In 2006, Caribbean New Media Group—I am not attacking the Caribbean New Media Group, certainly not. I am saying that here is an example of ineffectiveness in the application of our resources becoming more and more limited—net losses for the year was \$20.6 million. Surprisingly, for the year ending December 31, 2007 there was a profit of \$753,000 from a loss of \$20.6 million. I was amazed. I was pleasantly surprised that a state company could have reversed losses of \$20.6 million and come into the black in one year's time.

When I looked at the accounts—usually I look beyond the face of the financial statement into the notes. It is part of my discipline. I do not know why, but I have to delve below the surface to find out whether there are jewels or monsters there. I could tell you that in this case there were no jewels, but there were dragons that bit at me, because we are wasting our resources. For the first time, I see a recurrent operating grant to the company. So, from the notes, there is

a recurrent operating grant of \$18.75 million. Who would give this company a recurrent operating grant? Surely, in the private sector, it would not be another company giving a grant.

I did not see any notes for the recurrent operating grant. I am left to presume that the recurrent operating grant—it is a recurrent operating grant which was given the first time. I was trying to find out why a recurrent operating grant was given the first time. Why not say an operating grant instead of a recurrent grant? Is it the plan to give grants every single year? That is why you would say recurrent. Mr. President, \$18.7 million in a recurrent operating grant to this company was part of the revenue. That is why there is a profitable line-up; break-even profit of \$753,000.

With respect to capital grants in the income statement coming to the revenue line, it is \$24 million. There you have it, effectiveness. It is \$24 million in grants—whether capital or recurrent—to a state enterprise that is non-strategic and which has been losing money for two prior years. I do not have the figures in front of me for 2005, but I recall it was another loss. Camouflaged, camouflaged better than the seals of the United States would have been frittered away under the radar screen, and I consider this being frittered away under the radar screen; we do not need it.

6.15 p.m.

I make this point that there may be other dragons biting away at our resources, and we need to slay those dragons. We need to slay them now, because it is going to get much worse before it gets better. At some point in time, I would have a conversation with the hon. Minister in the Ministry of Finance about the Achilles heel that he has not yet prepared for, and by dint of that Achilles heel, we would not have been preparing for it, but it is coming.

While we are in good health, the Minister of Health said, we should check our pulse, do our tests, do not wait until we fall sick. I want to give that advice to the hon. Minister in the Ministry of Finance. Check your pulse, do your tests and check the left heel.

This is what I would like to bring to the attention of this honourable Senate and the citizenry at large, that as we look at the figures, they might be somewhat flattering in the near term, but we have to go below the surface, and we have to prepare for that time when we go under water, that we have enough oxygen to live for a considerably long time to deal with issues that confront us.

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I conclude by saying, importantly, let us look towards effectiveness in the utilization of our resources going forward and I just bring these two examples to you. The Treasury Bond legislation will come to haunt us if we cannot use those resources that we have stashed away for non-productive, non-value adding purposes, and a closer look at all of the state enterprises, to ensure that we are not engaging in giveaways that we can ill-afford at this point in time.

I thank you.

Sen. Dr. Jennifer Kernahan: Thank you, Mr. President, for the opportunity to contribute to the Finance (Supplementary Appropriation) (2008) Bill, 2009. We are here this afternoon to approve additional expenditure by this administration to the 2008/2009 budget of \$1.073 billion. Basically, this money is to be used in the Ministry of Finance; \$235.7 million for the Caricom Development Fund, \$20 million for pensions and gratuities; \$609.2 million by the Ministry of National Security for six fast patrol boats and four OPVs; \$99.6 million by the Ministry of Public Administration in the waterfront project, and \$109.2 million by the Ministry of Energy and Energy Industries for Alutech. Then, Mr. President, we have before us to consider the transfers of moneys between subheads under the same Head.

In this debate, I was really impressed by the passion with which the Minister of Health made his plea for a bi-partisan approach to the political process and the problems that we face in the Ministry of Health, and I would expect by extension, the other Ministries, to solve the problems that we have in this country.

Mr. President: Senator, we have a procedural motion.

PROCEDURAL MOTION

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Mr. President, in accordance with Standing Order 9(8), I beg to move that the Senate continue to sit until the conclusion of this matter.

Question put and agreed to.

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Sen. Dr. J. Kernahan: Thank you, Mr. President. I would have thought that in this spirit of bi-partisanship and this new approach that the Minister advocated to the political process, that when he went on to outline all the achievements of the Ministry of Health, he would have at least embraced and outlined also the achievements of the UNC administration in the field, because that would have made more sense.

It would have given us a sense that, well, here is a Minister who is serious about a bi-partisan approach to solving the issues in the health sector. It seems that this approach, this plea is very transitory and it is made when it is convenient to the administration. I would like to put on record that long before the election of President Barack Obama, and this whole question of bi-partisan approach to politics became popular in the United States, right here the Leader of the Opposition, Mr. Basdeo Panday, made a call for a Government of National Unity to solve the problems that we face in this country. I think this was the genesis of the crime talks that the Opposition participated in.

The Opposition participated in these talks precisely because we felt that there needed to be a common, concerted approach to dealing definitively with the problem of crime in our country, but it seems that it was not to be. The Government sometimes takes the moral high ground when they feel like doing so, and there is definitely a lack of commitment to this concept.

It is sad because the criminal elements in this country are depending on this lack of commitment for their survival. They understand very clearly that unless we take a mature bi-partisan approach to the issues that face our country, then they are going to continue to run roughshod over the interest of the people of this country, and we are going to continue down the road that we have embarked on.

Mr. President, it is interesting that this debate is taking place practically on the eve of the Fifth Summit of the Americas, because this Government, as a consequence of the initiatives and the objectives agreed to in the Fourth Summit of the Americas in Argentina in 2005, committed to the strengthening of good governance in Trinidad and Tobago. The hallmark of good governance is transparency in the execution of public affairs, and a willingness to account.

So, when we look at this \$1.073 billion that the Government is asking for this afternoon to supplement its 2008 budget—money which it has already spent, but it is coming here just to let us know that they have spent this money—when we speak about accountability and transparency, it is not a question of just using these words, this administration has to understand that there is a cost, and the cost is that the Opposition is here to examine thoroughly, in good faith and to do the job that we are put here to do. They seem to be very “thin skinned” sometimes about the role of the Opposition; they seem not to understand the role of this Opposition in a democratic society.

Therefore, when Sen. Mark raised serious questions about a very considerable amount of money with respect to the OPVs and the patrol boats—we are talking about \$609.2 million—it was taken that Sen. Mark is always raising some nancy

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story, he is not credible and all these things, but it is the duty of Sen. Mark to raise these issues if he feels that he has enough information and evidence to do so. Then it is the duty and responsibility of the Government to answer, given the fact that it is spending over \$500 million in these two huge conferences to which they are going to report that they are strengthening democratic governance in Trinidad and Tobago. They are going to report to the heads of these countries all over the world that this is their commitment.

So, you cannot go out there and spend \$500 million to report to the heads of government that you are strengthening democratic governance in Trinidad and Tobago, but when you are in Parliament and you are confronted with hard questions, you react as though people are just trying to oppose the Government for opposing sake.

I am saying if the Government wants to be taken seriously, it has to make serious efforts to answer questions in good faith, and I would say that the Minister has answered. The Minister got up and purported to give an answer, but I would like to add that the Minister should not only give a statement but the Minister should make every reasonable effort to provide supporting documentary evidence to dispel the serious concerns that citizens and the representatives of the citizens have.

When you do that in good faith, you do that as your duty and you recognize it is your duty to do that, then you can be taken seriously in terms of what you purport to be doing in terms of strengthening the democratic process in this country.

Mr. President, I would like to look at some of the issues in these Heads of expenditure under the Appropriation Act, and in doing so, I would like to support the analysis made by my colleague, Sen. Rahman, and the previous speaker, Sen. Ramkhelawan, with respect to Head 40, which refers to Alutech and the \$109.2 million that is going to be invested by this Government, an equity injection into this company to achieve a 40 per cent shareholding.

I would like to agree with the points made, that we at this point in time, when we look around at what is happening internationally with the automotive industry in the United States, they are practically falling to pieces. They are surviving now on federal handouts and bailouts.

In addition to that, only on Monday, the President of the United States signed an executive order tightening the emission standards for automobiles in the

United States and putting further pressure on the ability of those industries to really survive, come up to scratch and be competitive.

Therefore, they are going to be looking to cut cost; they are going to be looking to see about their own environment, their own people, providing jobs in the United States for their citizens, because I think one of the issues that President Obama has raised, is the fact that he will be giving tax credits and so on to industries which do not outsource jobs, services and so on, industries which provide jobs for citizens of the United States. These are signals that we must take very seriously when we look at the kind of investment we are looking at in terms of this Alutech.

So, I would like to support my colleagues on the reservations they have expressed with respect to that particular expenditure.

6.30 p.m.

Mr. President, the other issue I would like to look at is with respect to Head 08 and it has to do with the Elections and Boundaries Commission. There is a line here in this document that is really chilling and really strikes at the root of good governance which this Government purports to deepen and develop in this country. It says under Head 08 - Elections and Boundaries Commission, \$805,000; this is recognized as a savings and it says here and I quote:

“Funds provided for the Local Government Elections were not utilized in 2008 because that election was postponed.”

And that is a chilling thing, because by no stretch of the imagination you can, as a Government, present yourself as practising good governance when you have a situation where you postpone election at a whim and fancy because you want to do other things, because you want to do more consultation, whatever you say you wanted to do—a legally due election—and then purport to be practising good governance. It is a very bold statement in this document that the election was postponed, and people might look at this lightly, but this is a serious statement and it says a lot about how this Government operates.

Under this head also, it is said that increased funding was required for the acquisition of a Morgana FSN2 numbering machine with oscillating ink system. Our question here is where is the planning? How come an important institution like the Elections and Boundaries Commission would not have known in advance or would not have budgeted, would not have planned, would not have asked the Minister of Finance for moneys to acquire a machine like this? Is it an on-the-spot

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decision? How do decisions get made in this country for important institutions, for important pieces of machinery? It reminds us that things happen maybe by “vaps”, by chance, somebody gets up one morning and decides that this is important and they would just get the permission from the Ministry of Finance to vire money to that subhead to buy in. I mean, how do decisions get made?

I would like to look at Head 25, this deals with the Ministry of Agriculture, Land and Marine Resources, and it says here under Head 25, that there was a saving because the level of claims received from persons affected by flooding was lower than anticipated due to the prolonged dry season this country experienced in fiscal year 2008, there is a saving of \$1 million that was able to be vired to another subhead.

This claim in this finance document is totally incredible given the fact that we have newspaper reports of the dreadful consequences of flooding and the losses experienced by farmers in 2008. I would like to read from a *Trinidad Express* story by Aabida Allaham, Monday, December 28, 2008 and the headline is “A year of major challenges” and this report says:

“Food and agricultural production took centre stage this year but that was only because the sector was faced with constant challenges when it came to things like labour, production cost, subsidies and flooding.”

The article goes on to say:

“In fact, flooding was such an issue this year that it made number one on the list of the top stories in agriculture because it added up to the high cost of food for consumers.”

There is a subheading, “Devastating floods” and it goes on to say that:

“When the rains started washing away crops in July farmers in such areas as Penal, Rio Claro, Aranguez and Mayaro counted their losses and went back to plant the land and again rain washed away crops in August and the farmers in the country called on the Government to properly compensate them for their lost produce valued at millions of dollars which were carried away by flood waters.”

Obviously, this is in total contradiction to what they are saying here, that the level of claims received from affected persons was lower than anticipated due to the prolonged dry season. Now, I do not know if the farmers did not claim for these

losses because they are fed up of the runaround and getting \$47 and \$53 for acres of crops lost. Maybe, the farmers are just disenchanted and have not claimed, but the reality is, that as opposed to this document here talking about a prolonged dry season and less people affected by flooding, the reality is that millions of dollars were lost due to flooding and hundreds of farmers incurred tremendous losses.

The article goes on to say that:

“Directly following the first set of floods in July the prices of food crops increased drastically”—and so on.

So, there is a problem and there is a contradiction here, and the Minister of Agriculture, Land and Marine Resources should definitely try to look into this, because either the farmers are so demoralized—the problem is that this article claimed that the Minister—and I will quote:

“Speaking on the Opposition’s private Motion in the Red House in Port of Spain in November, Piggott said that he had evidence to show that for some \$331 claims made in the southern region only 195 of them were found to be valid”—and he said—“the Ministry also had 803 applications from farmers in the northern region of which 761 had been investigated and a substantial amount of money had been paid in food assistance.”

Now, what this article suggests is that the Minister and the Ministry claimed that farmers are trying to swindle the Government out of money with false food claims.

So, there seems to be some sort of problem between the Ministry of Agriculture, Land and Marine Resources and the farmers, and in spite of the massive flooding, in spite of the massive losses and so on, the Minister claims that the farmers are just trying to swindle the Government. And this is serious because it is impacting on our ability to buy food, the price of food and inflation in this country and it is a problem that should be seriously resolved. The Minister needs to meet with the farmers’ organizations and look at this problem very seriously, because I do not think that farmers who have to spend thousands of dollars to buy seeds, to buy fertilizers, to buy the weedicides and pesticides and so on, are doing all of that to swindle the Government.

Mr. President, under Head 48 - Ministry of Trade and Industry, we have a report here that, the Sugar Manufacturing Company having met all its outstanding commitments for the 2000 fiscal year would have had \$7 million to transfer to another subhead. We find this totally incredible. What kind of budgeting and

allocation was done to the Sugar Manufacturing Company that, after having met all its commitments, they would have been left with a balance of \$7,670,000, which they were able to take and transfer to meet the cost of participation in some international exposition to facilitate payment associated with the international branding of Trinidad and Tobago? I want to find out what that means, and \$825,900,000 was spent on this international branding. What does that mean? I would like the Minister to explain what that really means.

So, you have a situation where a small company finds itself with a surplus of over \$7 million and has this money now to take to do these international brandings and participation in international expositions and so on. We find that very strange in the context of the fact that we are facing a very serious financial situation and there should be greater explanation given to this Senate, as to how the Sugar Manufacturing Company would have come to have \$7 million at its disposal to do all of these other things that were not budgeted originally.

Another very strange transfer we found under Head 55 - Ministry of Community Development, Culture and Gender Affairs, when it said that \$400,000 had to be transferred to meet costs incurred as a result of Trinidad and Tobago's participation in Carifesta during the period August 22 to 31, 2008. Now, Carifesta is a regional event that takes place every few years, you have years to prepare for this, everybody knows way in advance if you are going to participate, if you are going to host and so on. How come this was not budgeted for and then you have to vire to a subhead to meet these costs? I do not understand what kind of budgeting, what kind of planning would allow us to find ourselves in a situation having to meet costs that are known way in advance, years in advance. So this does not speak to good governance, this does not speak to good budgeting, it does not speak to good planning, it does not speak to fiscal prudence and all the other nice terms that this Government likes to use when they describe their performance. In fact, it speaks to a scandalous state of affairs.

Mr. President, under Head 21 - Ministry of Planning, Housing and the Environment, we have seen that, apparently, funds were available for transfer under contract employment as a result of the delay in filling the vacant positions of Senior Land-Use Planner. Perhaps, the lack of a Senior Land-Use Planner in that Ministry is why we have a serious breakdown in the rational approach to land use in this country, a breakdown in the norms of good governance when dealing with the problems arising out of a change of land use in this country. And

perhaps, that is why we have farmers in Bejucal protesting that this country needs food before houses, because clearly, without anybody at the helm; Senior Land-Use Planner, without anybody planning for this country, what you have is an irrational use of land and good agricultural lands being taken away for housing and nobody is minding the store. So, this is why you have this article in the *Guardian* on January 01, 2009 and the headline is, “Bejucal farmers, residents stage protests, food before houses”, and it says:

“Angry villagers and farmers demonstrated on Wednesday to protest Government’s plans to build homes on agricultural lands at Warren Road, Bejucal in Cunupia. Armed with placards a group of 60-plus residents staged a noisy demonstration on the site. ..”

6.45 p.m.

They are saying that a main artery which drains the flood water out of the area is being blocked by landfill by the developer, that the canal was protected by the Trinidad and Tobago Constitution and that filling it is illegal. The farmers' representatives also went on to express the view that 163 acres of rice and root crops would be destroyed and that our country would reap more benefits from an agricultural project in the area than housing, which would cause flooding. This is the lack of land use planning.

We are saying that in the Ministry of Planning, Housing and the Environment, you are transferring funds, because you refused to fill the vacancy of Senior Land-Use Planner.

This article also goes on to say that the police arrived on the scene and advised the villagers that their demonstration was illegal. I do not know if this sort of response by our civil society, by farmers, people who understand the enormity of what is taking place in this country, when we convert viable agricultural lands to housing, is reason for the riot vests, which Sen. Mark mentioned that the Ministry of National Security was about to acquire; when you have the police having the attitude that people who are demonstrating peacefully, in defence of their right to grow food to feed the country, to take down the horrendous inflation rate and provide food at a reasonable cost to this country, they are told that what they are doing is illegal and that they would probably face the brunt of the law.

Another issue that comes out of the lack of land use planning in this country is the fact that as a consequence of the commitment of this Government to go ahead with the Alutrint Smelter Plant in La Brea—which is another example of the lack of land-use planning in this country—in such a sensitive environment, the

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Southwest peninsula, that is so prone to erosion and loss of land—we have a situation like that because you do not have anybody at the helm, nobody is minding the store.

You changed the land use of this area from agricultural, which it was by law, based on the 1984 National Physical Development Plan, which you have not come back to Parliament to change legally. Those lands in the Southwest Peninsula that have been arbitrarily given over to have a smelter plant and so on, with thousands of acres cut down to facilitate industrialization, you changed the land use, and then you deal with the people in a very arbitrary and undemocratic fashion.

You go to your big international conferences and say that you are the upholder of democracy and good governance in this country. I would like to demonstrate this afternoon that people in this country are suffering from this Government's lack of sensitivity to land use and to the rights of citizens to live and establish their communities and to develop their areas as, historically, they have done with a sense of independence.

These citizens in the La Brea area, historically, are not those who have to run to the market every Saturday, or to the grocery. This is because, historically, these citizens, due to their integrated use of land, would have their animals and grow crops, and their communities are tight and integrated. Because this Government has proposed to put an aluminium smelter in their midst, because they are purporting to move these citizens out of the so-called buffer zone, and because they have not planned in a manner that would benefit the citizens, there is a lot of conflict in the La Brea area with respect to the resettlement and relocation of the citizens.

I ask the Minister in the Ministry of Planning, Housing and the Environment to look at this situation—land use and the consequences of the change of land use without proper planning—because our citizens are suffering.

I have a document before me by the Square Deal Development Committee, and these are their complaints with respect to the arbitrary removal of that community from lands which they have occupied for a number of years and, in some instances, generations, because of the illegal change of land use from agricultural to industrial. These are some of the points that the citizens have made. Now they have been written to by a firm purporting to act on behalf of the NEC, and they are replying to this particular firm called Row Services Limited. These are the issues that the citizens have raised:

“We are unaware of the location of the buffer zone boundary and, therefore, we do not know who falls within or outside the area. We do not know if relocation would take place, unless the relocation plan is presented to the community, which includes all the terms and conditions given, and negotiations are carried out.”

The citizens of La Brea are saying that it is their understanding that persons have already been relocated and that they did so without any written, legal entitlement to property that they were moved into, and they believe that the situation should be rectified and that any further relocation should be accompanied by legal entitlement.

Another concern is that they were told that they did not have any say in the terms and conditions of relocation, and that if they did not agree to move, they would be faced with the action of their houses being bulldozed and the occupants being left to accept what was being offered. This action was referred to as “compulsory acquisition”. This is the Government that is spending \$500 million to host two international conferences to boast and then report to the Fifth Summit that they are strengthening democracy in this country.

The residents are saying that it seems that Alutrint has entered into certain agreements about resettlements conditions with the Housing Development Corporation about which they have no knowledge and they are requesting this information in a detailed document.

They were also told that in their new location, they would not be allowed to carry out any cottage industries, keep any animals, carry out any physical upgrade to the structure, maintain a kitchen garden or fence the property, until a mortgage had been paid for a seven- to 10-year time frame. They said:

"We are in disagreement with this and would like to discuss the matter. We are confused as to who is responsible for relocation and we would like to meet with NEC to understand what is happening."

Sen. Dr. Charles raised the point that if our communities are to be sustainable and self-sufficient, people must have the opportunity to engage in businesses, because the Government cannot provide CEPEP jobs for everybody. The Government cannot provide URP jobs for everybody.

There are people in this country who do not want to work for CEPEP and URP, who have a tradition and a culture of real productive work and sustaining their families. Because you have refused to deal with the issue of land use and proper relocation of people who are affected by illegal land use in this country, these people are being told or actually terrorized: "We will put you in an alternative

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location, but we are not giving you any legal title or any proper compensation package; you are not even to show this letter.” Apparently when they were presented with this letter it stated:

"This offer is only valid for five days and the NEC reserves the right to rescind this offer for any reason and that you are not to show this letter to anyone."

It was a secret, arbitrary, neo-fascist approach to the resettlement that this Government, which is so interested in good governance, perpetrated on the people of La Brea.

Mr. President, this is a scandal. This is unacceptable. We of the UNC refuse to keep silent while our people suffer this way. It is especially ridiculous in the context that you are coming here this afternoon to say that you have a savings of funds to transfer to another subhead, because you have refused to fill the vacant position of Senior Land-Use Planner.

This is the state of play in this country today. This administration feels very offended when we speak; they feel that we are just against the Government, but when you have situations like this, when you have clear breaches of the democratic rights of our people, when you have a clear lack of commitment to transparency and good governance, with respect to how we use the finite land resources in our country, and when you have arbitrary changes of land use in this country that have no legal basis whatsoever, and persons who are shoved around like many pieces on a chess board, with no regard to their rights, privileges and need for a sustainable and self-sufficient way of life that they have become accustomed to, we must stand and speak out. If it offends them, then so be it; but it does not have to be like this.

As I have said before, our political leader in the past has called for a “Government of National Unity”. He has called for a meeting of the minds and a meeting of the heads, that together we could solve the problems that our people face. We are only 1.3 million people in this country, and we have a tremendous amount of resources: economic, human and physical, and if we get together, in good faith, we can solve the problems of our people.

If we are committed to good governance and good democracy, our people can enjoy a better quality of life. With all the lip service that this administration and individual Ministers pay to the new approach to politics and good governance, as in the United States under President Obama; as Sen. Prof. Deosaran said, we should try to emulate these principles and its approach to governance and politics,

all in the name of saving our people the grief, fear, anger, resentment and murders, and the fact that our children are growing up with so much fear and insecurity.

We, together, with goodwill and commitment, can save this country, but we cannot do it with talk and grandstanding. We have to get serious. The UNC stands ready to do whatever we can to change the situation.

I thank you, Mr. President.

7.00 p.m.

Sen. Dr. Adesh Nanan: Thank you, Mr. President. I rise to make a contribution on the Finance (Supplementary Appropriation) (2008) Bill. If we do a comparison this evening and look at the increase in expenditure for the 2008 fiscal year, we will see that the current proposed increase was \$8.4 billion. If we look at the total expenditure for Trinidad and Tobago in the United National Congress's first fiscal year in office, it was \$9.4 billion.

I listened to the debate, especially to the contribution of the Minister of Health, who made reference to the work in the Ministry of Health under his tenure, and I want quickly to discuss the Ministry of Health because, coming into office in 1995, the health system was in shambles. I was hoping that the Minister of Health would have been here because I would like to ask him how many health centres were constructed under the PNM. In his contribution, he made reference to opening health centres, but I do not know how many were actually constructed. I would like to get the answer.

If you look at the landscape in terms of the UNC administration, under the visionary hon. Basdeo Panday, you would have seen, in terms of the revenue stream at that time compared with today, that there is a vast difference. When I listened to the Government taking credit for the increase in oil and gas revenue and the failure of the Government to diversify, we are in a crisis.

I want to go to Head 48 on page 35 of the Bill which deals with the unbudgeted item for a company called Vanguard. Head 48 is the Ministry of Trade and Industry and a figure of \$5 million. Let us examine the history because it is important to know the history.

On October 29, 2008, the Hilton Tobago Golf and Spa Resort was closed and the reason given was that it was not feasible to maintain it during the refurbishment. As such, the management contract ended in May 2008. There will be a nine-month renovation period and the hotel is supposed to be opened in 2009 as the new Vanguard Hotel Limited Golf and Spa Resort.

With respect to this particular hotel, there are certain questions that need to be answered. Who are the current members of the Vanguard board? There have been rumours that a high-ranking official of the Government was on the board and that the Guardian Holdings and Angostura Limited combination was in discussion with the Government. The Government may need to clear the air on that situation.

It leads me to the situation in Tobago that is dear to my heart. What will happen when this hotel reopens in Tobago? There are reports coming from the sister isle that the hotel occupancy is down a staggering 60 per cent compared with the same period last year. Tourists normally visit the island during this period to get away from the cold, but they are actually cutting their vacation short or skipping it. I am not speaking out of the top of my head. There is a report in the *Guardian* of Monday, January 26, 2009: "Tobago Hotels cut rates: Tourists blank sister Isle".

The hoteliers are operating from a position of weakness due mainly to the unresponsive nature of the Government in the tourism drive. Now they are offering cheaper rates and new packages, a little too late. There is a low number with respect to tourist arrivals and Tobago's economy is heading for hard times.

Fifty-two per cent of Tobago's GDP is derived from tourism. It has not been this bad in several years and you will see that a major player in this situation is Grenada. There is competition from Grenada and many tourists coming from the UK, 70 per cent, are stopping in Grenada. What is interesting is that mention was made earlier by Sen. Dr. Kernahan with reference to the international branding of Trinidad and Tobago and savings from the Sugar Manufacturing Company for international branding, a figure of over \$800,000. The quality of marketing, it is reported, is also better for Grenada and it is a gloomy future for Tobago's economy.

What has the Government been doing? It has been going on all these conferences to boost the country's image, the branding, and now we face the situation where Tobago's economy is on the verge of collapse. What is the blueprint for success? The UNC government gave this Government, on a platter, the blueprint for success with respect to the tourism sector. It was the legislation brought before the House, the Hotel Development Act, which was supposed to be the catalyst to drive the tourism industry. Had that Act been utilized properly by the Government, we would not be in the position we are today. After all, this \$825,000 is being spent by the Ministry of Trade and Industry and the Government with regard to the marketing effort.

There are also reports—I am sure the Government will clear this up in terms of the arrivals to Tobago—that the Government has been propping up the payment for seats in Tobago. We need to get clarification of what is the value in terms of the particular subsidy for seats on the aircraft.

As I speak about Tobago, I would like also to make reference to the situation of security on the island. In the allocation, we have seen the Crown Point Police Station up for refurbishment. When we are dealing with tourism and the tourism potential, we have to deal with security and the state of health on the island. When we are competing for tourists, we need to have some security for the citizens as well as the tourists.

I want to make reference to the health sector. In 2000, in the UNC manifesto, the design and preconstruction work on the Scarborough Hospital was in an advanced stage. That was in 2000, and still it has not been constructed under the PNM administration. If we are competing for the tourist dollar, we have to have proper health facilities as well as security.

We have seen many reports coming out of Tobago, the latest being that of Queen Latifah, a situation that could have been another stain on the island. We call upon the Minister of National Security, who always comes to this Chamber and tells us of the grandiose plans of the Government and, after the billions of dollars spent on the Ministry of National Security, we have a situation where the murder rate continues to climb.

It is in that respect that I want to go to another Head in the particular Bill dealing with the Ministry of National Security and the allocation of \$22 million to the Ministry. What is interesting is that 51 police stations were up for refurbishment, three police posts and five model stations, as we got from the financial notes. But we saw not too long ago, in December, policemen running from the Matelot Police Station. But they were housed in a community centre for five years.

What is the Government doing? We are hearing about refurbishment. Matelot police have been in a community centre for five years and we are getting promises from the Minister of National Security. I humbly say that the Minister has very little credibility. I think that the country has lost confidence in him.

As I am dealing with this particular allocation, I compliment my colleague, Sen. Wade Mark, for his contribution on the OPVs. From his contribution, we heard a statement in the Senate today about Lindquist being brought on as a

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forensic investigator for the commission of enquiry dealing with the Cleaver Heights issue. The time is right for Lindquist to be an investigator for the acquisition of the OPVs.

7.15 p.m.

There are too many discrepancies, and the Minister of National Security did not clear the air in this Senate this evening. What he did was regurgitate various statements made in the Senate.

Mr. President, I am going to make a statement that may aggravate the Government, and that is crime has taken a firm root in this country. A senior officer has promised that the murder rate would not be allowed to escalate in 2009 like it did in 2008 but, apparently, they forgot to tell the killers that. We already have 45 murders and it continues every night.

Mr. President, when I was doing my research for this particular area, I wanted to compare the murder rate. I was looking on the Internet—I am sure the Government may be familiar with the site called mapsoftheworld.com. It was copyrighted for 2008/2009. It ranked the following 10 countries with the highest murder rate for 2008—this is per 100,000—Honduras, 154; South Africa, 121; Swaziland 93; Colombia, 69; Lesotho, 50; Rwanda, 45—Sen. Mark made reference to Rwanda, but in a different area—Jamaica 37; El Salvador, 3; Venezuela, 33 and Bolivia, 31. I was very happy that I did not see Trinidad and Tobago.

However, when I calculated the rate for Trinidad and Tobago, in 2008, there were allegedly 545 murders. With a population of 1.3 million, that gives a rate of 42 murders per 100,000. Based on the above table, we have bypassed Jamaica. Last year, Trinidad and Tobago would have ranked 7th in the world's highest murder rate. We would have ranked just under Rwanda, a country riddled by civil war and genocide. Rwanda's score was a mere four per 100,000 higher than ours. That is what we have been reduced to.

To compound an already bad situation, the murder rate in 2009 is already showing an upward trend. At the current rate, this country's murder rate is going to bypass Rwanda. To achieve that unfortunate level, with my calculation, we need to have an average of 52 murders per month. We are already at 45. At the current rate, we are going to surpass Rwanda. That is the PNM's record. I am very saddened to make this revelation of comparison, but I have to make it.

Under the PNM, the murder rate for Trinidad and Tobago has skyrocketed from 10 per 100,000 in 2000 to a whopping 44 per 100,000 in 2008, an increase of some 320 per cent. This is at a time when the Government has spent money on all kinds of high-tech equipment to spy on Opposition MPs. There are many advisors in the Ministry of National Security but crime continues unabated.

Another area that is dear to my heart is Head 26: Ministry of Education. With respect to the transfers, the sum of \$36.5 million was transferred to pay for additional security for schools in Trinidad and Tobago. This is clearly a predictable requirement, based on the high incidence of break-ins and violence in schools in 2007. This is not something that appeared in thin air. Once more, the Minister tried to hide this transaction in the supplemental variation. In fact, of the \$75.6 million transferred for alternative use under this Head, 98 per cent of the \$75.6 million constitutes predictable expenditure. I just want to digress a little, but I am going to return to this matter.

Mr. President, there is another area we have to question in terms of the allocation for this Florida Caribbean Cruise Association conference. With respect to this particular situation, we have to question it. There is an allocation of \$3.2 million—this is coming from the lifeguard services. I want to make the comparison because, in one breath, you are having this conference and you want to attract more cruise liners to come into the country. That is a good thing. I do not have any problem with that. The people who are coming on these cruise ships, what are they coming to see? They are coming to see our local products like our beaches. If my calculation is right, there are about 40 or 50 posts for lifeguards that were not filled, and there is this allocation of \$3.2 million for the conference. I just wanted to make that point. On the one hand, you are spending \$3.2 million, but you are not protecting our beaches for our locals as well as the tourists, in terms of filling these positions of lifeguards. I did not want to miss that point.

Mr. President, with respect to the education sector—this is important especially with respect to the area of security in schools. The reference is security, computerization and Student Support Services Programme. What is interesting is the institutional strengthening aspect of this particular allocation. We have to ask the question with respect to the explanation given for this particular situation.

From time to time, I would make reference to the private special schools for the disabled, and the Government continues to neglect special education, they have done it before and they have continued to do it—funds provided for the increase in enrolment for private special schools were not fully utilized since several schools did not meet the criteria. This is almost \$5 million. There are

several reports with respect to the problems being encountered by the differently-abled. This is an opportunity to assist the differently-abled but, once again, the Government has missed the boat, and the differently-abled children are suffering.

Mr. Speaker, what about the Textbook Rental/Loan Programme? Is this something new? Is this something that is going to replace the Books Grant Programme for Secondary School Students? We know the state of the education sector. What should have been driving the secondary school environment, at this time, should have been the Secondary Education Modernization Programme. We gave them the blueprint for success but they have failed to utilize the platform.

There is an allocation with respect to transfers to facilitate payment for consultancies under the sector study population project, subsidy management and other components under institution strengthening. In the document, you are going to see where a number of posts were not filled in the Ministry of Education. So, yes, you are going to pay over \$3.3 million, but tell us about this project. We need to get more information. Is this part of the IDB loan transaction or is it something new that the Government is embarking upon?

The other area is with respect to the explanation which is very sad. It says that phase II of the computerization of primary schools was not implemented in 2008 since phase I was not completed on schedule. We have been given a listing of the schools for phase I. If I am not mistaken, phase I is almost two years behind schedule in terms of the computerization effort for primary schools. A number of primary schools, on their own initiative, built their computer rooms expecting computers. I am sure that up to the present time they have not received them, because phase I was not completed on schedule. So, we are seeing this situation developing at the primary school level; at the secondary school level in terms of the grants for secondary schools and there is another problem with respect to special schools.

The Government's only programme which is the Student Support Services Programme that it has boasted about that was supposed to revolutionize the education system—the delay in setting up student support services in district offices, over \$2.5 million was transferred. So, how are they going to deal with indiscipline and violence? On one hand, you have a situation with respect to security that you did not budget for it.

Now, to use the student support services to deal with that kind of indiscipline, violence and other areas—the student support services does not only include indiscipline and violence, but there is psychiatric staff being hired in the particular

education districts, there is testing of sight and hearing and all those things with respect to student support services. Again, there is another delay with the transferring of this \$2.5 million.

7.30 p.m.

Another area that I was really concerned about was the shortfall in funds provided for Internet access and other telephone charges of \$450,000. The Government needs to, if they have it, tell us the schools that have Internet access. We need to know the schools that have Internet access if we are going with a benchmark. Why should some schools be deprived of Internet access, and why should some schools have it? We have to level the playing field, especially as we are dealing with serious competition across the country.

We have a situation, it is not reflected here, I am sure it exists, and that is the shortage of teachers in both our secondary and primary schools. It is very disheartening at this point in time to have that situation developing, especially when these children are getting ready to write SEA.

The Minister in the Ministry of Finance in his presentation, talked about the tardiness of the Members of Parliament, in terms of utilizing the allocation for sub-offices. I want to support the Members of Parliament in terms of their requests. How many requests have been unfulfilled with respect to sub-offices? The Minister needs to clear the air when making a blanket statement that Members of Parliament have been tardy in setting up sub-offices in their constituencies, because I was a Member of the House Committee in the Lower House, that drafted those amendments to include sub-offices in various constituencies. It was part of the proposal being put forward, and to hear that Members of Parliament are being blamed for not setting up sub-offices, I think is unsatisfactory by the Minister. He needs to give us some kind of evidence to support that particular statement.

I want to deal with the Ministry of Health for a short period, because the Minister of Health made reference to dengue fever and yellow fever, and gave us a little history on yellow fever. I would not go into the intricacies of yellow fever, the spread of yellow fever, and the biological aspect of yellow fever. The reason I asked the Minister of Health to give way—of course he did not, and gave me a long explanation of why he did not want to give way—was because there are several reports that are coming in with respect to the yellow fever vaccine, and that you have to go in groups of five if you go to a health centre for a yellow fever

vaccine shot or else you would not be given the vaccination. That is why I asked for you to give way, to know if you are aware of that situation or if that is a policy that your Ministry has been implementing.

Also, many people have been reporting that they see these units in the various areas in the country and there is no time schedule. We have a situation where there is a kind of chaotic situation developing with respect to this yellow fever vaccination requirement. So, one minute you might see a mobile unit set up to do yellow fever vaccination, and people driving by, they are not aware, they see this line, and wondering how people are aware of that particular situation.

The Minister made reference to various media and leaflets given out, but I do not know if that education programme is successful, especially with the population not being aware. Probably the Minister needs to intensify the education programme and give specific dates and specific areas where these mobile clinics would be in terms of giving out the vaccination.

A relative of mine had contracted dengue fever and died and my relative was only 53 years old. It is heartrending in a country, when we are moving towards developed status—Reference was made to Cuba and how they are dealing with the dengue fever in Cuba and they have almost eradicated dengue fever in Cuba, and we have that kind of link with Cuba. So, why can we not have some kind of cooperation—if there is not already cooperation—because the Minister made reference to the various methods they are using, and called upon the population to assist?

It is unsatisfactory for the Minister to call upon the population to assist when the Government is not assisting to the extent that we need. We have seen from time to time that the regional corporations have had to transfer from various allocations to actually get these particular defoggers and chemicals, on their own initiative and spray in the various municipal areas.

The onus is placed upon the local government body, and Sen. Dr. Charles, in his contribution, talked about the inadequacy of funding to the corporations. On one hand, the corporations are trying to do their best. The Minister said the population should, but the population does not have the chemicals; it is the corporations and the Government. We need to have that kind of collaboration between the corporations and the Government. I think we should not marginalize the corporations because they have a role to play in controlling or eradicating dengue fever.

With respect to yellow fever, I know that we have a priority list in terms of the vaccinations and children should be vaccinated first, but you need to clear the air with the population with respect to how you are vaccinating and what you are doing. It is interesting that you are now going to actually bring in large quantities of the vaccine. I do not know if only the health centres would have it, because the vaccine is in short supply in private practice.

The other area the Minister talked about was the matter of the \$6 million transfer, with respect to the drugs in CDAP, and gave us some indication of that particular allocation is one week of the 52 weeks. How can the population have any credibility with that statement when on a daily basis you have reporting from the population that they are suffering with respect to getting the drugs on time? Then you blame the suppliers and say that they are tardy and that is why you have to move the allocation.

I think this is an important area and the Minister of Health—if as he said, he is micromanaging his Ministry or he has his hands on the pulse of his Ministry—should look into that particular area, because it is our senior citizens who are relying on this particular CDAP.

As I do so, I want to go back to the United National Congress manifesto of 2000:

"We have cut the cost of medication for a number of chronic diseases such as glaucoma, diabetes, asthma and arthritis, and we have reduced the cost of health care equipment to our citizens with physical disabilities.

We have placed 30 new National Emergency Health Care Ambulances on the road, significantly improving response times."

One more reference, which is important:

"We have considerably reduced the waiting list for cataract, prostate and urgent pediatric surgery. In the new year, we will continue to work towards the elimination of the backlog of these surgical procedures."

We need to be creative in a time when there is a shortfall in revenue. When there is plenty we can have inefficiency. I am sure many of you have heard that particular clip on the radio where they were making reference to India, with respect to eye surgery, that is cataract surgery. The reference in terms of the cost of cataract surgery in India as compared to the United States is around US \$1,000 to US \$70 in India, and US \$1,000 in the United States. The difference was that in

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India they are using highly trained technicians to do the surgery. That variation has caused the price to go down considerably. We may need to look at various ways to cut cost; different approaches that we can utilize across the board.

Now, reference was also made to a situation there in terms of the economic downturn. The Government is faced with coming from a windfall to this kind of shrinkage. It may be very difficult to adjust, because you have gone from \$9 billion in fiscal year 1995 to \$54 billion—if I am correct—in terms of the allocation for 2008. A major difference in budgeting.

Probably when you go on retreat again, you may need to carry your technocrats, sit with them and decide that we have to go back to the thinking of that period from 1995—2000, because we would be going back to that particular revenue despite what the Minister of Energy and Energy Industries is saying about cycles. That was an era, 1995—2000, where many things were achieved with the revenue of the Government. A number of projects were undertaken; much development took place in that period.

I also want to make reference to that particular area as I deal with health, and I want to go quickly back to the education area. There is a \$43 million transfer with respect to furniture and equipment for the education tower. That is a very large figure, over \$40 million in transfer for that tower. We may need to look again at the projects. We may need to critically review our situation with the projects that we are undertaking.

I know that we are accustomed with line budgeting and everything we look at we just put an allocation and move forward, but we may need to critically examine, because we are operating from 1995—2000 with a PSIP of \$150 million, and those are small values as compared to what you are operating now with, over \$1 billion with respect to the Public Sector Investment Programme.

There may be many ways that you can consider to improve and help to boost the economy. That is why when I made reference to the particular situation with diversification, the opportunity was there and may still be in the Chaguaramas peninsula, where there can be a vibrant boat building industry, and the same OPVs that have been a substantive part of this debate, because they have been constructed—I am not talking about highly technical boats, because in another reference here with respect to the coast guard and the acquisition of interceptive boats for the coast guard, and that could not be done, the money had to be transferred.

7.45 p.m.

So we are seeing tardiness in various areas, inefficiencies at certain levels and we may need to look creatively at what more we can do.

Mr. President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. W. Mark*]

Question put and agreed to.

Sen. Dr. A. Nanan: Thank you, Mr. President. I thank all my colleagues for extending my time. I want to give you the assurance I will be winding up shortly.

The point I was making is with respect to the Ministry of Community Development, Culture and Gender Affairs and the situation with respect to the— the Minister needs to level with the population because we are hearing from the Minister that everything is going to be okay for the Carnival season in terms of the arrivals and the numbers. But when we look at the realistic situation we have to be very guarded in terms of projections, because people's income—in fact, I know many of you would have seen that report yesterday with respect to Caterpillar that US company cutting 20,000 jobs; Starbucks another 1,000; Motorola 5,000; Microsoft, another 3,000; soon you will have a situation where you will want to know who are employed and who are not employed.

A large sector of the world's population will be unemployed, so you have to make choices. People will be called upon to make choices and they are making those choices. So, for a Minister of Community Development, Culture and Gender Affairs to talk about Carnival will be okay and Carnival will be a bumper Carnival and the best Carnival this year, that is not what is going to happen. I am not a predictor of doom and gloom, but the arrivals will be down. And the Jazz Festival in Tobago may be threatened in terms of the participants, because normally people would be booking in advance and I am sure that they are not having those bookings yet on the island.

So, all of those things have to be taken into consideration, and the Minister of Tourism needs to get his act together and deal with this situation frontally. The Minister of Tourism and the Minister of Community Development, Culture and Gender Affairs are saying different things. The Minister of Tourism and the Minister of Community Development, Culture and Gender Affairs need to get together and have a serious look at the next—in fact, at the next few months with respect to the country's position on the international stage.

We have a number of things that are going to happen. We have the English tour of the Caribbean that will be taking our attention; we have Carnival coming in but we must not let that cloud the issue. We have to concentrate on the people who suffering in our country. the people who are unemployed, the people who are becoming unemployed and our senior citizens who are relying on the Government and maybe we need to look at the programmes, we need to critically assess the programmes that we are running now in terms of the benefit.

So, Mr. President, with those few observations on this Appropriation Bill, I thank you.

Sen. Corinne Baptiste-Mc Knight: I thank you, Mr. President, for allowing me this opportunity to intervene in this debate and let me give you the assurance that given the hour, it is not my intention to abuse the patience of this Senate. There are a few areas that I would still like to get some clarification on and I will go to them in turn.

First of all, I wish to reiterate the questions asked by my colleague, Sen. Ali, with respect to Alutech Limited. It would be helpful to know, one, who is the partner with 60 per cent equity and whether this partner has put forward any money to match the funds provided here? Also, given the current situation in the automotive industry worldwide, which I fully recognize could not be known at the time that this decision was being taken, it would be helpful if we could be told whether there are contingency plans for other aluminium products that would make this venture worthwhile, because I would hate to think of more vehicles clogging up our roads because there is nothing else that we can do with them.

Moving on smartly, I would like to make reference to a transfer within the Ministry of Public Administration to provide for leases of furniture and fixtures for the national library. Now, it occurs to me that this National Library building—that facility—belongs to Government and as such it boggles my imagination that Government is leasing furniture and fixtures for a facility that it owns at a cost of over \$3.6 million a year. Now, I would need to be convinced that this is a reasonable expenditure.

Then, Mr. President, I come to one of my favourite hobby horses, the matter of civil servants' increments and acting allowances. I note that in the Ministries of Public Administration and Community Development, Culture and Gender Affairs, these increments and acting allowances have been deferred. Now, I guess in terms of a multi billion dollar budget, roughly \$3 million is not a large sum, but I would like to have the assurance that these deferred sums have been or will shortly be

met from the existing 2008/2009 budgetary allocations. Because, I fear that given the reduction that has already taken place in the allocations across the board, chances are that this Senate is going to be told at a later stage that a supplementary allocation is required for this purpose.

Even more worrying, I note that the Ministry of Works and Transport deferred severance and retirement benefits to the tune of some \$3.7-plus million. Now, when someone retires between July and September and that person is entitled to severance and retirement benefits, it suggests to me that we are not here dealing with our monthly paid people. These are among the lowest paid of the civil servants and it is heartbreaking to think that the first quarter, that happens to end with Christmas, may have passed and these payments may not have been made. So, I would like the appropriate Minister to give this Senate the assurance that these debts have been met from the current budget.

Now, meeting them from the current budget is all well and good, but it occurs to me that as is the practice, the result will be the deferment of recruitment with its concomitant negative effect on productivity, and in the long run, everybody blames the already overworked civil servant who is doing twice or 1.7 times the work that he or she really should be doing. I would like to suggest that we have got to do better, we have got to find means of stopping this type of practice.

I want to emphasize the point that was made by Sen. Dr. Nanan with respect to the lifeguards. Now, I can recall having asked a question, made a statement with respect to the recruitment or the abolition of posts of lifeguards. If I remember rightly, this was with respect to, I think, the Vessigny facility. Now, \$3.2 million represents at least 50 lifeguards; 50 lifeguards, that is a lot of beach that is not being properly serviced, that is a lot of nationals put at risk. Mr. President, I wish to suggest once more that this is really not good enough. It is either we are going to provide the proper services for our beaches or we will have to close them down. We will not get into the negative results of that bit.

Now, one notes that the FCAA conference, which is referred to on page 31 of our document, money was transferred for this conference which was scheduled for October, was this conference actually held?

Sen. Browne: Yes.

Sen. C. Baptiste-Mc Knight: It was held?

Sen. Browne: Yes.

Sen. C. Baptiste-Mc Knight: Oh, then it is just a matter of the language that is used here, another problem that I have quite often with this goodly Senate.

I think, Mr. President, given the time, these are the areas that I would really like to have some clarification and responses for in the Minister's winding up.

Thank you.

Sen. Michael Anisette: Thank you, Mr. President. My intervention in this debate is going to be very brief. I would just want to point out some of my concerns and in my estimation it deals with lack of implementation, because when one peruses the documents, and I will take you to page 23, Head 17 – Personnel Department, you have \$1.2 million; funds provided for filling of vacancies in the Personnel Department were not spent because of non-filling of certain vacant posts. If you quickly run to page 24, reasons for saving, saving was made available due to the following recruitment exercise not completed for the filling of vacant positions of the Custom Officers I; on page 25, you see funds provided for the purchase of arms and ammunition to be used by the customs were not used. If you go on, page 26, reasons for saving again, the level of student intake under the Youth Apprenticeship Programme was less than anticipated. Again, I have a concern about the reasons for the saving, again, the purchase of certain items, equipment deferred for fiscal year in order to meet more critical issues.

8.00 p.m.

If you go on to page 27, Head 26, you will see:

"(iii) Additional amount required to facilitate the payment of arrears to persons employed during examinations conducted by the National Examination Council..."

On page 28, under the heading, Reasons for Savings, it is a theme coming up:

"(iii) Phase II of the computerization of primary schools was not implemented in 2008 since Phase I was not completed on schedule..."

Again, those are issues and I can go on and on and there is a common thread and theme.

On page 28 again, Reason for Savings:

"(i) The process of filling several vacant positions was incomplete—\$12,500,000;"

Mr. President, I think that is something that we need in this honourable Senate and as a Government to start to address. The question of implementation deficit in Trinidad and Tobago is an acute problem and I think the time has come for us to start to grapple with that problem, put our arms around that problem and work

towards getting those matters that are so critical. Given the technological needs, how can one say that the question of implementation of computers in schools for our children is not implemented? It tells me something, that somebody is not serious about education because as we know the computer age is all about education. Therefore, the issue is how do we resolve these issues to avoid the recurrence of this plethora of repeats of non-implementation year in and year out? I think that is where the debate has to be centered.

It is important that we start to look forward and see how best we can use our collective wisdom to deal with those serious issues. I raise it in the context that when I added up in terms of non-implementation of filling of vacancies, there are several headings dealing with that and the issue is whether that is a saving. Is that really a saving, when we are supposed to hire people, confirm them in jobs which we are not doing and we are transferring the saving to something else? Is it that we are saying then, that we are stopping with implementation as it relates to hiring of these people, or are we going to do that coming down the road? Given the context of the global meltdown and the financial problems that we are going to have, like everybody else, the need for personnel and human resource capabilities and human resource capital is so critical, that I think we need to take a conscious decision not to postpone these inevitabilities in the long run.

Having said that, Mr. President, I was taken aback by some of the statements that were made by some of my learned colleagues, and as a Caribbean man, one wonders how anybody in the Caribbean region can come to this august body and question the Government allocation of the funds for the Caricom Single Market. It speaks to someone not understanding our history, it speaks to someone not appreciating what the Caricom region is all about and it tells me that we are not doing our homework. Are we aware of the fact that in terms of interregional trade within the Caricom region, Trinidad and Tobago enjoys more than 80 per cent of that trade, and that trade accounts for more than \$5 billion? That is what we are talking about. How then can hon. Senators come to this Parliament and say, "Well, put that money for Trinidad, we need it", not understanding what economics is all about, not understanding what the global world is all about and not understanding that the issue of Caricom coming together is in our interest? It is part of our very existence and survival, and therefore, to come to this Parliament and kind of trivialize that particular issue is something I think that we are doing a disservice to Trinidad and Tobago and to our Caribbean colleagues.

Mr. President, I am troubled by the gap between the magnitude of our challenges in Trinidad and Tobago and the smallness of our politics, and the seeming inability for us to build a working consensus to tackle the big problems

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that we have in Trinidad and Tobago. Let me also warn the Government that the issue of the financial meltdown is something that we have to grapple with and we have to pay attention to. Yes, the economic fundamentals are pretty good and Trinidad and Tobago is sitting pretty well given all the economic fundamentals, but one has to remember that in August 2008, the American economy was not expecting what would have happened in September 2008, a month thereafter.

There are lessons that we ought to learn from those experiences, and the issue of what is happening globally has to do with the subprime and finance market. It has to do with several financial derivatives that have been used and not regulated, and therefore, we have to understand and learn from those experiences so that we would not make the same mistakes. I believe what is important, is that this globalization is telling us that the world is so synchronized, that who would have believed that the subprime matter that happened in Detroit and Memphis where they lend workers moneys to buy houses in Detroit while the automobile industry was sending home thousand of people, yet those workers were able to borrow money for houses. It tells us something about regulations, about the financial market, and therefore, we in Trinidad and Tobago have to be careful.

The point that I want to make, hon. President and Senators, is that while the contraction of the economy has not yet caught up with Trinidad and Tobago—but inevitably it will catch up with us—I think the bigger picture for us is how can we, as Independent Senators, as Opposition Senators and as the Government, sit and prepare the country for that inevitability, so that the landing will not be so devastating for our economy. I have not heard that in the debate, and while I heard, "Listen, we need to work together, we want to work together", how can we work together if there is no humility and no respect for one another? When one talks about fascism and neo-fascism, it gets me worried because I am wondering if Senators understand what that means.

If Trinidad and Tobago was really going down that path or if Trinidad and Tobago is in that format, we would not be in here debating. Let us thank our lucky stars for our democracy in Trinidad and Tobago. Yes, we have our faults; yes, we have our problems; yes, the Government does good things sometimes; and yes, the Government does bad things, but we are all human beings and no one is infallible. I say no one, including me. So, we have to understand that we have a responsibility to our nation, given what is happening.

In America, 150,000 persons were sent home last month. Let us begin to understand the gravity of what is facing the world economy and it is not unique to America only, it is all over. Toyota for the first time has declared an operational

loss. I can go on and on with the banks that the Federal Reserve has taken over. People are not paying attention, 74 banks in America went under. Who would have thought that in 2008 or 2007, given all what was happening?

So the point that I want to make here is that, let us begin to understand—and I agree with my comrade, the hospital, why the hon. Minister is making efforts. But the issue that irks me is when I read in the newspaper that there is no bed in the hospitals, I wonder why that is so. That is a tangible that we can fix immediately, so why can we not deal with it? Why can we not demonstrate those tangibles that we can deal with immediately, so the confidence of the population will develop and build and it will serve us in good stead?

Those are some of the issues that are going through my mind and while we hold on to the issue of the murder rate, it is something that I am not happy about. While we come here and politicize crime, the murder rate is still going up and I am saying that we are doing a disservice to our country. If we are serious about Trinidad and Tobago, let us make a pact that we will seriously sit here in this august House, put our heads together and come up with a resolution and a solution as it relates to this particular issue, because I believe in this issue every man and woman must be on board. We must stop politicizing the issue. We owe it to Trinidad and Tobago, and we owe it to the young people who are going to take over from us.

I thank you. [*Desk thumping*]

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Thank you, Mr. President. I had not intended to join this debate at all, but during the course of our discussions this evening a number of matters came up, and quite frankly, if I am to take our last Senator who spoke seriously, it means that we have a responsibility to clarify issues that are possibly incorrect. To provide information where we think it will assist in a better understanding of the problems that we have, and basically to make certain comments about why we are where we are, and what we propose to do about it in some instances.

Let me at the onset say that the Government is fully aware that the impact of the global financial crisis will be at some time affecting Trinidad and Tobago. Let me say that at the beginning. But like every situation that you are aware of, there is a period by which you need to determine what the impact of that situation is. Unfortunately, in this particular set of circumstances, it is not very easy to determine what the impact is and it is for a number of reasons. The first one is that at the very primary

level, we deal with the issue of revenues because after all it is revenues, and in fact the discussion that we are involved in today, is about the question of collection of revenues and distribution of those revenues in a particular way.

8.15 p.m.

We would like to communicate once again that, inasmuch as those who do not like it ridicule it, the Government had a plan to do a certain set of things. The plan was never in question. What was in question was the implementation rate and that was always based on revenues. When we started the Vision 2020 development and we juxtaposed that against the data coming out of the Ryder Scott Report, which said that, on the basis of current consumption, we had 15 years if we did absolutely nothing with our resources. Therefore, we knew that for 15 years we had a stream of income because the way the economy was set up, on the basis of hydrocarbon production, we knew that the gas pricing, which had a different margin than oil pricing, would have taken us through that period and we would have had a level of development consistent with that pricing. There has been a lot of discussion on the whole issue of natural gas prices and there has been much advice given to the Government on the basis of what the Henry Hub price was at a particular point in time and so on.

I want to spend some time giving you an appreciation of how that works, but before I do that let me just indicate some of the things I propose to deal with in a very short time. There were comments about Petrotrin, with which I will deal. There was the whole issue as it related to why we are here all the time. I will deal with Alutrint, Alutech, TGL and all of that. I do agree that there is a delayed effect on our economy and I will say how we will deal with that. I may also deal with a couple of other issues.

First, let me deal with why we are here. We are here because the system under which we currently operate requires us to be here. It is as simple as that. There are two experiences that we have as it relates to accounting and accounting for revenues. It is the cash system and it is the accrual system. If we were dealing with the accrual system, we would not have to come here. The reason is that system deals with some issues that a cash system does not easily deal with. It deals with transactions after the date of closing the accounts. This is why we are here.

We are here because our accounts close at September 30 and at that closing date there are transactions that would occur of which you are not aware, for example, transactions overseas, in your bank account, unrepresented cheques and a

number of other things. We, therefore, cannot close the account because those transactions would have occurred and because of the time you just would not have booked them.

What the exercise does is look at that period between October 01 and December 31, reconcile your accounts, see what your liabilities are, add that to your accounts and then say that this is what this is. All the arguments about not doing this and that do not add value because that is how it is.

If one comes to the conclusion that the Parliament is being used as a rubber stamp because of that, it is not so. It is a logical conclusion of a set of activities for which there is no other way to do it on the basis of the current system.

We have been talking for five or six years about an accrual system. That requires us to change the whole public service, a part of the whole reform system that requires us to have within ministries a particular capability that does not now exist. The question of why we come here and how we do it is really a function of system and something at which we are looking.

Sometime ago, Sen. Mark informed us that, based on his information, Petrotrin had lost close to \$900 million because they got caught in a futures market. He said that because the price of oil is trading under \$49, they properly got locked in the futures market. I did not know. I had my people talk to the Executive Chairman of Petrotrin indicating why he did not tell me this. He wrote me back on January 07, 2009 saying basically:

“I wish to confirm that Petrotrin is not trading in the futures market and therefore has not incurred any such loss as has been alleged.”

The statement given to Sen. Mark, therefore, as he normally gets it, is not correct. I wish to indicate to Sen. Mark that I checked. I thank him for bringing it to my attention. I enquired and that was the response.

Sen. Mark: Could the hon. Minister indicate whether, in the month of October 2008, Petrotrin experienced a loss amounting to \$500 million or \$800 million in the futures market or not?

Sen. The Hon. C. Enill: It continues:

“However, Petrotrin’s profitability has been adversely affected by the current fall in oil prices. Both the reduction in refinery margins and write-downs on our crude and product inventory values have contributed to a loss of TT \$524 million for the financial year-to-date ending 2008 November 30.”

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What does this mean? Let us talk about it. We bought a product at \$142 and that is the value of your inventory—first in, first out, basic principle. If today crude is trading at \$50, you are required to write down your inventory at the current price. Today, you could lose \$500 million and tomorrow when you do the exercise again, you will either have a loss or gain. It is like trading in foreign exchange. It is effectively a cash loss, but it does not really take place until you sell it. *[Interruption]*

We are talking here about the reporting of information on a financial statement at a particular time. You know that better than I do. What has been indicated is really a snapshot using a particular set of assumptions. That could either increase or decrease on the basis of two things: the level of inventory that you have and the main inventory coming in because much of that method valuated inventory. I just want to make that particular point as it relates to those issues.

The other issue I heard about had to do with the price at which the company estimated its 2008 year. Everybody, including the Government, uses assumptions that have had to be reviewed and, as we speak, all of the companies, on the basis of what they now know, looking at the review of all their operations, will be taking the necessary steps to deal with that, and Petrotrin is no different.

So that, in a real sense, Mr. President, as we move through this particular year and as the price assumption changes, the profitability of these organizations will change on the basis of what the numbers are and on the basis of the dynamics. We are looking to ensure that, in understanding the realities, we take appropriate action to deal with areas where we think we can get additional revenues.

Sen. Mark: For clarification, could the Minister share what is the basis for Petrotrin establishing such a number of figures to determine its 2008/2009 budget? What do you anticipate, as the Minister of Energy and Energy Industries, the implications of that US \$100 per barrel on the future operations of this very important company called Petrotrin?

Sen. The Hon. C. Enill: What is the impact on the operations? The impact will be negative because right now there is the carrying cost that the organization has. It will have to bring its cost down. When you examine the components of cost and look at what is involved, you will have to make some choices to bring

them down in line with the current revenues. We have looked at it and I am not happy with the cost escalation. In fact, when you look at the cost over the last three years, it has escalated in line with the industry. We saw that the cost curve of the industry was moving upwards. Today, we see that it is coming back down and, therefore, we will manage that in the context of those kinds of issues.

The other thing that is taking place is that at the higher price there are certain projects that were not economical; they just did not give the returns looked for. What we are seeing now is that by putting some resources back into some of those areas, we can incrementally get additional values. Some of that will be dealt with in the context of—

Sen. Rahman: In view of the fact that our Prime Minister is of the view that the prices will go up, now that they are depressed may be a good time to buy on the futures market which, right now, is very depressed. We will get the benefit of increased prices the Government seems to anticipate. They would have locked in at lower prices. It is a very good idea if you are so confident that the prices will rise.

Sen. The Hon. C. Enill: One of the principles by which I operate—and the Minister in the Ministry of Finance will deal with the financial issues—is: How do I explain to the Parliament when it goes wrong? We have had these issues to deal with when we have had hedges. [*Interruption*]

One of the things hon. Senators should know is that no Minister takes his own counsel and, therefore, in all these matters, we will be advised by those employed for that purpose. If the wisdom of those charged with that responsibility and trained for that is that they should, then we will do that, but, by definition, we are minded to be more conservative with the resources of the people of Trinidad and Tobago. We can have a discussion on that at some other time.

Mr. President, natural gas prices in the US are quoted with reference to the price of natural gas in the state of Louisiana, known as Henry Hub. The price of natural gas in any other location is given as Henry Hub plus the cost of transporting the gas to that location and there are exceptions to that.

8.30 p.m.

So in a real sense, within the United States of America, there are about 72 different prices, on any particular day, ranging from \$1, \$2-plus and \$10. In that particular equation, we are in four jurisdictions. We are in the jurisdictions of Boston Everett, Maryland, Georgia and Louisiana. Our product goes there and

there are different price parameters for the product going into those areas. Sometimes you have a 20 per cent plus or minus, and sometimes we have less than. So, the point I wish to make is that you have these locations and the price is a function of up and down, depending on trade at the particular point in time. I would not deal with the characteristics of each of them, but there are two other points that I wish to make on this particular matter.

As it relates to the global market for gas pricing, there are four different sets of price parameters. The United States of America price is referenced to Henry Hub, which I have just explained. In the United Kingdom, the price is referenced to something called the national balancing point. So, if your product goes into the United Kingdom market, there is a different price assumption. In Europe, the price is referenced to the Zeebrugge in Belgium and in Asia the price is based on the Japanese Crude Cocktail (JCC). The Zeebrugge and JCC prices are linked to oil and gas. These are the components that go into the determination of what our revenues are.

In 2005, when we looked at LNG exported from Trinidad and Tobago by destination, this is what we saw. In the United States of America, Henry Hub was the predominant indicator. Mr. President, 90 per cent of our product went there; 3 per cent went to Spain; 4 per cent to Puerto Rico; 1 per cent to the Dominican Republic and ½ per cent went to Belgium. By 2008, based on trying to get the best price in the world, this is what it looked like: 39 per cent went to the United States of America market; 28 per cent went to Spain; 4 per cent went to Puerto Rico; 3 per cent went to the Dominican Republic; 11 per cent went to Mexico; 1 per cent went to Argentina; 6 per cent went to Japan; 4 per cent went to Korea; 7.5 per cent went to Taiwan; and 2 per cent went to India.

So, we had the ability to move products through swoops to markets to get a better price than what we had planned for the Henry Hub indicator. That is why sometimes we are able to say, notwithstanding how the Henry Hub price moves, our revenue position is not reflected on a one-on-one option. *[Interruption]* Well, the thing about it is that we have the ability to do it, but we do have the situation globally where in some jurisdictions, as a result of the reduction of economic activity for actual demand, the prices are depressed. Even as they are depressed, one of the things that happened in Russia sometime ago was that they were not going to sell the product beyond a particular price. So, there is a floor and the floor will allow you to get the level of revenue. So, what we are seeking to do now is to negotiate what is that floor, so that it gives us the level of income to continue with our development programme. That is part of what we are doing proactively to deal with that revenue situation.

The other thing that we need to know is that in one of the Trains—I think it is in Train 1—contractually, when we were setting up this industry, that particular entity was given a tax-free concession for a period of years by the government that preceded us, and that particular period ends this year. So, if you look at last year and this year, there is a stream of income from current production that we are now going to receive as a result of the tax holiday going away which we did not have before.

So, when the Prime Minister and the Minister in the Ministry of Finance say that despite the challenges that we are facing, we have some additional cushion, that is what they are talking about in the context of these particular issues. I just thought that I should bring that to the attention of Senators, so that in the context of the discussion going forward, we would all be on the same page.

In this appropriation, we have an amount of US \$17 million or approximately \$109,220,000. The explanation says it is to facilitate Government's equity injection with respect to its shareholding in Alutech Limited.

There is much discussion now, by very learned commentators, who are saying that at this point in time the Government should simply rethink its position on these matters because of the price indicators. The thing about it is, to get to this particular stage we have invested about eight years. What we know and what we understand is that the products that we were involved in are long term and they are cyclical in nature. For example, the fact that today, in this particular year, we were able to generate a level of revenue from Train 1 which had a 10-year tax break for which the people of Trinidad and Tobago supported—this particular project was for 10 years. At a time when we actually need the revenue, we could have. This is the same kind of long-term thinking that goes into some of these decisions. For example, when we decided as a Government that we should look at diversification of the sector by the establishment of downstream industries which added value through the creation of linkages through the value chain, this is a project that supported that.

We also said that insofar as our development strategy was concerned, we believed that the development of metals, plastics as industries for our new growth areas were things we should look at. We know that in the metal industry, the aluminium industry has been targeted as a strategic one, given the potential synergies between our energy resources and the available raw material inputs that exist within the regions. So, there is a nexus and there is a reason for it.

The Government agreed to the establishment of an aluminium industry which comprises—this is where we need to recognize the various elements—a development centre; a production facility; and a downstream aluminium industry.

In developing this project, the Government also took the opportunity to deal with the expanding power generation needs of the country, as well as that of the smelter. We conceptualized this, and we actually did the analysis and we recognized that for the smelter we needed to have additional power.

At the same time, we were looking at what was happening as it relates to the power coming from PowerGen and being distributed to T&TEC. We found that at a particular point in time, we were getting very close to a situation where we were running on spinning reserves. What that would have caused is blackouts. Therefore, in anticipation of solving that particular problem, we recognized that we needed additional power and this was one of the ways to do it.

So, in order to implement that particular decision as it relates to power for the aluminium smelter and the grid, we have taken equity interest in both the development and production facilities. The vehicles that we have created for the implementation of these decisions are Alutrint, Alutech and the Trinidad Generation Unlimited Company.

The Government acquired a 40 per cent interest in the development centre, Alutech Limited and with the other shareholder being Sural, a Venezuelan company holding 60 per cent equity interest. Sural is a major manufacturer of aluminium products such as cable and wire for electric application and motor vehicle parts. This has now changed and the Government is in negotiation with another equity partner.

Mr. President, Alutech Limited as the development arm of the project, will develop and pilot manufacturing processes at a pre-industrial scale for the production of aluminium products, particularly light motor vehicle parts for the automotive industry. This project is in train and the development centre is scheduled to be commissioned by March, 2010.

Alutech is a private company whose shareholders are the Government of the Republic of Trinidad and Tobago and the Sural group. Alutech intends to establish the integrated development centre and manufacturing facility at the Tamana InTech Park, Trinidad.

Alutech will develop and produce bayers and billets that would be used for the manufacture of high strength/lightweight aluminium truck and car wheels. Alutech will utilize Sural's patented snags technology as well as its 20-year experience in developing, producing and marketing aluminium wheels.

The original funding of Alutech was taken through a loan with FCB in the sum of US \$17.2 million and these funds were used to purchase the capital equipment and fund operating expenses.

During 2008, Cabinet took the decision to inject funds into Alutech and the funds were to be used to pay the FCB's loan. A sum of US \$17.2 million, approximately \$109 million, was injected by the Government into the company in return for its 40 per cent equity interest. The equity contribution was utilized to meet debt financing obligations to FCB comprising principal of US \$17.2 million and interest of \$134 million.

Treasury deposits were utilized to meet the cost of this investment and this, therefore, accounts for US \$17.2 million that was used for the project and this is what we are dealing with.

Notwithstanding the global financial crisis, the long time post to 2013 projections for aluminium demand and prices are still positive. While it is not expected that prices will reach the highest quarter of 2008 which was US \$3,300 per million tonnes, the projection of US \$2,400 is still very attractive for the Alutrint project.

Sen. Drayton: There was one issue for which we required clarification and that is whether Sural had contributed its 60 per cent.

Sen. The Hon. C. Enill: Well, we did not contribute our 40 per cent either. At this point in time, we are in negotiations for a change in the partner. In other words, we do not believe that Sural will be the partner going forward. We have not worked through that as yet.

8.45 p.m.

Sen. Ali: Are we talking about Alutrint or Alutech? Alutrint had Sural as the main—

Sen. the Hon. C. Enill: They both had Sural.

Sen. Ali: They both had Sural, okay. I just want to clarify in my mind when you said you were looking for a new partner, it was for Alutrint and also for Alutech. I am just asking the question whether it is for both, and whether our equity contribution is really 40 per cent of the total equity. In other words, have we paid our share and somebody else is paying their share.

Sen. The Hon. C. Enill: The partner that we are talking about in this particular instance is Alutrint, which is the smelter. The retail end, which is where

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Alutech is going to go, there is still a role for Sural inside there, but we have not reached those discussions as yet, because they brought to the table technology and all of that will be used from here.

Insofar as Alutrint is concerned, that company is the one that the Government is currently looking for an equity partner to replace the Sural interest.

Sen. Mark: Mr. President, just correct me if I am wrong. Is it a fact that the Government of Trinidad and Tobago had entered into a US \$400 million loan with the Bank of China for the construction on the Alutrint plant? And if that is a fact, what was the role then, if any, of Sural in that whole situation? I just want to get some clarification on that.

Sen. The Hon. C. Enill: The Chinese Exim Bank credit of \$400 million is being used by Alutrint for the development of the project, so that Alutrint are the shareholders and the beneficiaries of the credit. There is nobody else inside there right now except for the Government. So, that fund is being used for that particular project.

Mr. President, I think that that deals with the issues as it relates to the matter before us. There are other matters incidental to this Bill, I think it is outside the debate at this point in time. Therefore, I wish to thank the hon. Senators for allowing me this opportunity to clarify those issues.

Thank you.

The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Thank you, Mr. President. Today we have been debating the supplementation of the 2008 appropriation and seeking approval in the sum of \$1,073,918,701. I thank the hon. Sen. Subhas Ramkhelawan for pointing out to this Senate what accounts to approximately 2.5 per cent of total expenditure. I think that needs to be kept in mind when we talk about implementation deficit.

Also, the transfer of subs between various Heads of expenditure amounts to less than one-half of 1 per cent of the total amount or sum spent. All accountants or all finance people will tell you that in any one year if you make approximately 95 per cent of your total budget expenditure, you are on good grounds. I think a half per cent on that basis is not bad.

Several points were made and several questions were raised during the course of the debate and I wish to thank those on the Independent Bench as well as from the Opposition, for raising a number of issues which required clarification, and for

giving us the opportunity to clarify in this Senate as well as to the nation, some of the decisions that were made during the course of the year.

I wish to thank all those who supported me on this side for the comments which were made, and for elucidations and explanations, which were offered in support of the various movements, changes, as they took place. A few questions came up and I must certainly thank the Minister of Energy and Energy Industries for the clarification which was sought with respect to the issue of Alutech and the expenditure under the Ministry of Energy and Energy Industries, and certainly how our revenue functions behave at different times. When we say safe hands, sometimes we do not always want to say exactly what has taken place, not so much by not wanting to give the country information, but at the same token, we must also be guarded in some of the information that we give, because we do have competitors.

Some points were raised with regard to some of these matters and the issue of whether they should have been properly budgeted. I want to make the point that we operate on a cash basis and yes, errors will be made. I also make the point that the budget for the year 2008 would have been completed somewhere between March and April 2007, and those numbers revisited, fine-tuned, argued, discussed, adjusted, et cetera, to fit our existing or projected revenue profile. In some occasions, some items will be left out in error.

Also, certain exigencies take place during the course of the year, which would not have been anticipated, or for which no sums would have been appropriated. One such instance, of course, is what we referred to, the transfer to the Caricom Development Fund in the sum of \$235 million. I know that Sen. Rahman was making the point that we ought to have known this, and so on.

I did take pains during the course of my presentation to point out that it was not only not anticipated that it would have taken place at that point in time, but it was at a special request of the Caricom secretariat that required us to advance this payment. The letter came in on January 10, 2008 and the advance was made shortly thereafter. I want to make the point that all of our Caricom partners—and I did allude to the total sum, which had been put forward by our Caricom partners—have made their contributions. So, in that particular matter it was not an issue of improper budgeting. It was an issue that there was an exigency.

With respect to the funds which were required for the Ministry of Public Administration, in the sum of \$99,645,806, with respect to the Waterfront Development project, certain questions were asked. Perhaps, since we are in the

business of explaining a bit about UDeCott's affairs on the Commission, maybe it may make sense to explain it.

UDeCott is not in receipt of subventions from the state. UDeCott does receive grants of land by way of lease, which the Government wishes to convert into certain types of projects. Examples of that would be Waterfront Project, the Ministry of Education building and a number of other high-rises, which have been done through town. UDeCott then, because lands are in its name, approaches the market and raises funds on a long term basis and those funds are securitized by a lease which is issued in the name of the state, because ultimately the state is the primary beneficiary of those buildings. That is what we call the credit lease. That is exactly how the waterfront development took place.

At the time of preparation in the budget, those matters would have been under discussion but not finalized. As I pointed out, the lease was signed in January 2008, and of course as a budgeting quirk, it had not been provided for in the budget number for that particular period. The requirement was, again, an emergency requirement to be paid for the first lease payment in July, 2008.

I want to tell you that at this stage all of the lease payments have been provided in the 2009 budget, so there will no longer be a requirement for supplementary appropriation under that particular heading. The same is true of the \$70 million for which the Minister of Energy and Energy Industries gave an explanation with respect to Alutech.

Again, to repeat the point in the case of UDeCott and the waterfront development: The Waterfront Development Inc. is in fact a fully-owned subsidiary of UDeCott—you got that point—and the land is vested in its name. It also has given a sub-lease to the State, in a sense, and the payments from the State goes towards the payment of the loans, which were raised on the international market.

The only time the Government gets involved by way of a guarantor, or to give a guarantee is in situations where the transfer of the land has been slow. In this case, the relevant example is the Ministry of Education building where the actual construction was started, the intent was in position, but the land remained in the name of the State. It was not transferred by the Commissioner of State Lands; we did not have a lease which was issued in the case of the waterfront project, so UDeCott borrowed on the domestic market loans, which were secured by a letter of comfort by the Government precisely because there was no land to mortgage.

Ultimately, when the land passes over and has passed over since, into the name of UDeCott, what will happen then is that the Government will take the building on a long-term lease and the rentals will be sufficient to pay the debt. That is how it works, and UDeCott is paid a fee.

With respect to the comments which were made at the Commission of Enquiry as to who takes instruction from who. The issue of a public liability company does create some imbalances insofar as the person who is responsible in law and who has the technical responsibility in law remains, and who is liable in law remains the directors, but ultimately the shareholder of the company has the capacity to give direction. And as you know, company law recognizes that capacity in terms of the institutions called the annual general meeting, the extraordinary general meeting, et cetera, by which, if the company or shareholder is not following the instructions or the directive, it can take the necessary measures to replace the board and whatever else is required at that stage of the game to ensure that the instructions are complied with.

Whilst there may be, technically and legally, a requirement that the board display a sense of responsibility and act with a certain degree of independence, the shareholder ultimately has certain types of power and leverage to ensure that its policy and policy directions are followed. The shareholder is the Government of Trinidad and Tobago, and has been the Government of Trinidad and Tobago since it was set up, and I believe the company was set up under another administration. If I am not mistaken, yourselves.

The comments which were made with respect to the delays of hiring and therefore, the fact that certain payments did not take place. Hiring staff is always a lengthy process—I think any human resource manager will tell you that—and you do not always meet your targets in that regard. There will be difficulties and there will be situations in which what we call savings, really means that we did not spend the money that we had planned to spend.

I take the point I would not want to see anybody who retired not being paid their gratuity. I understand as well there is a delay in the payment of gratuities and in the case of pension, because there is always the difficulty in terms of the file and getting the relevant information and so on. For that, I deeply apologize and it is one area in which, I think, any administration, if we improve it, we would all be well served.

Sen. Seetahal SC: In that context could I ask, through you, Mr. President, the Minister, in relation to the Judiciary there was an indication of some posts not being created or filled.

Sen. The Hon. M. Browne: I could give you those details. I did in fact, deal with it. Those vacant posts which were not filled are as follows: One human resource officer, generating \$111,000; a director of finance and accounts and assistant accountant, five cashiers, three printing operators, one verbatim reporter, one protocol and information assistant, two clerk stenographers, one clerk II, three case managers officer III, and judicial secretaries. That is where those savings came from.

You did ask a question with respect to the OPVs. I make the point that the purchase of capital assets and we had to go through several different hoops to come up with a methodology to engage the building of infrastructure in a different way, if you want, moveable assets: the engagement of water taxis, the development of OPVs, the fast patrol craft. We had to go through several different iterations to ensure that we have gotten the process right, and that we needed independent third parties to advise us. It is a slightly different matter from buying a car.

We have fixed price contracts, so that there are commercial terms, so that when there is a late position as we have in this particular matter, there are negotiations which would take place to address the failure of the commercial supplier. Those discussions are already underway, especially since we know that they are already going to be late. They do have some commercial provisions, which will be taken advantage of; I think it is called damages.

9.00 p.m.

With regard to the financing of the OPVs—I want to answer you as well, Sen. Seetahal; you did ask me about the legal basis for transfers, and I just wanted to make certain that I was clear.

Mr. President, section 75(1) of the Constitution gives Cabinet the general responsibility, through the control of the Government. The Exchequer and Audit Act, Chap. 69:01, under the heading, the “Control and Management of Public Finances” paragraph 3 states that:

“The Minister shall, subject to the Constitution and this Act, have the management of the Consolidated Fund and the supervision, control and direction of all matters related to the financial affairs of the State which are not by law assigned to any other Minister.”

Sen. Dr. Charles is not here, but Cabinet would have on August 01, 1998, given the Minister of Finance the delegated authority to make those transfers between the relevant—[*Interruption*—]1988.

Sen. Mark: You said 1998.

Sen. The Hon. M. Browne: Sorry, 1988—in the time of Dr. Carson Charles. This is how the Minister has those powers in that capacity.

With respect to the financing of the OPVs, that was actually done by loan, which I pointed out. The whole idea is to bring it into account. It would have been omitted as part of the financing of the budget, in terms of the drawdown of loans, so we are bringing it into account by so doing.

In the previous year, that was approximately TT \$427 million; and we are talking about in this year, \$609 million, which is broken up into two figures: the figures for the fast patrol craft and the figures for the OPVs. The figures for the OPVs actually amounted to a total of £44,522,169. That was how it took place. *[Interruption]* Yes, Sir?

Sen. Mark: Can you make available copies of the commercial agreements between the BNP of Paribus and TSB Lloyds, first of all? Can you give us a brief summary of the terms and conditions of this agreement, in terms of the length of time to repay the rate of interest, and make those agreements available to the Parliament?

Sen. The Hon. M. Browne: I would have to deal with that under advisement. I understand the request; I will keep the request and let you know how we would deal with it

A couple of points were also made with regard to budgeting. I hope, Sen. Ramkhelawan, that by responding to Sen. Ali and Sen. Seetahal SC, I have answered your question with respect to the financing of the waterfront development. The fact that the agreement was signed in January 2008, and the actual budget numbers were prepared around April 2007, that item was left out; that is one of the reasons.

I take the point which has been generally made on the other side that Government needs to be more effective; certainly government institutions need to be more effective in the delivery of service. The point was made with regard to the hospitals, and that has been clearly answered by the Minister of Health. The biggest room, however, is room for improvement.

I understand the point which was made with regard to TTPost; that is something which we must follow up. I understand also the point that was made generally with regard to state enterprises. We must ensure that we get the best value for money and the best bang for our buck.

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With respect to the issue of how government subventions are treated, that is a matter for accounting practice. You would note, for example, that of the documents which were laid in the House today, the Cipriani Labour College, you would see that Government's subventions are also listed as income.

Sen. Ramkhelawan also made several points with respect to the issue of liquidity management. The fact that he talked about destruction of value, I want to say categorically that the Government did not go to the issue of liquidity management and Treasury bond management or sterilization of bonds by the issue of tender bills, to copy what they do in developed countries. I simply indicated to you that was a measure used in other countries, and no less than the UK where it is managed by Her Majesty's debt office, where they do tender bonds.

I also want to point out to you that between June 2006 and November 2008—and this is contained on page 28 of the Central Bank Monetary Policy Report, October—the liquidity management measures which were undertaken. There were a number of measures which were undertaken, including raising the reserve requirements, including the secondary reserve requirement as well as the primary reserve requirement.

In fact, the primary reserve requirement, over a 12-month period, was raised three times, moving from approximately 9 per cent to end at 17 per cent in November 2008. That would have had the effect of sterilizing approximately \$3 billion. Whereas the open management or open market techniques which were used, in the sense of using money management techniques, that is liquidity absorption, was done on approximately three occasions, amounting to just under \$2 billion: in November 2006, which was not covered by the Act, in February 2007, April 2007 and July 2008, four times. So it is not that they were only using those measures. They were, in fact, using a number of measures, in concert.

I want to make the point, notwithstanding that the money supply has continued to increase, although within recent times, the recent evidence as shown by the monetary indicators, which we receive periodically—[*Interruption*]*—yes, Sir, just one second—*seems to indicate that the widest definition of money supply has slowed. Yes, Sir.

Sen. Ramkhelawan: Thank you, Minister, for giving way.

Mr. President, could the Minister say how much funds were raised under the Treasury Bonds Act 2008?

Sen. The Hon. M. Browne: How much funds were raised under?

Sen. Ramkhelawan: The Treasury Bonds Act which was passed in July 2008?

Sen. The Hon. M. Browne: Yes; \$1.2 billion as a nine-year government bond. It is, in fact, the longest dated item. Most of them have been five to seven years; so this was the longest dated one. It is not for 10 years; in fact, none of them have been for 10 years; just to make that point.

Unfortunately or fortunately, governments and central banks have to take a longer view; we had to take the view with regard to stability of the system. So as much as it might be unpalatable to spend money to sterilize money, those activities have to be done by someone, and they have to be undertaken, in this instance, by the Government, in consultation with its monetary advisor, the Central Bank. I think we have gone over that debate substantially.

I think some very specific points of detail were made with respect to the agricultural sector and the use of good agricultural land on which to put houses. Sen. Dr. Kernahan also made heavy weather of the fact that some squatters when asked to relocate—I am not certain what the point was the Senator was making—but the moral of the story is that the State has an interest in ensuring that land is not alienated, notwithstanding the fact that it is lying fallow, or, alternatively, adequate arrangements put into position where individuals could get agricultural leases to take on the business of farming. We cannot condone—and I am not certain whether Sen. Dr. Kernahan was suggesting that we do—the illegal occupation of land.

In the case of Caroni (1975) Limited, if I am not mistaken—and Sen. Dr. Saith could confirm that—we know of approximately 6,000 squatters, whom we are trying to regularize. We would not want to push that number up any further. Mr. President, 6,000 is a big number to have to deal with over time.

With respect to the issue of the flooding, to be fair to the Minister of Agriculture, Land and Marine Resources, I do not think at any stage of the game the Minister ever said that farmers were attempting to swindle the Government. That word was never used. I know that whilst the newspaper is a source of information, sometimes it can also be a source of disinformation.

Regarding the payments that have been made with respect to flooding, I can say that in the period 2002, approximately \$6 million was spent in terms of compensation to farmers, under that particular heading. In the period 2004—2005, it was \$14.5 million; in the period 2006—2007, it was \$16.2 million, and in the period 2007—2008, the sum allocated was \$14 million; the total amount spent was \$12.1 million. So it is not to say that Government did not consider or did not do what was required.

Finance (2008) Bill
[SEN. THE HON. M. BROWNE]

Tuesday, January 27, 2009

With respect to the use of agricultural land, there is, certainly, one instance in the case of the Cunupia lands that you spoke of, where a decision was taken to put houses on 163 acres which was deemed to be good agricultural land; that decision is on hold, and that is actually being reviewed, as we speak. So it is not to say that Government is not cognizant of the need to make a balance between the settlements—we have legal settlements with respect to the VSEP to Caroni (1975) Limited employees—with a balance between striking for agricultural land being used for agricultural purposes. I take that point

Mr. President, having regard to all the circumstances, I also wish to reiterate at this time that the total revenue position for last year—this is for effect—for a series of reasons, amounted to a total of \$56.7 billion, of which approximately \$44.7 billion was spent, and there were savings of \$2.6 billion under the Infrastructure Development Fund; \$6.6 billion in the Heritage and Stabilisation Fund, and \$2.8 billion amounted to the fiscal surplus.

Under those circumstances, I would again repeat that the finances have been in safe hands and, on that basis, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. M. Browne: Mr. President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question put and agreed to, That the Bill be read a third time and passed.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Mr. President, I beg to move that the Senate do now adjourn to Tuesday, February 03, 2009, at 1.30 p.m.

You would recall that today should have been Private Members' Day, but we agreed that on Tuesday 03, we would do that.

The matter that we will be discussing under Private Business is Motion No. 1 by Sen. Prof. Ramesh Deosaran.

Adjournment

Tuesday, January 27, 2009

Before I, in fact, take my seat, we have heard in the media that Sen. Sharma would no longer be with us. We wish to thank her for services; congratulate her and hope that she does well in whatever she seeks to do. [*Desk thumping*]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 9.10 p.m.