

Leave of Absence

Tuesday, July 13, 2010

SENATE

Tuesday, July 13, 2010

The Senate met at 1.30 p.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Mr. President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Rudrawatee Nan Ramgoolam and Sen. Basharat Ali who are both out of the country.

SENATORS' 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., PhD:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: MS. LYNETTE ABRAHAM

WHEREAS Senator Rudrawatee Nan Ramgoolam 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, LYNETTE ABRAHAM, to be temporarily a member of the Senate, with effect from 13th July, 2010 and continuing during the absence from Trinidad and Tobago of the said Senator Rudrawatee Nan Ramgoolam.

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 9th day of July, 2010.”

Senators' Appointment
[MR. PRESIDENT]

Tuesday, July 13, 2010

“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: MRS. PARVATEE ANMOLSINGH-MAHABIR

WHEREAS Senator Basharat Ali 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, in exercise of the power vested in me by section 40(2)(c) of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, PARVATEE ANMOLSINGH-MAHABIR, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Basharat Ali.

Given under my Hand and the Seal of the
President of the Republic of Trinidad
and Tobago at the Office of the President,
St. Ann's, this 8th day of July, 2010.”

OATH OF ALLEGIANCE

Senators Lynette Abraham and Parvatee Anmolsingh-Mahabir took and subscribed the Oath of Allegiance as required by law.

SESSIONAL SELECT COMMITTEES (Appointment of)

Mr. President: Hon. Senators, in accordance with Standing Order 64 of the Senate, I wish to announce the appointment of the following Sessional Select Committees for the First Session 2010/2011 of the Tenth Parliament.

Standing Orders Committee

Mr. Timothy Hamel-Smith	Chairman
Mr. Anand Ramlogan	Member
Prof. Patrick Watson	Member
Mr. Ted Roopnarine	Member
Mrs. Helen Drayton	Member

House Committee

Mr. Subhas Panday	Chairman
Mrs. Therese Baptiste-Cornelis	Member
Mr. Kevin Ramnarine	Member
Mr. Fitzgerald Hinds	Member
Dr. Rolph Balgobin	Member

Committee of Privileges

Mr. Timothy Hamel-Smith	Chairman
Brig. John Sandy	Member
Mr. Vasant Bharath	Member
Mrs. Penelope Beckles-Robinson	Member
Mr. Basharat Ali	Member

Statutory Instruments Committee

Mr. Timothy Hamel-Smith	Chairman
Mrs. Lyndira Oudit	Member
Mrs. Rudrawatee Nan Ramgoolam	Member
Mrs. Penelope Beckles-Robinson	Member
Mr. Elton Prescott SC	Member

STATE OF THE ECONOMY

[Second Day]

Order read for resuming adjourned debate on question [July 06, 2010]:

Be it resolved that this House take note of the 'State of the Economy' at this time. [*Sen. The Hon. M. King*]

Question again proposed.

Mr. President: Hon. Senators, those who spoke on the last occasion, July 06, 2010, were: Sen. The Hon. Mary King, who was the mover of the Motion; Sen. Dr. Lester Henry; Sen. Subhas Ramkhelawan; Sen. Kevin Ramnarine; Sen. Shamfa Cudjoe and Sen. Basharat Ali.

State of the Economy
[MR. PRESIDENT]

Tuesday, July 13, 2010

All Senators wishing to join the debate may do so at this time under Standing Order 32(1).

Sen. Lyndira Oudit: Mr. President, good afternoon Members of the Senate. Before I make my contribution I would like to say a few words. It is my sincerest wish that this Parliament serve the best interest of the majority, if not all, the citizens of this country.

To Members of the Opposition Benches, I offer my respect. Having served as a Member of the Opposition as a Senator, I know only too well the tasks ahead of you. As Members of a party that sat so long on this side, I can be certain that your position now would offer a new perspective and, with that, hopefully, a new appreciation of the state of this nation.

To Members of the Independent Bench, your task is certainly one of finding the right balance between constructive criticism and magnanimous support. Certainly I know that your personal and professional ethics will guide you to make the right decisions at all times.

To my own colleagues on the Government Benches, it is, indeed, an honour to share this time and space with you, as we move forward in shaping a better tomorrow for all the citizens of this country.

Mr. President, the state of our economy is a direct reflection of the policies and programmes undertaken by the government and successive administrations throughout the years. Our history of economic policy, our methods of wealth creation and the management of resources, has given us a true measure of the nation's economy. In the past, however, too often what was done was the inability of many administrations to understand the nexus that existed between the inputs in economic planning and policy formulation and the outputs or the social indicators that really and truly gave rise to a reflection of what our economy truly was.

1.45 p.m.

Mr. President, in fact, in 1990, the United Nations Development Programme argued that social indicators and income growth alone were not good indicators of economic growth; both the gross national product (GNP) and GDP were the two main figures used to establish economic growth or development. Up until the end of 2009, according to the World Bank Development Report—this came out in November 2009—our GDP per capita was an astounding US \$14,100; GDP per capita. According to the World Bank, a high income is generally \$11,400. So, on paper, our economic figures looked excellent. So we had \$14,100 as our GDP in the past.

Unfortunately, our social indicators tell a different story. Social indicators are truly the benchmark. These are the benchmark figures that governments throughout the world ought to use to determine whether or not to continue with their economic policies as they went along, or if to discontinue, simply because of the outputs of those economic policies. So the outputs of the economic policies are the social indicators. The World Bank had advised governments throughout the world to use social indicators. Our economic GDP was very high, but under the past administration, the social indicators were very low. In fact, they hit rock bottom.

Our life expectancy, out of 33 countries which represent Latin America and the Caribbean, was the fourth lowest. So, 29 other countries had a higher life expectancy than ours. Our life expectancy as of November last year was 69 years. Most other countries in Latin America and the Caribbean have a life expectancy of 80 years. So, despite our high economic GDP per capita of \$14,400, we have a high GDP per capita, but the fourth lowest life expectancy in the region.

So we had budget after budget and economic policies were continued despite a fall in the social indicators that reflected the state of the nation, not only the economic development, but the state of the nation—the recipients of our economic policies are generally the citizens. So, despite high incomes and revenues, there was no corresponding betterment of standard of living for many persons in our society.

According to that World Bank Development Report of 2009, we have 29 per cent of the population living below US one dollar per day, which is the lowest benchmark figure for the poverty line. Mr. President, 21 per cent of the population living below the poverty line amounts to 280,000-odd persons. A further 14 per cent or 187,000 persons live below US \$2 per day, and some 4.2 per cent or 66,000 persons live below US \$1.25 per day. Mr. President, that is almost 40 per cent of our population in an oil rich nation that boasts of a GDP per capita of \$14,100. Over 40 per cent of our population is living below the poverty line of US \$2. That translates to 532,000 persons.

In fact, it is to the credit of the planners, organizers and the great minds that came together to chart a new way forward. On page 7 of our manifesto it says:

“The issues of poverty eradication, closing the divide between the rich and the poor and providing a safety network for the poor and vulnerable, are fundamental to the strategy of development that we embrace.”

State of the Economy
[SEN OUDIT]

Tuesday, July 13, 2010

So, that is the commitment of our Government at this time, because we know only too well that economic policies must translate to a corresponding increase in the standard of living, and economic figures are numeric. They are measurable indices, but they do not always reflect the conditions of life.

So, we look good on paper. Vision 2020 was a well written wish list, but those economic figures gave monetary values. They did not tell of the unequal allocation of the state resources to deal with the human conditions that so many hundreds and thousands of our population faced on a daily basis.

Mr. President, another social indicator that tells you how your economic policies were reflected is what we call our infant mortality rate. Our infant mortality rate is 31 per 1,000. Our under-five infant mortality rate is actually 35. The international benchmark for that figure is 10. So, in a country like ours, where our monetary figures were very high, in the past, our infant mortality rate was three times worse than countries throughout the world. [*Sen. Hinds on his feet*] Is it on a point of order, Sir?

Sen. Hinds: I just want to ask a question, if the hon. Senator would give way.

Sen. L. Oudit: Sure.

Sen. Hinds: Thank you very kindly for giving way. As you proceed, would you be kind enough to indicate some of the inferences or reasons for the life expectancy of 69 years and the infant mortality of 31 per cent? Help us. Tell us a little more.

Sen. L. Oudit: I thank the hon. Senator for asking the question, but these are reflected in reports. We have international reports like the United Nations Development Report and we have successive years. These are printed every year, and they give international figures. In fact, if you like, I could also pass them on to you and you could have a look at them. There is a comprehensive listing of economic and social indicators. I can pass them on to you or you can download them on any website. [*Interruption*] You have asked me a question and I answered.

Now, if you are asking, how do you get an infant mortality rate, for the benefit of the Senate, an infant mortality rate is the number of babies who die before his or her first birthday. That is a numeric figure. Life expectancy is also indicated by the number of years that a person is expected to live given living conditions.

Sen. Hinds: We know that.

Sen. L. Oudit: So, based on statistics that are given internationally and regionally, it is very clear that our social indicators seem to disturb Senators on the other side who for some reason cannot grasp why we come to figures that are so disturbing and alarming in light of high economic GDP per capita.

Let me continue. When Sen. Dr. Henry boasted of the monetizing of the gas industry—I would like to refer to the *Hansard*. He said that in the 1990s the monetizing of the gas industry by the former Prime Minister, Patrick Manning, brought unprecedented revenues and capital inflows into the country. So, what we have are years and years, according to Sen. Dr. Henry, of unprecedented revenues. I would like to ask: Could the hon. Senator or any other Senator on the Opposition Bench tell me the figure that represents this unprecedented level of revenue? You cannot answer that, but it is very simple. The oil and gas industry has always been shrouded in political mystery and intrigue under the former administration.

Mr. President, we have what is called an open budget index. An open budget index gives an indication of how open and transparent the government information is to the rest of the population. Overall, in 2008, our open budget index was a score of a low 33 per cent.

I would like to quote from that document and it says:

“Trinidad and Tobago’s score on the Open Budget Index shows that the government provides the public with minimal information on the central government’s budget and financial activities during the course of the budget year. This makes it difficult for citizens to hold government accountable for its management of the public’s money...

Moreover, it is difficult to track spending, revenue collection and borrowing during the year...

Access to the highly detailed budget information needed to understand the Government’s progress in undertaking a specific project or activity remains limited.”

Mr. President, out of 144 countries in the world, we scored 33 per cent which is a very low figure.

Mr. President, this means that there was a lack of transparency under the former administration, and even that lack of transparency was brought to the Parliament in the name of the former Leader of Opposition Business, in the Senate, now Speaker of the House, Wade Mark, when he brought to the Parliament a request to have the EITI implemented. Sen. Mark called on the PNM

to implement the Extractive Industries Transparency Initiative, but the PNM had refused. As the Opposition, we had pleaded with the Government to raise the level of public oversight and accountability of resource revenues accruing to the budget. Had they done so, the PNM would have sent a powerful message of transparency, but the PNM did not want the EITI.

Mr. President, we have been a resource dependent nation for several decades. Our rating of 33 per cent on this Open Budget Index on an international benchmark has underscored the need for our population to understand specific issues associated with the energy sector including revenue management, the magnitude of budgeted revenues from oil and gas and extraction contracts. The implications for such a lack of transparency in the past meant several things for our economic development. Public and civil societies were clearly unable to examine government's management of this nation's resources.

How would the profits of this oil and gas industry be transferred or siphoned back to the pockets of the citizens of this country? How much of it stayed in the foreign hands? In fact, it was Sen. Ramkhelawan who pleaded with the then government his fear that we were going to be peons in the process. Unfortunately, in the past, we were exactly that, simply because much of it remained outside of local hands.

I would like to thank the PNM for refusing to implement the EITI, because it is, in fact, a manifesto assurance of the People's Partnership Government to implement the EITI as soon as possible, along with a comprehensive review of laws, taxation, regulations and practices governing the energy sector interwoven with consultations with stakeholders throughout every process.

Our Government commits to the establishment of effective public and legislative oversight of the collecting and spending of revenues generated by resource extraction, production and export. Public discussion on policy options is seen as being very critical for our Government at this time to ensure that resource revenues are used to foster broad-based and sustainable economic growth.

2.00 p.m.

Only recently, Mr. President, new economic figures according to the Governor of the Central Bank, dated April 15, 2010, show a somewhat different economic picture of what the former administration tried to get us to believe was the picture all along. So in April or May of this year the Governor of the Central Bank, in his summary of economic developments, had indicated, headline inflation, core inflation—which has increased—food inflation up until 2010,

increased by 6.3 per cent; producer prices rose by 6.3 per cent; crude oil production fell by December '09 by 6.5 per cent; commercial bank credits to private sector declined by 4.8 per cent; commercial bank credit to businesses contracted by an amazing 8.6 per cent; retail sales fell by 9.9 per cent as of December '09 and employment and agriculture fell 4.7 per cent, in the service industry 4.2 per cent and in construction 3.4 per cent.

This report went on, a very telling look at the economic indicators: food index of retail prices increased overall by 6.3 per cent; vegetables 9.4 per cent; fruits increased 40.7 per cent; transport, 9.5 per cent, so we have figures here and it went on in more detail. Detailed economic figures that told of a more realistic economy than the ones that we have been touted in the past, especially when it came to justifying summits, projects, buildings, quarrying facilities in the region and airports in the region. So we have a number of areas that were touted as strong economic indicators but in fact we are hearing now that the economy is not in that particular state.

What we see emerging is a pitiful tale of the PNM's inability for so many years at the helm of government failing to secure a decent and reasonable standard of living for a significant number of persons in Trinidad and Tobago. The state of our economy is clearly a series of unfortunate events, to coin a term from a movie. The state of our economy is not an overnight occurrence, neither is it a chance position. The report of the Central Bank at this time comes at the heels of one of our great exposés of our time; the Uff Commission.

We have to thank the Leader of the Opposition for his words that fateful day in the Parliament—they say the rest is history—thus came the disclosure of shocking and overwhelming information as far as the economic policies and practices were allowed under the former Prime Minister and his Cabinet. Before the Uff Commission, transparency seemed to have been a word that was foreign and labelled only onto textbooks. As the commission journeyed through its investigation the country only gained a fuller appreciation of the state of affairs as stories unfolded. State enterprise after state enterprise, we were told, was established and bypassed public scrutiny. Formal oversight institutions were robbed of the power to scrutinize and provide budget oversight.

The state of the economy was skewed because of the lack of oversight that these agencies provided and enjoyed. For too many years public officials seemingly operated in what has turned out to be a climate of secrecy which seems to have allowed corruption to flourish and public funds to be unchecked. At the Uff Commission stories of corruption, inefficiency in the utilization of public

funds and poor planning within public agencies became known to us as an amazed population. Speaker after speaker told of questionable documentation and tales of redirected resources. So as not to go into a lengthy discussion at all on what is certainly before a lot of investigation, allow me please to simply state one line from the report the commission simply directed, and I quote:

“UDeCott must recognise that a public perception of secrecy and arrogance has been engendered by its actions, which is wholly inappropriate for a body performing a public function on behalf of the Government of Trinidad and Tobago. UDeCott should take and be seen to take remedial action by cultivating a policy of openness aimed at building public confidence in the maintenance of proper standards of integrity and transparency.”

So our current stocktaking of this economy and our economic health at this time must come to terms with a lot of what has taken place in what I refer to as a feeding frenzy; a feeding frenzy of this unique band of businessmen. The state of our economy is not static or fixed. While the problems handed to us are many, they are numerous; in fact, broad are the shoulders of the partners in Government.

The Minister of Planning, Economic and Social Restructuring and Gender Affairs, Sen. The Hon. Mary King spoke of the commitment of this Government to create a knowledge-based economy aimed at maximizing natural advantages in our renewable resource base. The Minister gave the assurance that this Government will strategically manage the restructuring of our economy. This partnership, dynamic in its own dispensation, remains committed to the long-term goals and the transformation of Trinidad and Tobago through a strategy of sustainable development. This Government is committed to participatory democracy and the establishment of an independent economic board to consult with civil and advisory councils and to make recommendations for the equitable distribution of state resources. This Government stands committed to the re-establishment of the Project Evaluation Unit of the Ministry of Energy and Energy Affairs to ensure cost-benefit analyses are done for all projects under its purview.

In keeping with the recognition of social indicators as intricately linked to the economic assessment of our country, this Government has placed an emphasis on improving the basic human conditions and increasing resources to better address the needs of citizens throughout the length and breadth of this country. It is not recognized in this effort: UNC, COP, PNM and TOP. It recognizes all citizens of this country, and pillar five of our manifesto speaks of the institutional framework that

is needed to establish greater sustainability, human capacity and the creation of linkages among all sectors to provide a greater resilience in our economy. We fully recognize the basic right of adequate health care in creating a healthy population.

For too long, Mr. President, while in Opposition we clamoured for basic health care: beds, medicine, staff, doctors. We understand only too well what it is to have persons lie on hospital floors waiting to see a doctor; we understand only too well poverty and rural neglect. We know what it is to live for months, even years without electricity or water, simply because we did not support the party in power. We understand only too well why our children had to pass through mud and gravel tracks, because the previous government did not see it fit for all communities to have decent roads. We have not forgotten, but rest assured we will not do the same. We will do better; we will be different; our commitment is for a new political accountability that respects the rights of all citizens.

We have at our helm committed leaders who fully understand nation building and sustainable development. We have Ministers who have walked the talk and who know firsthand the injustices of economic persecution and social marginalization. We believe in equity and justice in the right of every citizen to benefit from the wealth of this land and its resources. The wealth of this nation must firstly and foremost be recognized as the human resource, making the best use of the natural resources of land and sea, engendering a sustainable environment with respect to optimum use of technology and maximizing the returns to all people of our country.

We respect the environment and the need to protect our natural resources against unhealthy exploitation. I look forward to serving the people of this nation to the best of my ability, with a strong, committed and dynamic Government at the helm.

In closing, I would like to echo the words of Peter O'Connor, in the *Sunday Newsday* on the Commentary, Sunday July 11, 2010, and according to Mr. O'Connor, he says:

“...too many other ministers have discovered problems and issues left for them which require cleaning up before they can devote themselves to moving forward. In short, the mess left behind by the PNM is far more septic and toxic than even their most dedicated critics could have imagined.”

With these words, Mr. President, I thank you.

ARRANGEMENT OF BUSINESS

Mr. President: Hon. Senators, the hon. Minister of Food Production, Land and Marine Affairs was authorized by the Cabinet to make a statement at today's sitting. Unfortunately, due to an oversight this has only now been communicated to me.

I therefore seek the leave of the Senate to return to the agenda item No. 11, Statements by Ministers or Parliamentary Secretaries. Is it the wish of the Senate?

Agreed to.

STATEMENT BY MINISTER**Distribution of Flood Relief Cheques**

The Minister of Food Production, Land and Marine Affairs (Sen. The Hon. Vasant Bharath): Thank you, Mr. President. I am pleased to be here this afternoon to address this honourable Senate on the status of the distribution of flood relief cheques to farmers who were affected by recent floods. These floods occurred towards the end of May 2010, just when I and the Government assumed office.

Usually two or three major flooding events are experienced every year between the months of July and November; with sporadic flooding taking place at other times. However, this year, 2010 was somewhat unique in that a number of factors conspired to create the severe flooding that was experienced.

As a reminder, the rainy season started early, not in June as we are accustomed to, but in May 2010. This, as you would remember, after 60 continuous days without any rainfall whatsoever and countless numbers of bush and forest fires.

Mr. President, when I took office on May 28, 2010, I promised on behalf of the newly elected Government, compensation for farmers affected by the floods to be handled on a timely basis, but in any event, within one month. On July 05, 2010 this Government delivered on that promise and distributed flood relief cheques to a cross section of farmers at a symbolic distribution ceremony in Chaguanas. The farmers present on July 05, 2010 represented a cross section of those affected by the floods and were from the areas of Barrackpore, Caparo, Chaguanas, Cunupia, Felicity, Mayaro, Moruga, San Fernando, Tabaquite and Williamsville.

They were in receipt of cheques totalling just over \$300,000. But this represented only a mere fraction of the total cheques being processed for farmers

Statement by Minister

Tuesday, July 13, 2010

whose claims were investigated and/or authenticated. In fact, the total value amounted to over \$13 million. [*Desk thumping*]

This \$13 million figure represents approximately 1,841 flood relief claims submitted to the ministry's various county offices during the period May 24 to 28, 2010. I would like to reiterate and state that, as promised, these cheques were ready within one month of the flooding event. [*Desk thumping*] Amongst the crops affected were: cucumbers, sweet peppers, melongene, cabbage, ochro, patchoi, lettuce, seim, watermelon, pumpkin, hot peppers, pimentos, pawpaw, pigeon peas; and root crops such as: cassava, sweet potatoes, eddoes, dasheen, plantain, corn and rice. All these crops that should have found their way on our tables and on our plates, could have contributed to the reduction in our imports food bill.

2.15 p.m.

Once the flood claims were received from farmers and flood waters subsided, the Ministry's agriculture extension officers worked assiduously to evaluate these claims in the field and submit the requisite documents for urgent processing of legitimate claims. Only a few claims did not qualify on the basis that there was no evidence of crops, or crops residue seen after the flood waters subsided, or in fact, there was no evidence of crop damage seen after the flood waters subsided.

Mr. President, this Ministry's mandate is to provide sustainable and affordable food to our nation. As a result, we have adopted a multi-dimensional approach to assisting our farmers in their efforts to produce food on a sustained basis. One element is to provide timely financial relief for farmers who were affected by flood waters, so as to greatly ease the burdens of their financial commitments and to allow them to recover quickly. Another element is the collaboration with the Ministries of Works and Transport and Local Government, to work together to clear watercourses to prevent flooding from occurring in the first instance.

Mr. President, as mentioned before, it is obvious that the processing of claims is a very tedious process. Therefore, we at the Ministry are moving towards the implementation of a system where the determination and authentication of flood relief claims can be less complicated and more expedient.

Along with providing the enabling environment, the Ministry plans to initiate a drive to have all producers of primary products registered with the Ministry and thus captured on a database. Thus in the event of flooding, the Ministry would have already known what farmer is producing which product, and hence authentication of claims should be an easier process. I have also committed to

Statement by Minister
[SEN. THE HON. V. BHARATH]

Tuesday, July 13, 2010

looking at the issue of compensation for livestock farmers, and hence livestock farmers would also be required to register their animals. Apart from assisting in the determination of germane information, this database would enable the ministry officials, and indeed all farmers to know what is being produced at any given point in time.

Mr. President, this will assist farmers, particularly in their decision-making process as to what to produce and when to produce it, and ultimately will lead to a levelling of the variabilities of production, supply and price fluctuations. The present flood relief payments were made based on 1996 payment schedules but, in due course, this is being reviewed and revised in the context of the introduction of a crop insurance scheme. This scheme will take into account, current cost of inputs and current cost of production.

In conclusion, by implementing the approach earlier stated, we anticipate that there will be a reduction in the incidence of flooding, a reduction in the number of flood relief claims, and an increase in production levels.

Mr. President, I wish through this honourable House to publicly commend the farmers for their tireless and sterling dedication to the agriculture sector, and also to extend my support and my congratulations to Ministry officials for their unstinting support in this exercise. I commit to the citizens of Trinidad and Tobago, my Ministry's dedication to providing an enabling environment towards creating a food secure nation for us all.

I thank you. [*Desk thumping*]

STATE OF THE ECONOMY

Sen. Fitzgerald Hinds: Thank you very kindly, Mr. President, for recognizing me to make this short intervention in this very important debate.

Mr. President, when the hon. Minister piloted and introduced this Motion some time recently, the Independent Senator, Subhas Ramkhelawan, having listened to two contributions to the debate, opined that it was in his view anaemic. He promised that he would inject some lifeblood into the debate, and to some extent he did so. To my mind, it was akin to obtaining a bottle of Ferglobin and administering a spoonful thereof. I consider that a transfusion might be necessary and I propose to do just that. A view was expressed by my colleague, Sen. Henry, that he could not understand the reason or the purpose behind the Motion as proposed by the hon. Minister. Writers in the daily newspapers also expressed the view that they could not understand where the hon. Minister—and, by extension,

the Government—was coming from. I think that I understood quite well. The purpose was twofold in my view. On the one hand, it was to demonstrate to those who would listen to us, the citizens of Trinidad and Tobago and the world, that the economy of Trinidad and Tobago was in an abject mess. Things were very bad and, more importantly, that the last government was responsible for creating that mess.

Secondly, it was intended by the Government I suspect, with some more difficulty to attempt to perhaps create some wiggle room, some space, for perhaps easing back from some of their heavy commitments in the hurly-burly of the election campaign that brought them to Government. Since then, of course, I have seen some stronger commitments coming from elements of the Government, that that would not be so.

The hon. Independent Senator, in treating with the anaemia, made the point very, very forcefully, that we were akin to a man earning \$37,000 by way of his example and spending \$44,000, and I thought that was quite potent. It really would have brought home to all the citizens, the reality of the circumstances and the deficit spending that we have now approached.

Mr. President, the facts about the economy as highlighted by the hon. Minister, were as has been suggested by my colleague, very well known to the people of Trinidad and Tobago, and for a very long time. These facts, the statistics that she shared with us were very well known. Everyone in the country understood that there was a fall in demand for national gas and prices had fallen, therefore, our revenue had reduced substantially from any rate from 2008/2009. Everyone knew full well that we depended for the distribution of our manufactured goods to a large extent on the Caricom market—our neighbours—and that their economies were experiencing some difficulties and, therefore, these markets had gone flat for us as well.

Everybody understood a long time ago that the concept of confidence, important as it is in the business of economics, had fallen away and that there was low spending. Locally, people were holding on to their moneys and the local investors had held back and were unwilling to invest more in the climate that we are faced with. No private sector investment almost, and people were not borrowing money to purchase goods and services. The real estate market in particular slowed down, consumptions slowed down, and I have direct evidence of this.

Recently, the PNM held a convention in Chaguaramas and I might tell you, Mr. President, and our friends would have observed, we did not put a single advertisement in a single newspaper, we did not do it on the television, and yet we

State of the Economy
[SEN. HINDS]

Tuesday, July 13, 2010

were packed to capacity and overflowing. There were no buses outside the Convention Centre. The people made their way there on their own terms, and we had a very successful convention. Just a small political example of the fact that consumption spending had slowed a bit, but one can still enjoy the benefits of the activity. Of course, having said that—and I am hearing my friend, the hon. Senator, raising some matters aside—there were some political underpinnings to the success of that convention as well. Just in passing, I will tell you quickly, it is because the people of Trinidad and Tobago already came to understand that they made a serious mistake on May 24, and they are determined to correct it. [*Desk thumping*]

Mr. President, we all knew that the very high tastes and expectations of the population of Trinidad and Tobago are not always easy to satisfy, and the Government understands full well the difficulties they face, and any attempt to interfere, to draw back, to claw back, on the manifestation of those tastes and expectations will cost them very dearly politically. They understand that.

So this debate was really to try to create with a kind of toxic atmosphere, and I am using the word that emanated from my friend, Sen. Lyndira Oudit. A while ago, she concluded her intervention by using the word "toxic". I cannot resist to say—this is not to be unkind to the hon. Senator—that she sounded a bit angry.

Sen. Panday: I know what you wanted to say.

Sen. F. Hinds: She sounded a bit marginally toxic herself. Mr. President, she made the point that our GDP per capita was very proudly at US \$14,000. That has been so for a very long time. I remember reading as far back as 1998. I was on a train in London reading from statistics and I saw US \$14,000 per capita—Trinidad and Tobago—as far back as then. Nothing particularly new, and I call upon the hon. Senator to explain very simply because I am not an economist. I am an attorney-at-law by profession. Many of us here are not economists. We are blessed to have many within our company. Hon. Senator, since we were trying to remove the thing from its state of anaemia and to put some blood into the thing, explain to me for the benefit of all who would listen, how did we arrive at the 69 per cent mortality rate? I think it was important, but she was simply either unwilling or wholly unable to explain.

So it appears as though she had downloaded and pulled these figures. She did not give a second thought to explaining to us how was this arrived at, because the average citizen would want to know. If Trinidad and Tobago's life expectancy is 69 per cent, less than that which the Almighty God prescribed to us as three score

and ten, we would want to know why. We would want to know what we could do about it, and we would want to know promptly after the big headlines of tomorrow. Having said that, one would have thought as well, that the hon. Senator would have told us a bit—[*Interruption*]

Sen. Oudit: Would you kindly give way to my elucidation since you referred to my contribution?

Sen. F. Hinds: But before I do, I gave you an opportunity to explain that to me earlier and you refused, but I should give you another opportunity; feel free.

Sen. Oudit: Thank you very much. The thing about it is, sometimes the quoting is wrong. So it is not 69 per cent.

Sen. F. Hinds: Sixty-nine years. I am sorry. Go ahead!

Sen. Oudit: Our life expectancy is the fourth lowest in Latin America and in the Caribbean. What it means is that we are expected to live only up until an average of 69 years, and this is done by benchmark figures. They look at your health indicators, they look at a number of factors and they give you this figure. The other countries in the region are expected to live an average of 79 to 80 years of age.

Sen. F. Hinds: I hope, Mr. President, that I will be accorded my injury time. Had I known that the hon. Senator would merely have repeated that which she had said earlier, I may not have been so generous.

2.30 p.m.

I still am at a loss to understand how. I understand what the statistic is offering very, very well; everybody does. What are the influences? How? What are the factors that bring us to 69 per cent? It is as simple as that. [*Interruption*] Sixty-nine years, I am sorry. That is what I was interested to know. I suspect she would have to go and download the information again and at some later stage she would tell us.

At any rate, the hon. Senator told us further, and I have heard this around before, that, I think it was 21 per cent, on this occasion, of our population survive on less than US \$1 per day. That is TT \$6.30. You really believe people in Trinidad and Tobago live on \$6.30 per day? You really believe that, particularly when—the hon. Senator told us that the statistics, GDP and inflation and foreign reserves and the amounts we hold in our Heritage and Stabilisation Fund, these

State of the Economy
[SEN. HINDS]

Tuesday, July 13, 2010

are merely statistics but they do not paint the real picture of what is happening on the ground. I am now asking the hon. Senator: Does she really believe that there are persons in Trinidad and Tobago who genuinely live on \$6.00 per day? The hon. Senator—[*Sen. Oudit stands*] I am on my legs, if you would be kind enough. [*Interruption*]

Sen. Oudit: You asked me a question.

Sen. F. Hinds: Mr. President.

[*Sen. Oudit remains standing while Sen. Hinds is on his legs*]

Sen. Ramkhelawan: On a point of clarification, I recall reading that particular report and the figure of 21 per cent poverty level, which was used to determine what the poverty level was, TT \$630, so that we do not confuse the Senate all over. I think it is useful to clarify that. I do not want to add to the debate, but just to clarify.

Sen. F. Hinds: I am most grateful. Having heard some facts and some wisdom, I would now give you way as well, if you want to.

Sen. Oudit: It is a question of day, per day, US, per month or accordingly. The figures are simply multiplied by your monthly or daily accordingly. It does not matter. The point I was going to raise is that it seems to be very easy for you to accept the GDP per capita of US \$14,000 from your same train ride since then, as you said, but you found it difficult to accept another figure or statistic of US \$6 or US \$1 or whatever the figures are. You have to be a little more discerning or discriminating in how you accept statistics.

Sen. F. Hinds: I would like to continue undisturbed, if possible. The business of confidence in the economic analysis, I have been told, not being an economist myself, is very, very important. It is the element that largely determines peoples' behaviour, in terms of what they would invest or not invest, purchase or not purchase and these issues have direct impact on the state of the economy. I think the hon. Senator or others, I heard the hon. Senator, listed some very gloomy figures, attempting to paint a picture of gloom about the state of the economy of Trinidad and Tobago, perhaps, not understanding that very conduct affects the confidence of those who are in the economy listening. It also affects her credibility, now that it is not true, because while she is here saying those things, her Leader, her Prime Minister, having had a wonderful time in Jamaica, having taken off her water shoes where she walked around a few places after the— [*Interruption*]

Sen. Panday: “Doh” go there. What do you call them?

Hon. Senator: Wellington boots.

Sen. F. Hinds: She put on her dancing shoes in Jamaica.

Sen. Panday: Do not go there.

Sen. F. Hinds: Hand in the air, she had herself a wonderful time. Some of us admired it, others not, but she had herself a wonderful time and she in a more—I have to choose my words carefully.

Hon. Senator: Please.

Sen. F. Hinds: Yes, indeed. I was tempted to use a word beginning with “s”, yes I can. She in a more stable moment—[*Interruption*]

Sen. Panday: Do not go there.

Sen. F. Hinds:—having left the beautiful isle of Jamaica, went on to Fort Lauderdale, a place where she frequents—I am fully aware, my friend—addressed a number of businessmen, I am informed at a fund raiser, which was quite successful, because they had confidence. They all paid US \$250 and they appeared—it was sold out, I am told. It was very, very good. Of course, that does not benefit the country necessarily, but the campaign of the other side, but that is quite okay. We understand. This is what she had to say to these businessmen. Permit me to quote. I am quoting now from the *Newsday* of Tuesday, July 13, 2010, at page 3. Among other things:

“She”—meaning the hon. Prime Minister—“identified a projection of positive economic growth by year’s end; local non-energy projects amounting to \$ 1 billion which are expected to be completed in one month’s time...”

Let me say in passing that I notice that the Minister of Food Production, Land and Marine Affairs claimed that they processed 1,000 farmers’ claims in one month. That is probably at a rate of 30 or so per day; extremely good going. Anyway, the report continues:

“...existing and soon-to-be concluded trade arrangements with the United States and Canada as some of the reasons why now was the right time for them to do business in this country.

‘Today, I bring that conviction to you along with the message that TT is ready for your business; your business. As an investment option, TT is unparalleled in the Caribbean,’ Persad-Bissessar declared.”

State of the Economy
[SEN. HINDS]

Tuesday, July 13, 2010

She went on to say:

“Underscoring Government’s commitment to economic diversification, Persad-Bissessar said that the 1,100 acre Tamana Intech Park in Wallerfield, ‘offers significant investment potential in the information and communication technology (ICT) sector.’ She added phase one of the park is ‘scheduled for a soft opening later this year.’

She added a strong, stable democracy; skilled workforce; vibrant financial system; duty exemption; tax free holidays; being a one-stop approval office; being a central transshipment centre in the Western Hemisphere; real GDP growth of eight per cent over the last decade, ‘all combine to make TT the destination of choice for the discerning investor.’”

While my friend, the hon. Senator attempted, for the purposes of local politics, to paint a gloomy picture, create a mess and ascribe the mess to the People’s National Movement or the last PNM administration, her Prime Minister is out there saying something very, very differently. That is what we have come to understand from our friends on the other side. Some of us know them very well; very, very well.

Mr. President, I have heard, and I think it came from the mover of the Motion, the hon. Minister of Planning, Economic and Social Restructuring and Gender Affairs, the Minister told us—you know I was quite surprised hearing that coming from the hon. Minister, given the office that she holds and the attachment that people would put to statements coming from a Minister of Government, particularly one who served on the Independent Bench and more so one who is an economist by profession. She very glibly joined many unwary and unwitting people to say, “\$300 million over the last seven or eight years and nothing to show for it”. I do not think she added those words, but that is what is said on the outside; nothing to show for it. [*Interruption*] I know you did not add those words, but that is what is being said on the outside: “\$300 million the PNM spent and nothing to show for it”.

Sen. Ramlogan: Billion.

Sen. F. Hinds: Mr. President, I want to reflect on the Appropriation Bill:

“An Act to provide for the service of Trinidad and Tobago for the financial year ended September 30, 2007.”

I am just going back a little. This came to be known as Act No. 27 of 2006. In this we find a Schedule which shows the different departments, heads or ministries

and the allocations for them. While I prepare myself for that, some of the things that were done with the \$300 billion are intangible things; things you would not see, such as the buildings I just heard some of my friends talk about.

Take for example the Ministry of National Security, some of the expenditure would have been on tangibles and others not, salaries, emoluments, allowances and lots of things. I was told by one who should know. If it is correct, this county should know that too and if it is not someone should stand and say so. I am told, I am not an economist and this is not my business, that close to 60 or 61 per cent of the allocation for ministries is spent on salaries and emoluments. I was told that recently by a retired Permanent Secretary. It was a startling revelation to me. When we see, for example as I am quoting her, \$2.9 billion allocated to the Ministry of National Security in 2007, a large part of that is spent on salaries and emoluments, but the figure was \$2.9 billion. That was part of the \$300 billion that my friends are glibly talking about. The sum of \$3.375 billion was on education for that fiscal year and the sum of \$2.837 billion in the Ministry of Health. I am just saying this for the benefit of those outside of this Senate, who may not understand this and who may cleave to that very glib and misleading suggestion that somebody spent \$300 billion and there is nothing to show for it.

This Parliament, this very august Chamber, important an institution as it is in this democracy, in that fiscal year accounted for \$15 million. Everyone in here, for the short time that some of us have been—I had the good fortune to be here for close to 13 years before this opportunity/outing. Everyone would know that it is reflected in the very professional service that we gain from the Parliament staff. I am sure by now you would have discovered how professional and forthright the staff of the Parliament is. I have never made a call on the Parliament or sought the service of this Parliament over those 13 years and not had professional and prompt response. I think we need to congratulate them. Part of the \$300 billion that we squandered and did nothing, provided those services. The sum of \$1.9 billion was spent on the Ministry of Works and Transport, and the list goes on.

2.45 p.m.

So I hope that, at any rate, Mr. President, from this Chamber, not one of our colleagues on either side would ever be heard to say that again, because it has effect on the minds of people out there. It does. And when I heard the honourable Senators a while ago, going through these gloomy statistics—

Sen. Panday: Not only the mind, Calder Hart.

Sen. F. Hinds: Mr. President, could you remind my friend that we are in another place?

When I heard the hon. Senator describing at great pains these gloomy statistics contrary to the position taken by her Prime Minister in Miami a few days ago, I simply, painfully, remembered hearing some of my friends listing the gory details of murder after murder that transpired in this society, trying to suggest, trying to imply that somebody on the other side was responsible for it.

We would hardly do that, except to tell them, as I would now, that by now they would have discovered that the business of governing this country is far removed from shouting these platitudes and giving misleading impressions on a daily basis. [*Desk thumping*] The reality has set in, because my friend, the Minister of National Security is now grappling with a situation where we have had almost 70 unlawful killings. Not a nice picture; that is just the reality, and now they would discover that this is not a PNM thing or a UNC thing or an NJAC thing. I do not know if NJAC still is involved in that, but there is the business of governance.

So part of the \$300 billion was spent on the GATE programme. I went to a political meeting last evening, just to tell you en passant, in the Arima town, and I noticed, as the PNM presented its candidates and they read some biographic data on each of them, I was amazed, most of, I would say 90 per cent of those candidates presented last night, had already had the benefit of tertiary level education, and those who did not, were in pursuit of certification. [*Desk thumping*] And do you know something, Mr. President? I am—well, not afraid—I am pleased to think in anticipation, that it seems from the rate we are going with this GATE programme—with the GATE programme, it seems that at the rate we are going, in another 15 or 20 years you would hardly meet a citizen of Trinidad and Tobago and upon introduction would not learn that that person is university trained or qualified. [*Desk thumping*] Part of the \$300 billion spent on that!

Sen. Ramlogan: What about UDeCott?

Sen. F. Hinds: I just heard the not so smooth tone of the hon. Attorney General. It seems as though his handlers are still not making a success of him. I think I might have to expose him to his Minister of Health; she has some words that she would tell him, although she may apologize after using them. What are those words?

Sen. Baptiste-Cornelis: Actually, I will save it for you later.

Sen. F. Hinds: All right. Mr. President, the CDAP, all these are programmes that required—I quoted for you a while ago the 2007 allocation and I could quote the 2009 allocation for the Ministry of Health. There are citizens, old people—and I am taking the guidance of Sen. Ramkhelawan who wanted us to remove the thing from its anaemic condition and give it more—it is a transfusion we are doing here, you know. There are old people, citizens, suffering from all kinds of ailments across this country who benefit from that programme. Part of the \$300 billion spent on that! And I do not have to re-enforce the statistics that my colleague, Dr. Lester Henry, shared with us in terms of our Heritage and Stabilisation Fund accumulation in terms of our foreign reserves.

I think I can truthfully and with a straight face say, notwithstanding the rigours of the international meltdown and crisis that face this world, Trinidad and Tobago and its economy fared and did very, very well; [*Desk thumping*] very, very well.

There is a capital right here in the region—and we take a lot of things for granted, and this is one of the points I want to make to my friends on the other side; we take a lot of good things for granted. There is a capital right here in the Caribbean—in fact, several of them—where life for the citizens of those countries are very far removed from the good life that we enjoy here for Trinidad. Part of the 60 per cent of the allocations that go in salaries and emoluments, they go to people's private bank accounts and credit unions; into people's pockets. So when we have an expenditure of \$40 billion or \$44 billion, a large chunk of that finds itself in people's bank accounts; in people's pockets and that is what is reflected in the improvements to their homes that you see. Anywhere you go across Trinidad and Tobago you see little, ordinary people improving their living circumstances; adding on a room; changing the roof from the wood roof to a steel roof so that the termites would not trouble them again. That would have come as a consequence of their income, if they are public servants; their holidays abroad, and while their children will be GATE-assisted, they still have to pay for the children's living accommodation and sustenance; a large part of the \$300 billion spent on that—large part of it.

So things are not as bad. I am not saying that we do not have some levels of poverty here, but I am confident—and now that the Senator stands corrected that nobody—because I always considered from the time you get up in the morning—and this is what I say to young people across the country when I encounter them: from the time you get up in the morning and you switch on the light and you consume a portion of electricity, there is a cost; and you use a bit of toothpaste,

State of the Economy
[SEN. HINDS]

Tuesday, July 13, 2010

there is a cost. You have a shower; you use soap; you use your toiletries and so on, before you leave home you would have spent close to \$20/\$25—before leaving home. And when you add breakfast to that, this is probably another \$12/\$15, if you have a humble breakfast like I do, not like my friends on the other side. [*Laughter*]

So when I hear the figure \$6 today—they find this facetious. I know. Mr. President, it is a serious thing. But they are here in an attempt to paint a gloomy picture and to give the people the impression—and, you know, when I studied closely the comments of the Prime Minister in Miami, she was not even gracious enough to mention, even under breath, that someone else was responsible for the greatness of which she spoke. [*Desk thumping*]

I had the pleasure of reading every single budget presentation. An elderly gentleman by the name of Mr. Fournellier made it available to me when I became a parliamentarian in 1995. I had the opportunity then to study, to read, every single—he had it in a bound version—budget presentation from 1962 right up to, I think it was 1984, and I was, in so reading, able to see the growth and the development of Trinidad and Tobago over those years. I saw an allocation for \$30,000 to do work on the Lady Young Road. Imagine that, Mr. President. And as I read it and absorbed the contents, I immediately realized that I had to humble myself and give thanks to those who had gone before; those who worked hard and built this country. [*Desk thumping*]

So to hear someone—and I am not ascribing that to any of my friends in here—but to hear some Johnny-come-lately person who does not understand the thing too well, just glibly say that nobody did anything and 30/40 years the Government of the PNM did nothing, that is wholesale—well, that ought to be rejected and I reject it. I want to put them on notice, anytime, as long as I sit here, I hear any inaccuracies of that nature, I will demand an explanation and if they are found wanting, like my friend, Sen. Oudit, matter for them.

While we do have some level of poverty in Trinidad and Tobago, as I was saying, Trinidad and Tobago has done particularly well. I am proud of those who manage this economy and I am not just talking about the politicians; I am speaking about the technocrats in the Central Bank and the technocrats in the Ministry of Finance, because the sobriety began to come home to them after their heady comments in the campaign. The first meeting they had with the technocrats at the Ministry of Finance sobered them up a bit and they came to understand.

Sen. Abdulah: How bad things are.

Sen. F. Hinds: Say again?

Sen. Abdulah: How bad things are.

Sen. F. Hinds: You hear my red friend?

Sen. Ramgolan: Too much advertising in the election campaign—state funds.

Sen. F. Hinds: I will not be distracted; I refuse to be. More important matters are to be discussed; more truths are to be revealed.

So that the stark realities that face the Government and the trouble they have is that they have now to manage this thing. The PNM administration took it to a certain point. Today we have some savings in the Heritage and Stabilisation Fund; we have 12.2 months of import cover. Unemployment is, I think, about 5.2 per cent; excellent going. What they will tell you, though, when we talk about unemployment, when we get some pride from the fact that America is dealing with double digit unemployment and we boast of 5.2 per cent here in little Trinidad and Tobago, they will tell you that that includes OJT and that includes URP and that includes CEPEP. Yes, it does; it does. All I would say to that, it was the government's creative way of creating opportunities for those who needed it even in circumstances such as those that we went through. [*Desk thumping*] Creativity! And if they want, they could stop it. If they want, they could go right ahead and stop it, but they would not do that.

In fact, the Minister of Labour and Small and Micro Enterprise Development was at pains to tell us in a rather red and ebullient tone that nobody would bully him and tell him how quick to increase their salary and how quick to increase their minimum wage. Now they realize, according to my grandmother, you have to drink your porridge—do not drink it hot, you have to drink it cool; you have to sip it, because the realities of governance have set in.

Sen. Panday: We shall rise.

Sen. F. Hinds: With your hand in the air and your dancing shoes and be the life of the party.

So that the Government is faced with some very stark realities. The hon. Minister, as she proposed this Motion, told us that the debt was 50 per cent, and any unwary soul hearing that will think: Debt? Fifty per cent? Oh God! Murder! Police! But do you know something? What is the truth; what is the reality? Fifty per cent for a developing country is a very fantastic statistic. There are those who

State of the Economy
[SEN. HINDS]

Tuesday, July 13, 2010

run it at 90 per cent; 118 per cent. We manage to keep our debt at 50 per cent and I think the Government and those who managed the economy up to this time should be applauded. [*Desk thumping*]

Now they are faced with the reality that they may have—and I heard the hon. Minister of Planning, Economic and Social Restructuring and Gender Affairs, hinting to the media and to all of us that they may have to borrow in the short term to continue to deal with the deficit. Not strange, except, of course, we must note that the deficit in the last fiscal and the one before were planned deficits after a sustained period of surpluses. Well managed! And I am not an economist and I understand that; but alarm over 50 per cent. So now, like in so many other things, they have to find, as I said at the top of my contribution, some wiggle room. So many things they have to find wiggle room on; so many things.

3.00 p.m.

There are so many things they have to find wiggle room for and I would just highlight one, just in case you are not aware of it, Mr. President. They have to face the reality of borrowing or to reduce expenditure. Then the question arises: What expenditure do you cut back? I said earlier that we were now in a place of very high taste and expectation in Trinidad and Tobago people. People are accustomed to three cars in their garages; “daughter have one, wife have one and husband have one too”; that is the reality out there.

I went on a walkabout yesterday to the district known as "La Horquetta", a successful housing development. Someone brought to my attention that it was the largest housing development anywhere in the Caribbean. It started off with phase one, then phase two, phase three, phase four, phase five, phase six, phase seven, phase eight and phase nine housing. One woman, in my conversation with her yesterday, complained that she paid a monthly mortgage of \$570 something. She was complaining because some of her colleagues in the neighbourhood were paying \$280, subsidized and low cost government housing for thousands of people out there, and yet you would hear some people say, "Dey never do nothing." That is only one. Mr. President, 10,000 houses the last administration left for distribution.

All I heard from the Minister of Housing was that they intended to further subsidize it. I want to know how he is achieving that, when you consider the restrictions they face, because a large part of government expenditure is on subsidies and transfers. How are they dealing with it? These are the strictures they must now confront.

The other alternative, of course, is to increase taxes, something they frowned upon when we were talking about a property tax. All tax impositions are unpopular; nobody wants to pay tax anywhere in the world, that is a fact, so the hostility to it is easy to understand. But we have them and we must have them, because it is by taxation that the Government raises revenue to spend on all the things I highlighted that the Government spends on, whether it is CDAP, whether it is housing or national security. I want to know where they would be cutting back now. I am sure they cannot tell the Minister of National Security that they want to cut his allocation. The Ministry of National Security and the Ministry of Education for the last five or six years in this country have received the largest allocations of the national budget. [*Desk thumping*]

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. [*Hon. S. Panday*]

Question put and agreed to.

Sen. F. Hinds: I am most grateful to my friend; it is very unique. It would have been 30 minutes in the other place; he must be very happy that it is only 15 here, but what is good for me is good for him too.

Mr. President, as I wind to a swift conclusion, there is no doubt that the world and our economy are in recession, though we saw .8 per cent growth in the last quarter of last year. When we thought that things were getting better, at least the economists told me that there was a bit of a 12-month or 15-month lag behind the US, for example, and the United Kingdom, I kept an eye on those two economies. I was hoping that as their circumstances got better, we in a time lag situation would also get better; but now we are hearing the language of double dip, meaning, that having dipped and having shown some signs of improvement, it is likely to dip again. Do you know what? The citizens of Trinidad and Tobago so far have not felt the brunt and the forceful impact of that recession afflicting the world. Somebody is responsible for that. [*Desk thumping*]

Mr. President, as you would have seen, and I also had the opportunity recently to see, there are entire districts in the United States with "for sale" signs on every house for blocks. The thing is serious there; this recession issue is very serious there. People who were unable to meet their financial commitments to their lenders, mortgages, off they went; they abandoned their houses. A friend of mine purchased one for US \$85,000. I visited him a few months ago and he told me that

State of the Economy
[SEN. HINDS]

Tuesday, July 13, 2010

he was only able to get \$40,000 for it. Things are very bad; unemployment is devastating and in a world where money is king, in a world where materialism reigns, unemployment is just not simply about not getting income, it almost emasculates you. It is a serious thing, but we have been preserved from that.

To the extent that we have extremely poor people in Trinidad and Tobago, let me say two things: One, there are very poor people in the United States and England. Living on a student budget in England, I read many times and saw on the television people in England unable to pay their heating bill during the winter months. They would leave their homes and spend the day in a public library in order to keep warm. We have not gotten to that in Trinidad and Tobago just yet. There are very poor people in rich UK and in rich United States. On the other hand, in poor Haiti there are very rich people.

The other thing on this question, as I conclude, we must count our blessings. We must thank God for the goodness that has beset us. I expected to hear from the Minister of Planning, Economic and Social Restructuring and Gender Affairs—my marginally toxic friend—some words on the question of productivity, because part of the problem, notwithstanding all the moneys allocated for salaries and emoluments, and we know that everybody is interested in their wages and how much they earn in Trinidad and Tobago, I submit with courage, is that Trinidad and Tobago as an economy has never fired on all cylinders since independence. I do not think we have ever been as productive as we could or should have been. I would have expected the economist Minister to tell me something about how she intends to increase productivity to power the engine room, the many of us who comprise the work force. Not a word about that.

She criticized the eTecK Park, while her Prime Minister speaks glowingly about it; not a word about diversification really and these were the things that would have made her contribution less anaemic. Left up to them, the baby would die, but thank God it is not entirely a matter for them and, as such, I conclude my contribution by saying that it was a pleasure to have an opportunity to speak in this honourable Senate for the first time. I look forward to making further contributions on these and other matters in the future.

Mr. President, I thank you.

Sen. Helen Drayton: Mr. President, let me open on a very positive note and commend the Government for moving very expeditiously in setting up its ministries and also setting a very positive tone with respect to the role each individual must play in keeping a clean environment; for the immediate relief that

it has brought to farmers and other citizens affected by the flooding and, of course, for articulating so well its intent to honour its pledges under the various pillars of its manifesto.

Let me just clarify one thing with respect to the poverty rate; it is TT \$630 per month. The poverty rate of over 21 per cent is based on a 2006 statistic and very recently I read that the poverty rate was more in the range of 16.7 per cent. A 21 per cent and a 40 per cent within a certain band that was referred to, would not correlate with other statistics—national insurance as well as the unemployment rate.

There is much opportunity to build upon our achievements. The many challenges we face, and there are many challenges that can be turned into many opportunities. With innovation they can blossom, not only where the grass is green or greener, but where there is drought, where there is a desert, depending on how skilfully you irrigate it. How we move forward with discipline, with a sense of purpose, and I want to emphasise the word "civility", is what would help us reach greater heights. So congratulations on all your achievements thus far.

The economy is certainly a very interesting topic and I am happy that the Government has brought its perspective on the state of the economy at this time. I certainly will not be focusing on all the statistics. I want to speak first about a robust plan aimed at bringing about management of the fiscal deficit within a couple of years; some issues pertaining to the private sector; the need to manage social subsidies and wage demands in a time of declining gross domestic product (GDP); increased delinquencies which have reached from 1.1 per cent, I think it was a couple years ago, to 4 per cent—that 4 per cent, was at the end of 2009—and also the possible rise in unemployment. I also want to make reference to Clico and a few observations on events in the public domain, specifically in the context of good governance.

The Government on the hustings promised to do things differently. In just over six weeks, there are a number of red flags which run contrary to those pledges in the manifesto. Whilst it is always a custom to give new governments a pass, where these infractions go to the heart of their pledge to the citizens, then they need to be addressed.

3.15 p.m.

Now, every successive government as it comes to office would go through a period of euphoria, a period of ritual and a period of ceremony and, of course, in the passing, it would flog a bit its predecessor. Generally, as I said, you give them a little honeymoon.

State of the Economy
[SEN. DRAYTON]

Tuesday, July 13, 2010

We have come through two and a half years of much verbal turbulence and that climax in a very short and intense election campaign where more verbal bombs were dropped probably more than ever before and of course, now we are into a local government election one could expect more. However, since this Government, in particular, promised to do things differently and raise standards of performance, I really did not expect that it would dwell so much on the past. We have been saturated with the past. It was hoped, on my part, foolishly so, that there would be signs of a new dispensation and a shift from dysfunctional adversarial politics that we have become accustomed to. So that I can only judge you by the standards that you have set for yourself.

I was very disappointed that the Government did not grasp the opportunity to provide refreshing and inspiring contributions on the fact that when all is said and done, notwithstanding some very serious and worrisome challenges—I admit there are many challenges—that it did not recognize that there is still a solid foundation. I do not want to repeat too much of the statistics, but with a 47 or 50 per cent of GDP; with an unemployment rate of 6 per cent; with a very stable banking sector—the very mobilizers of your domestic financial resources—all the excellent work the Central Bank is doing to strengthen the framework on which these banks operate to protect them or mitigate emerging risk and the grid that it is strengthening with respect to insurance companies in terms of their capital adequacy ratio and their method of valuation, I would have thought that the Minister of Planning, Economic and Social Restructuring and Gender Affairs would have said something with respect to the major players in the market.

Now, we also have a very high investment grade rating. So, by and large, let me just sum up this introductory part, the baton has been passed. Whatever stumbles or whatever errors of the past runner, how we move in the future, and if the goals established by the Government are to be achieved, they rest solely with the new runner.

The contract that the citizens had with the last government has ended. We have only one contract, and that is the contract established with the People's Partnership and the citizens of Trinidad and Tobago on May, 24, 2010. Let me add that the substance of that contract is not the mandate or votes. The substance of that contract is the moral mandate, and this is why these red flags must be addressed.

Now, to use the words of your Prime Minister, my colleague, Sen. Ramkhelawan said anaemic and boring. I have to say that I would use the Prime Minister's words: "It was the same old, same old, same old." We got nothing more than what we have heard and read before.

I was very taken aback that Clico which has consumed a substantial portion of the taxpayers' purse was not mentioned in any way. Now, I know an evaluation is taking place but, you see, as I said, the baton has been passed, at least, for all those depositors and all those clients out there, some words of assurance from the new Government that it will not allow Clico to be a systemic risk and that it will not allow the country's international rating to be downgraded because of Clico. We could dwell on the past, but what counts is the future, because we have hired you to look after the future.

So, if more taxpayers' money must be used with respect to Clico, the time has come for the public to know exactly where the Government is going with Clico. I was surprised that no mention was made with respect to legislation for credit unions which is critical. We know that there was one disaster. I was also surprised that no mention was made of the returning of the Securities Bill to Parliament.

So, I think the Government will be wise to weigh the promises that were made on the election platform and align them with the realities of the economic situation. Now, I appreciate the fact that when commenting on the soundness of the economy—the matter of increasing debt with respect to ongoing projects must be reckoned with and, more so, when you take that together with the urgent matters where there will be need for capital expenditure in terms of health; in terms of water; and in terms of education.

So, in some instances, yes the Government would have very little option, and examples would be Tarouba and the Performing Arts Centre in San Fernando, probably than to continue. I think the Government will be well wise to weigh the pros and cons carefully with respect to the aluminium smelter where \$350 million has already been invested. Let me emphasize that I am not advocating anything about the aluminium smelter. All I am saying is that \$350 million has been invested.

I was a little taken aback when it was dismissed by the hon. Minister, but the Minister of Energy and Energy Affairs said that an evaluation is taking place. So, one would assume that such an evaluation is exactly what the Government was calling for when it was in Opposition. That is the cost benefit and, of course, the socio-environment impact study to determine whether, in fact, this is something that we should forget entirely. If that is the view of the Government, then I would expect that having invested \$350 million, it will be, at least, evaluating the options as to how it would recoup some of this \$350 million and what use the infrastructure could be put to.

Of course, I agree with the Minister that we cannot use our precious gas, but the major issues are health, environment and energy. There might be options in energy. The New York state purchases hydroelectric power from Quebec. We probably could purchase hydroelectric power from Guyana. I do not know. I do not know the logistics, but I am just throwing it out, but the burning issue will remain health and the environment. With modern technologies and all the research that is going on as we speak, there may be options.

We have been dealing with a far more explosive industry for over 100 years; oil and gas, and what has happened in the Gulf has brought home the catastrophe in the physical environment and human. This is why I said I am not advocating it. All I am saying is rather than dwell on the past, tell us how you intend to move forward in the context of the environment.

Now, with respect to Tamana Park, I must mention it, because here, again, it was dismissed by the Minister as—“nothing to encourage this kind of investment”; and when you switched on the television, the hon. Prime Minister was lauding the virtues of Tamana. Maybe what this Government needs to do at this juncture—I recommend it in all good heart—is that maybe it needs to go into a retreat; maybe it needs to put all the heads together and really and truly look at the issues; look at its philosophy and, more so, look at its communication and maybe even bring a constitutional lawyer on board so that it could move forward in a way that is not so incoherent to some of us.

Now, certainly, the Prime Minister understands that the way to encourage local and foreign investment, you have to put in a modern, commercial and industrial infrastructure which is Tamana Park. That is not all of it. In addition, you need the business architecture. So, yes you need the single window so that you can reduce set-up time. It is the route taken by Brazil; it is the route taken by China; it is the route taken by India and it is the route being taken by South Africa. So, why dismiss it? It is totally contradictory to what the Prime Minister had said. In fact, it is the type of grid upon which the first wave of entrepreneurs broke into the markets in the 1980s and 1990s.

There has been much talk about the private sector about reduced domestic activity; the lack of demand and much talk about the private sector and individuals not investing. Of course, I would take delight in responding to my colleague, Sen. Ramkhelawan, in a while with respect to banks. I think I have to say something in that regard. They have every reason to be cautious. If we had listened to the media reports with respect to the outcomes of the G8, the narrative centred on national debt; the narrative centred on cutting expenditure—the very

instrument of economic stimulus and, not only that, there is much talk in international circles with respect to double dipping of the recession. So, they have every right to be cautious and banks have every right to be cautious when they are looking at prospects.

So the interest rate on loans is a function of global, regional and local economies, and the rate on deposits is also a function on the very high liquidity in the market. If you are a vendor and there is a glut of tomatoes, you are not going to pay a high price for tomatoes when you cannot sell them. So if you have high liquidity and you have all these deposits and money in the system, incidentally, waiting for the Government to make productive use of, when my colleague made reference or speculated as to whether banks are gouging its clients, I think that was a bit unfair, quite frankly.

Whilst there is always room for moral suasion—we know they are not paragons of virtue—I see Sen. Abdullah is smiling. We know that in these times there is always an appetite for bank bashing, but in times like these you need stable banks, you need prudent banks, particularly given what has happened in the context of the global financial crisis. If I may say so, when it comes to banks, profit is a function of the level of confidence. Any depositor or any shareholder who wakes up tomorrow and sees the profitability declining, will be nervous and they are ready to take a run. Let us not bash banks. Surely, there might be room for a little dialogue between the Central Bank and the banks, but I do not think it is a question of gouging, but it is a question of reality.

Now, the world has changed and all countries, like products and systems, would go through cycles. The wave of entrepreneurship and manufacturing that we witnessed around or just after Independence was due to the fact that markets were protected; remember the negative list. On top of that, the government gave great tax concessions. So, what did the manufacturers do? What did the onshore manufacturers do?

3.30 p.m.

They re-engineered and when the dollar devalued—remember I think it was the \$2.40/\$3.60 in '85, well that was another fantastic enabler for them. Then you had in the late '70s early '80s, I think it was the oil embargo, then you had the oil price decline to \$9, you had recession going into depression and there were wage cuts, there were high delinquencies, people were just giving the banks their keys and moving on. And what happened? Then came globalization; out went the protectionism, out went your negative list and what followed was the fold-up of

State of the Economy
[SEN. DRAYTON]

Tuesday, July 13, 2010

your car assembly plant, your electronics, your furniture, your metal works; they simply could not compete, and then you had the World Wide Web which has thrown up another avenue for purchasing goods and services.

So of course they have been investing, but in a different way, because when you look at the security services industry that has now grown into a billion dollar industry; events management, health care—private health care has just mushroomed, and upon which the Government relies in its health system; you have software development; you have systems integration; you have the procurement of IT services; transportation; real estate; care giving and of course, in art and culture, printing and publishing and our fashion design. So there has been an explosion in terms of what you call local content, but those revenues probably do not hit the Treasury as the revenues from oil and gas; and then emerged a Derrick Chin who has done a phenomenal job; a job that could give this country a comparative advantage in terms of tourism, showcasing all of our ethnic foods and our art and our culture. As you know it is a whole row in terms of entertainment and food. Every business tourist that comes in here, all the friends and relatives that come in here at some point in time go there and this is something the Government could build on.

In its manifesto it talked about building on the native genius of our people, and that is what I expected the Minister to talk a bit more about in talking about the state of the economy because the past is the past; we cannot bring it back. So my understanding in terms of Tamana Park, it is a centre for innovation, it is a centre for business clustering and its mandate is to explore investment opportunities in the non-energy sector for both local and foreign investors, not just foreign, but there is a high concentration in terms of local—and we need to talk to the manufacturers in TTMA, we need to talk to the business people before dismissing a Tamana Park. In the same breath the Minister spoke about the support for a knowledge-based economy, telecommunications, associated digital communication system, but we have already identified that.

That is what the last government did when it established Tamana Park and eTecK; eTecK took over the role of the IDC. In fact, the Minister might be behind time, because the world is moving ahead. It is moving ahead from what you called that knowledge economy to what you call the conceptual age, and the conceptual age is building on the grid of information technology and what you call the knowledge age. That conceptual age is what you call an inventive age, pretty much akin to what happened in the industrial revolution. It is where there is going to be new inventions in terms of aeronautics, agriculture, green homes, green

offices, health, different types of materials coming out, refining plastics, that is what it is about. So in the final analysis, however the Government proceeds to attract local and foreign investments, I am afraid whether it wants to remodel, it will have to come back to the strategy of a Tamana Park.

Now when you speak about export market and when you speak about manufacturers, understand this, Trinidad is not the domestic market—Trinidad is not the domestic market for onshore manufacturers, it is merely the home base. The domestic market is the Caribbean of five-plus million people. This is where the bulk of our manufacturers' manufactured goods would go. That is why we should not dismiss a Caribbean Court of Justice. That is why we should not dismiss a Caricom. When we dismiss a Caribbean Court of Justice we are dismissing building on the native genius of our people. We are dismissing our attorneys, we are dismissing all our luminaries in the legal sector, so you do not dismiss it; there is an investment. You build upon it. It also epitomizes what Caricom—although they are dragging their feet—is all about.

Now let us understand that the trade with the Caricom family in 2009 was nearly \$9 billion; the trade with Jamaica was nearly \$3 billion. So when we provide security for the Eastern Caribbean and when we give a little “cacada” from a petroleum fund, which is conditional, you only put the money in the fund and when you have the money—we are not giving to Caricom, we are protecting our stream of revenues. Let us get the perspective right. [*Desk thumping*] We are protecting our GDP; we are protecting our labour force, because you are dealing with economies that are not so favourably endowed as Trinidad and Tobago. They are vulnerable islands, and I will tell you the word “diplomacy” was invented for a very good reason.

So what about private sector confidence? Crime, they are frustrated. The business community is frustrated with crime, and it concerns me that we have dismissed SAUTT directly; the instrument, the multi-disciplinary task force that supports the police and which was instrumental in helping the police reduce the levels of kidnapping; the scourge of the business community. That is why they send their families abroad. That is why they built properties abroad and set tracks abroad and some of them in Miami are running their business from there, because we are in the information age. But we dismiss it when we should be looking to see how to bring legislation, but I will tell you what, if we bring a foreign commissioner of police who says, leave SAUTT, we would leave it and that conflicts with what we call the native genius of our people. Because we tend to believe that it is only when a foreigner tells us something is good that it is good. [*Desk thumping*]

State of the Economy
[SEN. DRAYTON]

Tuesday, July 13, 2010

Sometimes I am apt to believing that we are back in the colonial days, but only this time we are still negotiating independence but with ourselves. [*Desk thumping*] Then you talked about the port congestion: so why does a port not open 24/7? Anybody will tell you, any business person will tell you that long ago you could get three, four containers on the road. Today, because of congestion you could only get one. So why not 24/7 and let the big containers go at night? But moreso, you can build all the roadways you want. As long as your working population is coming into Port of Spain then you are going to have congestion and you are going to have issues of productivity and issues of efficiency.

Now when you take the Government that employs nearly 25 per cent of our workforce—tell me why is a Ministry of Agriculture in Port of Spain? Why is a Ministry of Energy and Energy Industries in Port of Spain? Why is the Ministry of Education in Port of Spain? Why is the Ministry of Planning, Housing and the Environment in Port of Spain? There is no reason for that. Now, to facilitate Ministers you could have a few offices in Port of Spain for the Ministers, in terms of Parliament, ministerial meetings and so on. But why are we bringing all these people into Port of Spain when to start with, it is the permanent secretaries who are running the show inside there? It does not make sense. That is the sort of enlightened thinking that I would have expected when we talk about the state of the economy and the business community. So to improve productivity and efficiency we have to improve productivity, we have to improve the aggregate efficiency and to do that, the Government has to align its economic policies with the opportunities for businesses to innovate and to grow.

I just want to touch quickly—the Minister made reference to Point Lisas, I am not going to deal with the statements with respect to the PNM because we have an Opposition here who could take care of that. But the Minister is not correct when she said that Point Lisas was a failure in translating the idea into activities of the local private sector. Point Lisas came about as a result of the initiatives of the North and South Chamber of Commerce. They did not have the capacity; they did not have the capital; the government put down the infrastructure, they put in desalination plant, they put in electricity, and today what do you have? You have giants in ammonia and methanol operating alongside all your local enterprises that engage in a range of products and services as well as financial services. So do not dismiss or say Point Lisas did not translate the initiative. It did. It might have taken a little time but all systems go through a gestation period. [*Desk thumping*]

The Government dismissed TTRA. Now, the issue with the Trinidad and Tobago Revenue Authority had to do with legislation that could not support transparency and accountability, that is why we were against it. The other issue

had to do with the fact that you were looking to lay off all the staff. The reality is, the TTRA, your Customs and your Board of Inland Revenue are two main sources of government revenue, and nobody will tell you that it does not need to be reformed and the Government would have to reform it. So whether you want to repackage it and leave the staff, because if you are going to make it more efficient you are going to put in your risk management, your auditing, your performance management systems, and you would deal with staff who are not performing or those who might be corrupt. But to just dismiss the TTRA—the election promises will be the scourge of this Government, but I hope it is smart enough, [*Desk thumping*] if it does not want to backtrack totally, repackage, re-band; you could call Tamana Park People's Partnership Park if you want—

Sen. Hinds: No.

Sen. H. Drayton:—but the reality of the situation [*Laughs*] is, you need to reform the Board of Inland Revenue if you are to collect the taxes that you should be collecting now and if you have to collect in the future, and you have to do something with the port if businessmen are to have any sort of motivation with respect to their investment.

Let me just say that good governance can mean different things to different people, but this Government has defined it for us; you could have the scholastic, you could have the practical sense debates, but you have defined it for us when you spoke of the dynamic relationship between you and the citizens. You spoke about the process by which you will exercise your authority in the management of our economic resources, when the narrative centered on sound fiscal management, consultation, transparency, accountability, social justice, law and order and other virtues.

I just want to talk a bit about the sound fiscal management, because if you want to deepen and widen the pension to move from age 65 to 60, where everybody else in the world is looking to take it up to 70 years, and you want to move from \$2,000 or \$2,500 to \$3,000; you are now talking about 200,000 persons at \$3,000 a month by 12 and not 80,000 persons. You are talking in the realm of \$6 billion or \$7 billion, give a few. That is unsustainable and it is unsustainable for a particular reason. [*Desk thumping*] We have an ageing population which is exacerbated by migration among the productive age group. The NIS people will tell you that.

There are so many anomalies in that, because who will be getting the \$3,000? You have people under NIS—what you call the working poor—who have paid NIS all their lives, who have paid tax all their lives, who will be getting a pension of

State of the Economy
[SEN. DRAYTON]

Tuesday, July 13, 2010

\$2,000 or nothing, and a senior citizen who did not work or contribute a cent in the statutory requirements throughout the years receiving \$3,000, but in addition to that it could be two of them in a household receiving \$3,000 and on top of that they are living in a government house, and that person who “banned their belly”, who paid the NIS, who paid the tax, who bought their home, who educated their children and have to pay their maintenance and everything, and they are receiving a pension of \$2,000. [*Desk thumping*]

Now, how we take care of our elderly says who we are as a people, so I am not advocating not to raise amounts for senior citizens. You have a promise. What I am saying, stop rushing it. Take your time and put it in a proper framework to ensure there is equity, to ensure that there is fairness and that you could roll it out in a way that will also mean social justice. [*Desk thumping*] You see the \$3,000 pension is only one pledge we keep talking about. We keep talking about some very material pledges, but the substance of the manifesto that deals with things like social justice, morality and ethics, you do not seem to be putting those things on the front burner and that is a major issue. [*Desk thumping*]

3.45 p.m.

With respect to wage demands, I was very happy to hear that the Minister of Labour, Small and Micro Enterprise Development is doing evaluations with respect to the inflation, and I just want to add that what the Minister of Labour, Small and Micro Enterprise Development should be looking at as well, is how you are going to maintain equilibrium if you raise that minimum wage. Now it has to be raised and I agree with that. The reason why I say that is because the last time they had raised it to \$10, the vast majority of the people who are receiving a minimum wage will be within your micro and security industries, domestic, et cetera. The last thing that happened was this: Because you have to manage small budgets, small margins, you reduced the work hours. So the worker really was not better off. Do you know what some of them did? They went into CEPEP. So CEPEP workers, who were in gainful employment, whether it was in the household or wherever, were lost to that sector. So I am saying you need to do an impact study as to the threshold where you are going to take that minimum wage.

So closing the fiscal gap, we talked about increasing revenues by way of taxes, reducing expenditure, and probably drawing down from savings, but there is one I want to put to you and that is waste. Probably, we lose anywhere between 20—40 cents in the dollar with inefficiency, so we need to look at that and you might find that it would not come overnight.

Now other important issues in the economy, I just want to read a government's statement quickly:

"...the government is the servant of the people. We will support the separation of powers among key institutions in the society such as Parliament, the Executive and the Judiciary and...strengthen the autonomy of institutions, which have been systemically undermined over time, to support a functioning democratic governance system. We will promote a climate of national dialogue within a framework of civility..."

Now that is a profound statement, so let me focus on the separation of powers and say this, Mr. President: Dysfunctional behaviour has an economic impact.

With regard to squatting, the Government moved a little late in terms of Cashew Gardens, but it did and I commend it for that. I do not understand why one individual is still there on the basis that they are gardening. Now, there might be issues because I do not know that every citizen could grab land, take a pitchfork and a barrel, and say they are gardening. Remember I talked about moral authority, so I would leave that there because I recognize there could be issues.

In terms of the procurement, national procurement is a lever of economic and social development. I would like to believe that the then acting Prime Minister was not saying to the construction sector that he is lord of all I survey, and therefore, I will issue contracts to those who choose to build roads free. I hope I got the wrong translation. I would leave that one there as well.

The separation of powers. The new Board of the Integrity Commission could no more be blamed for the errors of the past, no more than we can look at this new Government and say we are blaming you for the past. It is an independent body. It does not report to the Attorney General, it does not report to the Prime Minister [*Desk thumping*] and I want to suggest that we look at your manifesto. Look at your pillars and in it you would see what civility means, and that you could accomplish the same thing by being civil because road rage has no place in an attorney general's office. [*Desk thumping*]

Having said that, corruption takes a toll on the country and, therefore, the Government ought to look at bringing the legislation with respect to the Integrity Commission as soon as possible, because really with that legislation and the Integrity Commission we are expecting miracles. But the legislation that underpins it would not allow it to perform miracles. Now, let me say that all in all, Mr. President, I think that after six weeks—and I really mean this in good heart—

State of the Economy
[SEN. DRAYTON]

Tuesday, July 13, 2010

please, take the little retreat, rather than stumbling all over yourselves. I would say I have great empathy. I am not going to say I am biased for our hon. Prime Minister. She has walked the pathway, a bruising pathway that all women have to walk when they aspire to achieve their goals. There is great empathy for her to succeed, and I think a retreat with her people might be very helpful in determining how you move forward.

I think you have a young energetic, bright, well-educated team, and you certainly can achieve all that you have said.

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

The Minister of Science, Technology and Tertiary Education (Sen. The Hon. Fazal Karim): Thank you, Mr. President, distinguished colleagues in this House. Let me first place on record in this august Chamber, my deep gratitude to the hon. Prime Minister of the Republic of Trinidad and Tobago, Mrs. Kamla Persad-Bissessar, for appointing me a Member of this distinguished body.

I also wish to extend congratulations to you, Mr. President, and all my colleagues, both on the Government side, the Opposition and the Independent for their appointments. It is my hope that my presence together with all my colleagues and the deliberations that would take place in this Chamber, would redound to the benefit of the citizenry of Trinidad and Tobago.

Mr. President, I have heard the contributions of my colleagues, Sen. The Hon. Mary King, Sen. Kevin Ramnarine, Sen. Lyndria Oudit, and I can truly say I feel honoured to be on this side of the House. [*Desk thumping*] Let me say, on the basis of the contributions that I have heard, that it was not we who dismissed anybody from any office. It was the collective will of the electors of this country that dismissed the former administration. [*Desk thumping*] My contribution here today is not to paint any picture of gloom and doom, but to deal with the reality supported by evidence.

Mr. President, I propose in my first contribution to this honourable Senate to do three things. Firstly, I propose to highlight what I consider to be some of the less than prudent aspects of the management of our economy by the previous administration. One cannot examine where we are and where we want to go without some level of looking back to what got us to this position. [*Desk thumping*] I will be doing so to demonstrate, notwithstanding the fact, that in the eight years ending September 2009, the previous Government's collected revenues amounted to \$254 billion, yet Trinidad and Tobago has underperformed

significantly on almost every index that deals with the health and sustainability of our economy, and the well-being of our citizens. That is not emotionalism. I will be supporting that with data.

Put another way, the last government between October 2002 and September 2009, received on average inflows of \$87 million each day, and yet, according to the UN Human Development Index for 2009, Trinidad and Tobago is ranked 64th, significantly below such countries as Barbados and the Bahamas.

Secondly, I propose to demonstrate that the extravagance and waste which characterized expenditures over the past decade, extended to the tertiary education sector, and I take the cue from my colleague on the other side, Sen. Drayton, that not only must we complain about what happened in the past, but we must offer some solutions and hope for the future and that I intend to do.

As a consequence, despite significant expenditures over the past decade of more than US \$2 billion on the tertiary level education and technical and vocational education training system, we are still a long way from having a knowledge driven society characterized by a critical thinking entrepreneurial innovative and problem-solving citizenry. I listened to my colleague on the other side as well, Sen. Ramkhelawan, who said that he has heard time and again, about this knowledgeable society, but it is a platform on which a lot of countries that have developed, have based their development on.

In addition, despite significant expenditures in the sector, we are in a position still to date, where we have to import talent from outside in key areas such as nursing, medicine, pharmacy, geochemistry, petrophysics and coastal engineering. In brief, therefore, our tertiary education sector is not aligned to the manpower needs of Trinidad and Tobago.

Thirdly, I will show how the recently elected People's Partnership Government proposes to transform the tertiary education landscape to create a sector characterized by best practices and a citizenry who will excel in the 21st Century. The graduates of our sector will be the catalysts who will accelerate the development of our economy.

My first point, Mr. President, is the economic mismanagement. As I said earlier, in the eight years ending September 2009, the previous government collected \$254 billion in revenues. Of the total revenues collected, about \$98 billion came from the energy sector and \$156 billion came from the rest of the economy. A notable feature was the dramatic rise in energy receipts which from fiscal year 2005/2006, surpassed the contribution of the non-energy revenue

State of the Economy
[SEN. THE HON. F. KARIM]

Tuesday, July 13, 2010

to total revenues collected. Extensive new oil and gas discoveries coming on stream of the additional Atlantic LNG and Methanol production, buoyant oil and natural gas prices at least until the summer of 2008, and the amendments to the oil and gas taxation regime contributed to the energy windfall which the previous government unwisely treated as permanent revenue streams.

On the expenditure side, the last government once again showed an inability to resist the temptation to embark on expensive projects, projects that permanently raised the levels of public spending, while relying on temporary revenue streams. Not low spending as was said before, reckless spending. All of this was done to fund its misguided version of development. An average of \$80 million flowed out of government's coffers each day between October 2002 and September 2009. Of the total expenditure, \$197 billion represented recurrent spending, while \$36 billion went into capital expenditure. The excess loosening of the fiscal pull strings was characterized by substantial wastage as Sen. Drayton indicated, and inefficiencies, issues that we must take frontally and be charged with.

Transfers and subsidies accounted for some \$100 billion from successive budgets over the eight-year period. Several special purpose companies including the infamous UDeCott—just for the memory of my friends over the road, this is when we talk about the amount of money and wastage. This is what made the headline in our weekend newspapers. These were created to fast-track infrastructure development, all at the expense of accountability, transparency, cost efficiency, and performance benchmarking. Many of these SPCs are significantly underestimated project costs, and incurred substantial delays in project implementation. Again, Sen. Drayton made reference to some of those projects such as are in the south, the Brian Lara Stadium.

Little regard as well was paid to future maintenance course, and that is something that this Government will have to be faced with, again frontally, in terms of additional expenses over the next many years, for many of these projects including the High Rise Waterfront office complexes with the development of east Port of Spain, NAPA and SAPA. Unlike some other persons, I am not proud of those who mismanaged the fortunes of my blessed country.

4.00 p.m.

We are now finding out the true financial positions of all state enterprises and statutory bodies, including these SPCs; how these positions have changed over time and how their operating deficits are being financed. Significant unchecked borrowing by state enterprises and SPCs help to push the public debt into the

danger zone. Contingent liabilities, which comprise government guaranteed debt and Letters of Comfort, grew from \$14.8 billion in 2004 to \$17.3 billion in 2008 and further to \$19.7 billion in April 2010. We are not talking about fiscal prudence. At the end of April 2010, the gross public debt stock stood at \$68.2 billion or 51.1 per cent of GDP, up from \$50 billion or 38 per cent of GDP in 2007. Debt financing has doubled over the past five years and yes, now consumes 12 per cent of revenues.

On the Public Sector Investment Programme, the government spent an average of \$12.3 billion each year over the past eight years as it sought to do everything at the same time. This massive injection of resources strained the absorptive capacity of the economy and pushed it into a state of overheating.

Perhaps the best indication of overheating was the rapid acceleration of headline inflation, which crossed over into double digit territory and peaked at almost 15.5 per cent in 2008 and sparked a national outrage about the skyrocketing cost of living. In fact, I want to concur with my colleague, the latest poverty rate in Trinidad and Tobago stands as recorded at 16.7 per cent and it is for this reason that the Government of the People's Partnership wants to ensure that the citizenry who are unable to live properly, do have a very important valuable life and we have so pledged to increase the pension rate to \$3,000 from this year. I know there have been some cautions and this is a cautious Government. This is a Government that is not going to be a squandermania Government without the evidence of accountability and transparency. Such poverty is totally unacceptable in a country like ours, endowed with so much talent and resources.

In addition, the underlying fiscal position has actually deteriorated with the rapid growth in public spending. The non-energy budget deficit gauges whether a non-energy revenue can support public expenditure in the event of the macro-economic shocks such as a global recession, a sharp drop in energy prices and the eventual depletion of energy resources and we all are very familiar with this as a non-renewable stock. It is an important indicator of fiscal sustainability for economies such as Trinidad and Tobago, dependent as they are on finite energy resources.

In fiscal 2008, the non-energy budget deficit worsened, that is the fact, to \$25.6 billion; seven times the level of \$3.6 billion in fiscal 2001. The bottom line is that the former administration managed to save—Sen. Basharat Ali made reference to this, in terms of the Heritage and Stabilisation Fund—just over \$21 billion by the end of September 2009, or less than 10 per cent of total revenues

State of the Economy
[SEN. THE HON. F. KARIM]

Tuesday, July 13, 2010

earned over the last eight years. At the end of September 2009, deposits to the Heritage and Stabilisation Fund amounted to around \$18 billion, or nearly all of the fiscal savings.

The previous administration touted the HSF as the panacea to sound fiscal policy. But if the HSF balances are placed in perspective, I want to assure you they provide little comfort. Those deposits, which accounted for just over one-fifth energy revenues earned over 2002—2009, would have been able to finance only six months of budgeted expenditure in fiscal 2009/2010 and can fund just over five months of non-energy imports. Of course, it is quite clear that more should have been saved into the HSF. In any event, the HSF cannot substitute for prudent fiscal policy. The question that confronts us now is: Where are we in the context of these expenditures?

With respect to global competitiveness, in today's difficult economic environment, it underscores the importance of building long-term competitive economies. Since 2005, in the world economic forum, mention has been made of this before, it has based its competitiveness analysis on the Global Competitive Index (GCI). After sliding down, the GCI since 2006, Trinidad and Tobago climbed six places to 68 out of 133 countries in 2010; a disappointing result, given the country's many competitive strengths and strong GDP growth over the past decade. Notwithstanding increasing investment in education and the rising educational attainment rates, primary and higher education and training, continue to be assessed fairly poorly. We ranked 62nd and 63rd respectively in education and training and pointed to the need for further upgrade in our country to catch up with best practice in this sector.

Despite significant expenditures in tertiary education, my friend on the other side spoke about GATE. GATE has made a significant contribution, but thanks to the United National Congress for the initiation of Dollar-for-Dollar, that continued.

Despite all of these significant expenditures in tertiary education, no local tertiary provider is included in the list of top 200 universities in the world, in 2009. This ranking was done by the *Times Higher Education* newspaper. However, Singapore, by contrast has two. The National University of Singapore ranked 30th and the Nanyang Polytechnologic University, now called the Technological University, ranked 73rd. Harvard, of course, as usual, in that category, ranked first and the University of Cambridge, second.

Other serious flaws continue to affect our competitiveness landscape. The dismal 80th rank for the quality of institutional environment highlights the business community's pessimism about Government's efficiency and transparency, the respect for the rule of law and the even-handedness in dealing with the private sector.

On a related note, factor markets continue to be able to allocate resource to their most efficient use, because of the rigidities of the impending goods, 92nd and labour, 81st markets. Going into the future, significant improvements in business sophistication, 75th and innovation, 87th, will be crucial to restoring trust in the fairness of the Government and the business environment in Trinidad and Tobago. Stated boldly and clearly, our economy, the one which we inherited on May 24, 2010, is not competitive.

I now turn to the ease of doing business in our country. Since 2004, the IFC, the private sector arm of the World Bank, has been tracking regulatory reforms aimed at improving the way in which we do business across more than 180 countries worldwide. The IFC asked 10 basic questions about how easy or how difficult it is, among the following to: start a business; deal with licences; hire and fire workers; register property; enforce a contract; protect investors; get credit; trade across borders; pay taxes; and close a business that goes bankrupt or is failing.

In 2010, Trinidad and Tobago was almost half-way down this scale on the ease of doing business measure, ranking 81 out of 183 countries. Many of our Caricom counterparts ranked much better than us. In fact, St. Lucia is at 36; Antigua and Barbuda is at 50; the Bahamas, 68; St. Vincent and the Grenadines, 70; Jamaica, 75; and Belize, 80.

According to the IFC, the number of reforms hit a record level between June 2008 and May 2009, despite the challenges presented by the global financial crisis. Some 287 reforms were recorded in 131 economies; 20 per cent more than the year before. Reformers focus on making it easier to start and operate business, strengthening property rights and improving the efficiency of commercial dispute resolution and bankruptcy procedures. Trinidad and Tobago, however, did not carry out a single reform to make it easier for firms to do business or to even seize opportunities if and when the recovery begins. The previous government would have us believe that the fundamentals of the economy which they left behind were strong. Nothing could be further from the truth.

State of the Economy
[SEN. THE HON. F. KARIM]

Tuesday, July 13, 2010

I now go on to wastage in the tertiary sector. I take the queue that what we must also do in our contribution is to highlight areas and opportunities for improvement. Having detailed some of the expenditures generally, I intend to demonstrate that the wanton wastage also extended to the tertiary education sector. Mr. President, as an example, I will draw your attention to rental fees paid by COSTAATT to a landlord, whose family are well-known supporters of another party; not the People's Partnership and no party in the People's Partnership, and which boasts, incorrectly, that it shall prevail, so you would know what that party is.

During the period April 2005 to present, COSTAATT paid the sum of \$462 million in rents and approximately \$30 million was spent to refurbish the premises located at Melville Lane, Port of Spain. Just in about five years, a total of \$92 million was spent to rent and upgrade a property to provide education for the citizens of this country.

In my own Ministry, the Ministry of Science, Technology and Tertiary Education, there has been a rental cost, over the last nine years of \$41 million. Could you imagine we are talking about the state of economy in this scenario? My Cabinet colleague, Minister Warner, indicated at a meeting recently that he has a list of all these rentals. I look forward to the presentation by the Minister of Public Administration, when she too will tell the Senate about the rental of properties. Maybe there is something in there that the national community might take note of, in terms of who are these landlords. The present monthly rent is \$857,577, together with a monthly maintenance fee of \$184,283, giving a total monthly rent of close to \$1,400,000.

4.15 p.m.

Strenuous attempts by the present administration to appeal for a reduction in rental fees—in the light of prevailing market circumstances—have all been treated with absolute disinterest. While current negotiations, however, are at a stalemate, the increased rent is not being paid.

Mr. President, I want to turn my attention now to the University of Trinidad and Tobago. Let me first assure all students registered at that institution that every effort will be made by the People's Partnership Government to take the necessary steps to preserve the integrity of that institution and to ensure that it operates in a cost-effective and cost-efficient manner within its mandate.

UTT was designed to discover and develop entrepreneurs, commercialize research and development and spawn companies for wealth generation and

sustainable job creation, its focus being on science, technology and education. Since then, it has strayed significantly from its original mandate. One may very well ask whether UTT should become involved in pre-university programmes. In the context of an aspiring research institution, professors ought to be utilized primarily in activities supporting research and development agendas, as opposed to lecturing to students at the CSEC/CAPE levels. That is another sector.

In respect of the Bachelor in Education programmes, one may very well ask whether or not this country, given the limited resources as we are hearing now in terms of looking at the economy and examining the state of this economy, should have three tertiary institutions: the UWI, UTT and the privately run University of the Southern Caribbean (USC), in competition for the country's scarce financial and teaching resources.

As you are aware, the People's Partnership Government is conducting a forensic audit on the practices and operations of the institution and we await the findings of that investigation. Suffice it to say that the Ministry of Science, Technology and Tertiary Education will review the operations of that institution in the context of rationalization and coordination of the tertiary education sector and the needs of the students enrolled in that institution.

We, on this side, are of the view that the economies to be gained by the reduction of duplication in the tertiary education sector, combined with a review of the operations of publicly funded institutions and programmes, will provide the savings which will be used to finance new initiatives in the tertiary education sector.

As you are aware, Mr. President and Members of the Senate, the Ministry of Science, Technology and Tertiary Education is currently hosting its stakeholder Consultations on the Draft National Policies on Tertiary Education, TVET, which is Technical and Vocational Education and Training, and Lifelong Learning; and the Development and Implementation of a National Life Skills Curriculum for Personal Development and Employment.

While these presentations are being made on two green papers completed since last year, this consultation is being done to secure crucial tertiary education funding from the European Union. As per the 9th European Development Fund (EDF), the Government of Trinidad and Tobago is required to submit an approved policy outlining its overall plan to nurture an internationally competitive labour force through an equitable and effective education system.

State of the Economy
[SEN. THE HON. F. KARIM]

Tuesday, July 13, 2010

Unfortunately, prior delays and procrastination by the previous administration to have a White Paper completed—the policy document for the sector—has resulted in the suspension of financial assistance from the EU since March 2009. With the impending loss of some €\$21 million from the European Development Fund (EDF), we have sought an extension until the end of August to have this White Paper passed in the Parliament, hence the rush. The People's Partnership Government has made a commitment to expand the tertiary sector which requires funding. It is on this platform of good governance; we intend to keep that promise. What has taken the last administration four years to do, this Government will do in four weeks. [*Desk thumping*] In fact, tomorrow, at the Rudranath Capildeo Learning Resource Centre in Mc Bean, we will witness the signing of an agreement between the National Training Agency and the Accreditation Council of Trinidad and Tobago which will further align TVET, the Technical and Vocational Education and Training, to the tertiary sector.

When I was the CEO of the National Training Agency and when I had to be asked to leave that agency—and I would not go into any details at this stage because it might embarrass some of my colleagues on the other side—when I left there in 2007, I, in fact—and we were delivering on this accreditation NTA agreement in 2007, and as Minister I had to come back and see that same document and I told them that within one month of taking office that document will be signed and it will be signed in 26 days, which is tomorrow. [*Desk thumping*]

In terms of what was asked before and the comments made by our colleagues in their previous contributions and in terms of what the media has been asking in their reports in the newspapers, what are some of these solutions we want to proffer on behalf of this side; of the People's Partnership? I want to say that we are moving, unlike what my colleagues on the other side are saying, and my colleagues in terms of—for example, I listened to my colleague, Sen. Hinds, whom I know very well for many years, who talked about the—whom I have a lot of respect for, actually; we meet at various places and we always exchange pleasantries. I know he has been talking about the gloom and we are going back into the gloom, but let me say that the Government of the People's Partnership will move from gloom to bloom. [*Desk thumping*]

While this Government has a target of 60 per cent participation rate in the tertiary sector, we will be making even greater effort in this sector and particularly

in the TVET sector. Let me just indicate what are some of the policies and the programmes we intend to engage as we move to innovation, creativity, wealth and prosperity for all in the context of improving the capacity of our workforce. Some of these include:

- a) Promotion and marketing of TVET as a viable alternative to the more traditional mode of advancement and education. No longer should we have this diverse dichotomy between those who work with their heads, as Bloom's Taxonomy talks about the cognitive and those who work with the hands in terms of the psychomotor.
- b) We will want to move towards the establishment of a National Qualifications Framework for education and training to include all levels from pre-primary to post-graduate, effectively, from nursery to tertiary.
- c) We will want to establish a National Worker Certification/Licensing Programme to cater to both technical and non-technical jobs.
- d) We will want to assist in developing industry partnership with employer bodies for all sectors of the economy.
- e) The Government of the People's Partnership will initiate Skills Assessment Centres to credentialize the workers and their competencies gained during the course of one's working life. They will be awarded in the context as Sen. Drayton was indicating, not in terms of the local space but our domestic market which she says is the extension of Trinidad and Tobago, the Caribbean, and, therefore, we are going to be awarding the CVQ, the Caribbean Vocational Qualification. [*Desk thumping*]
- f) We are going to be looking at the establishment of an independent labour market observatory. No longer should we have people simply getting up and thinking that these are the programmes that this country requires. Training must always be conformed to what is demand led, as opposed to supply driven. It is not what we think is required; it is what the labour market says is required for the development of Trinidad and Tobago now and in the years ahead.
- g) We are going to ensure that there are timely labour market reports on a continuous basis.
- h) We are going to look at updating the Dictionary of Occupations of Trinidad and Tobago.

State of the Economy
[SEN. THE HON. F. KARIM]

Tuesday, July 13, 2010

- i) We are going to be looking at providing increased training opportunities for self-employment and entrepreneurial activity.
- j) We are going to be also focusing on increasing the employability of the vulnerable groups: the young workers; the differently-abled, the older displaced workers and the incarcerated population.
- k) We are going to be looking at proposing the establishment of a National Training Fund with contributions from the Government and private sector.
- l) We are going to be looking at passing legislation for the governance, standard setting and quality assurance within the national education and training system.
- m) We are going to be rationalizing training in the public sectors and the private sectors and avoid duplication of effort, ensuring that there are standards across the board and standards of competencies towards the award of qualification.

My colleague also made mention in terms of the OJT programme. We are going to be looking to place the OJT programme within a national system of apprenticeship, as opposed to simply having it as disjointed programmes.

- n) We are going to ensure that we encourage lifelong education through continuous education and training, and now there is an expansion to lifewide learning.
- o) We are going to look at providing information on careers and proper career guidance booths and ensure that people in the rural communities have access to this information.

Let me also indicate some of the new initiatives in the tertiary sector which the Government of the People's Partnership intends to undertake. I do this in the context that the new Government proposes for this sector, which will not only assist in the diversification of the economy but also create a knowledge-driven, innovative, critical thinking and entrepreneurial citizen.

We are convinced that GATE must be maintained and expanded to vocational training: That is Item two on the 120 day plan of the People's Partnership Manifesto.

For some time now commentators have drawn attention to abuses of the facility. One such commentator, former Independent Sen. Dana Seetahal, wrote in the January 11th 2009 issue of the *Sunday Guardian* and I quote as follows:

"In so far as tertiary education was concerned, there was a racket being run, whereby some institutions were overbilling. In addition, unqualified people were being allowed to do programmes that they would never have signed up for, if they had to pay for these programmes out of their own pockets."

We know, or have heard of students who have signed up for programmes because they were bored or had nothing better to do. In addition, we are also aware that these programmes may not necessarily have been aligned to the manpower needs of the country.

The Ministry of Science, Technology and Tertiary Education proposes with respect to GATE, the following:

1. We propose to improve the systems for monitoring and auditing private institutions towards 100 per cent compliance. No longer will students be able to repeat courses almost indefinitely at the taxpayers' expense.
2. We intend to align GATE more closely to the manpower needs of the country. We will therefore be looking more closely at the relevance of courses, the employability of graduates of the sector and the return on investment on expenditures in the sector.
3. We intend to look as well at the rebalancing of GATE which in the past tended to emphasize academic subjects at the expense of technical and vocational subjects. In this regard, the MSTTE, our Ministry, proposes to develop specific guidelines for financing these TVET programmes.

Our second initiative that I want to talk about: the Economic Development Board. My ministry intends to work very closely with this board, which will consult with stakeholders and play an advisory role in policy formulation. This mechanism will ensure, and I quote, that "our investment approach will more closely link investments to the throughput from our tertiary sector to create information based knowledge and creative industries that will tap the creativity of our people and provide more rewarding high-end jobs."

The Tertiary Education Strategy will be linked to Government's economic and diversification plans which will include but not be limited to those raised—and reference was made to that this evening—by the hon. Prime Minister at a business luncheon in Miami. Yes, part of her mission was to restore investor confidence in Trinidad and Tobago which had been so damaged over the years.

These include opportunities in the cultural and entertainment sectors, ethnic products, food processing and food production, maritime, biotechnology,

State of the Economy
[SEN. THE HON. F. KARIM]

Tuesday, July 13, 2010

pharmaceuticals and the expansive services sector. Development in ICT is a key as Government's thrust will be in science, technology software development and other high-end manufacturing.

Our third initiative is the Rationalization of the Tertiary Education Landscape. The Ministry of Science, Technology and Tertiary Education will coordinate and rationalize the tertiary education landscape to lessen competition, as I indicated, reduce overlap—

Mr. President: Hon. Senators, it is 4.30 p.m. We will take the tea break and resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Sen. The Hon. Fazal Karim: Mr. President, before the break I was about to indicate our third initiative, that is, rationalization of the tertiary education landscape. Let me indicate that the rationalization that I spoke about earlier will be achieved through another manifesto promise, the establishment of a National Commission for Higher Education. This commission which will serve in an advisory capacity to the Ministry, will help guide the sector and work collaboratively with Caricom and other governments, as well as regional associations involved in tertiary education to establish, very importantly, a regional qualifications framework to strengthen quality and to facilitate graduates who would create future prosperity for all citizens.

Our fourth initiative, which I now promote and propose, has to do with research and development. We are particularly committed to research and development in the non-energy and services sector. It is proposed to increase spending in R&D to, at least, 3 per cent of the gross domestic product by the next decade. This we expect would assist in diversifying the economy further and create more highly paid jobs. The Government's proposal as well is to establish a Council for Competitiveness and Innovation that would promote a culture of excellence, customer empowerment and innovation.

Our fifth initiative has to do with the creation of a tertiary education hub in St. Augustine. We have spoken about this at length. In my recent discussions with the landlords on the campus, relating to the housing situation at the St. Augustine campus, we spoke about creating a global education hub, using St. Augustine as the education city in Trinidad and Tobago. I suspect that will also infuse and encourage the development of other education centres in our twin island State.

We also want to ensure that what we are looking at in terms of the growth potential for St. Augustine, would be in terms of four areas of specialty: the tertiary sector, the private and commercial specialty schools, corporate training, executive education, preparatory training and boarding schools. The People's Partnership proposes to develop a university city in the context of best practices, the interest of present and future students and also stakeholders in that sector.

Initiative six has to do with rethinking the concept of the brain drain. In the past it was conventional wisdom to view the idea of a well trained student body leaving our shores, as entirely negative. We have commented on this negative in very many ways and over the very many years.

On May 16, 2007, Caricom Assistant Secretary General for Human and Social Development, Dr. Edward Greene, issued a news release entitled: "Mass migration of Caribbean professionals: Cause for concern". He pointed out that the US Department of Health and Human Services predicted a shortfall of 800,000 nurses in the US by 2020. He saw this as an evil for the region that may, of interest, come to something that we need to take note of very soon, now and in the future. Dr. Greene may be right, but there is another view taking root. The view is that we should develop policies to encourage our citizens abroad to return. [Interruption]

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. [*Hon. S. Panday*]

Question put and agreed to.

Sen. The Hon. F. Karim: Thank you, Mr. President and my colleagues. I will not go close to 15 minutes. I will be completed very shortly.

I was talking about the comments and the release made by Dr. Greene, the Assistant Secretary General for Caricom. There was another view apart from the one he had postulated, that is, we should develop policies to encourage our citizens from abroad to return home, if only for a period, to contribute to our development.

Mr. President, India and China, perhaps, the two fastest growing global economies, have benefited significantly from this new understanding of the portability of knowledge and skills in the 21st Century. Today, Prof. Nitin Nohria, who did his first degree in engineering from the Indian Institute of Bombay, now

State of the Economy
[SEN. THE HON. F. KARIM]

Tuesday, July 13, 2010

called Mumbai, became on July 01 this year, the 10th Dean of the Harvard Business School. Look for him in the coming years to be playing a key role in India's economic development.

Today, India's businessmen and businesses are full of returnees who learned their trade in the US. A similar situation I experienced while I was studying, for a short while in Singapore and their best minds, from the public service actually, have been sent to foreign universities to be trained and return home. Many of the nationals who have left to go abroad and have occupied substantial jobs abroad in significant corporations, in fact, many of them have returned to contribute to the development of their countries.

Mr. Rattan N Tata, who chairs many of the companies in the TATA empire, studied at Cornell and Harvard. Anil Ambani, India's fourth richest person, according to Forbes, studied at the Wharton School of Business, at the University of Pennsylvania. Studies are showing that increasing numbers of immigrants in developing countries are returning to their places of origin, equipped with global skills, money and, yes, a willingness to take risks. Israel is another country that has gained immensely from its citizens who have been trained all over the world.

Perhaps, the time has come for a review of the way in which we view our fellow citizens who live abroad. Just think about the numerous ways in which we could benefit from our nurses abroad, who have risen to the highest levels in their profession and are now retired. Our local training of nurses can benefit immensely from their knowledge and experience. India does it, China does it, Singapore does it, Israel does it and, perhaps, it is time for us to in Trinidad and Tobago to try it.

Mr. President, in closing, I wish to thank you and all my colleagues for their patience and understanding. I am honoured to be part of this respected Chamber. I will endeavour to play my part in upholding the dignity of this distinguished institution. As I give my final statements, like my friend Sen. Hinds who indicated in terms of the change of administration that has taken place and the fact that he said we have to follow God, I totally subscribe to that statement, because I truly believe that the hand of God was placed on this nation in a deliberate way on May 24, 2010.

Mr. President, Members of the Senate, I wish to again congratulate all Members on their appointment. I thank those who have contributed and I look forward to contributing in the future.

Thank you.

Sen. Ted Roopnarine: Mr. President, I was of the view that I was going to contribute to this debate sometime last week, so I had my debate statement already typed out. Unfortunately, I did not get a chance to contribute to it then, but I did have the opportunity to hear the statement from hon. Minister of Planning, Economic and Social Restructuring and Gender Affairs. At first I also thought it was a little anaemic, innocuous and innocent sounding, but something about it bothered me, so I asked for a copy of the *Hansard* with respect to that contribution.

There are a couple of things that the Minister did not say that I would very much like for her to explain to me and through me the Senate and the people, because I think the people really need to know what is going to happen to them over the course of the next year or next few years, as far as this Government is concerned.

The hon. Senator said that Chile was involved in countercyclical spending and that we had been involved in pro-cyclical spending. She quoted:

"This Government recognizes that the best it can do immediately with the plantation economy, based on depleting resources, is to practise countercyclical spending, to level off the valleys and the peaks in the earnings from the sector."

First of all, the population would really like to know what are the valleys and peaks that you were talking about. Have you told the population what those valleys and peaks are? I do not know and I am sure that there are hundreds of thousands of people in the nation that do not know what you were talking about; they have absolutely no idea.

Have you told the people how you are going to do it? Have you told the people what time frame this is going to take? Have you told the people what effect this is going to have? Have you told the people what effect this is going to have on them, on their lifestyle, on the economy, not in theoretical terms with lots and lots of numbers, but just practically? Like the learned Senator behind me, you could say \$36,000 as opposed to 10.3 per cent GDP. Have you told the people in practical terms so they could understand you practically? That is the first thing.

The idea that you are now going to change the nature of our spending, get rid of valleys and peaks, which we do not know what they are, what effect is it going to have? Is it going to have an effect on inflation? What is that effect going to be?

State of the Economy
[SEN. ROOPNARINE]

Tuesday, July 13, 2010

You said that this People's Partnership Government would most likely have to resort to some borrowing in the short term; that does not tell us anything. You are going to borrow some money, okay, yes. How much money are you going to borrow? What is the short term? Where are you going to borrow the money from? Are you going to borrow it from abroad? Are you going to borrow it domestically? How much money are you going to borrow? Over what period of time are you going to borrow this money and at what rate of interest are you going to borrow this money?

5.15 p.m.

I am afraid, hon. Minister, that you have not told the nation anything about this. It is not fair to the nation, because they do not know about these very important things that are going to happen to the economy, and what effect these things are going to have on them. The Minister also talked about a knowledge-based economy and so on.

The most interesting thing the Minister said is that in order to finance these projects it would require an optimally integrated programme of loans and the redirection of subsidies and transfers and that market rates can be imposed in place of transfers and subsidies to the utilities. What are the subsidies and transfers that are going to be removed? Have you told the population the subsidies and transfers that are going to be removed from these commodities? If the answer is no, why have you not done so? You said that you will let us know in the budget, but that is not paying any kind of respect to the population; that is disrespectful to the population.

When are you going to remove these subsidies and transfers? Are you going to remove them completely or in part? By how much are you going to remove them? With respect to the removal of these subsidies, how are they going to affect the price of the commodity for which they are put? What are the percentages? Is it going to be on petrol, gasoline, electricity or telephone? Is this going to affect the standard of living of the poorer class? If the answer is no: Why not? If the answer is yes: By how much? Why did you not specify what are the transfers and subsidies that are going to be removed and how they are going to affect the standard of living of the people of Trinidad and Tobago, especially the poorer people? Is it likely to have an inflationary or deflationary effect on the economy?

We already know what is the rate of inflation. The Minister of Food Production, Land and Marine Affairs said that inflation is being driven by food. I think he said that they are going to cover the food import bill and that food based inflation was going to be a thing of the past. Am I correct in saying that?

Hon. Senator: No.

Sen. T. Roopnarine: No? You said something similar to that. You were wearing a very nice hat when you said that. There was a picture of this in the newspaper. [*Interruption and laughter*] I must say it was very distracting. I am going to bring the clipping, when you made the comment on food-based inflation. So, hon. Minister, do you have the answers to these questions? If you do, I will give way and, perhaps, you can tell the population now about these subsidies, transfers, loans and taxes.

The Minister said that there will be increases in taxes. The Minister said it in the context of not increasing taxation too much. When one goes back and reads what was said originally, you gave the population the impression that they are not going to be taxed. [*Desk thumping*] Now, you came very quietly in your speech and threw all kinds of figures at us. You said that you will do all of these things in the context of not increasing taxation too much. When you say "not increasing taxes too much": How much do you intend to tax the population? In what way do you intend to tax the population? When do you intend to start taxing the population? Is it going to be a limited taxation or is it going to be general? Is it going to be something that is going to stay with the population forever like VAT? So, these are just some of the questions that arose in my mind from actually reading the Minister's speech as opposed to listening to it. These are some of the questions I think the Minister will have to answer sooner rather than later. If you do not give the population these answers, they are not going to be very happy, and they are going to show you that they are not very happy.

Mr. President, let me get back to what I intended to say originally. I am not a financial expert or an economist, so I can speak only as an attorney who runs a small business. I say a small business, because running a law firm with 12 persons is very much like running a small business. By and large, I would speak on this Motion just as John Public would—like the everyday community who listened during the election campaign to both parties, and based on what was said or assured or guaranteed, they then exchanged one of their most cherished civic rights; the right to vote. They gave you their votes, and put you in office to represent them based on what you have promised.

The Government sets out its policies and pledges in its manifesto, which in law is an enforceable contract but, nevertheless, the population relies on it as being the promise of truthful people who seek to hold the reins of political power. Any honourable person will tell you that promises are not meant to be broken but they are meant to be kept, and you should not promise something if you do not know how you are going to honour that promise.

State of the Economy
[SEN. ROOPNARINE]

Tuesday, July 13, 2010

So, with respect to the question of the enhanced pension and the decrease in the crime rate, this Government has already broken its promises based on reduced revenues. The fact that revenue had fallen was something the entire population already knew. So, you assumed that you knew how to go about honouring these promises even though revenue was declining, and you knew that it was, but it seems not. It appears that all that glitters is not gold and we are not going to get what was assured and promised on the campaign trail by this Government.

The failure to keep its promises reveals why the Government brought this Motion. The Motion was framed this way to leave Senators and the people to guess the area of the economy to be debated. It is arguable that every aspect of life in our Republic has implications for the economy and, therefore, it is likely that before this debate is concluded, the Government will seek to amend the Motion in some way to particularize what was sought to be debated.

We on this side are not here to be obstructionists and that is why I have been asking for information. [*Desk thumping*] We have sworn to a secret oath in this Chamber and so the other side, and the population expects us to work together wherever and whenever possible, and not to quibble over petty issues. To do so, the Opposition and Independent Benches need to know with sufficient particularity, what is being debated in the Chamber. The question then is: Why would the Government bring such a wide open-ended Motion? To me, it wants to break the promises made to the country, but it is doing so under the guise that they have no choice, because the previous government spent all the money. [*Desk thumping*]

They slipped into power by making outrageous promises then horror of horrors, they are now saying for the first time that they realize how difficult things are. They need this debate to dampen people's spirits and expectations of the promises and results to be delivered. In any event, whatever is the state of the economy there are certain expenditures that must be met. I will discuss some of them briefly, recognizing that this list is far from exhausted.

Legal services: As a lawyer, I have to talk about legal services. The provision of legal aid has to be increased. The Government is very serious about crime, and it intends to have many persons charged and that is excellent. Sen. Panday, as a former criminal defence attorney, would agree with me because, as it stands, in the criminal court, a prisoner who is charged with murder and who cannot afford an attorney at law is permitted by the State the sum of \$10,000 to retain one.

Sen. Panday: It was \$1,500 before.

Sen. T. Roopnarine: It was \$1,500 to defend his rights not to go to the gallows, and now he gets \$10,000. Is that right? Is that justice? No, it cannot be. To me, this is a violation of his right to a fair trial, because no attorney of repute and talent is going to find himself tied up in a criminal case for weeks or even months for \$10,000 as recompense for his work. The attorney will not be able to pay his rent, mortgage, staff and utility bills, especially if they go up, or even take home a proper return in such a situation. Therefore, in this new economy, provisions must be made for legal aid to be dramatically increased, especially if the crime drive nets hundreds and hundreds of persons. You are going to have to find millions and millions of dollars.

Every economy needs a stable family and citizen base, hence the urgent need to establish family courts in San Fernando, Central and in Tobago. [*Desk thumping*] This court takes a gentle approach to the role of the family and tries to engender a softer approach. The family is the basis of our society, and their needs must be a priority for any government. We could talk all we want about a knowledge-based economy and so on, but if we cannot implement family courts and take care of the children, we are just going to do what we will be doing next week which is raising penalties for arms and ammunition and sending people to the gallows. I think it cost something like \$40 million or \$50 million to establish a family court and we need about five more. The Government has to find about \$250 million to establish sufficient family courts to service the needs of the people of Trinidad and Tobago. That is a priority; that is their right. [*Desk thumping*]

With respect to an improved public transportation system, the San Fernando to Port of Spain sea bridge has been an overwhelming success, and to give Jack his jacket, so it seems, has been the proposal to open up the Priority Bus Route on a phased basis but, obviously, more is needed. Now, there is a programme called “Justice on Time”. Those of us who would have been around in law for a number of years would remember the Black Maria which used to transport prisoners. Sometimes prisoners would come to court and sometimes they would not come, and it would break down frequently and so on. Many people did not get to trial for 10 and 15 days and so on. The Justice on Time contractual arrangement between Amalgamated Limited and the Government to transport prisoners works very well, but it costs the State.

5.30 p.m.

I saw the contract because I was involved in a matter and I will tell you it costs the State a lot of money; I will not say how much, but it costs the State a lot of money. The State can save this money by putting—

Sen. Panday: Hon. Senator, may I? The Government is attempting to deal with that issue and, as such, we may be introducing to Parliament the extension of remand dates from seven days and nine days in summary and in that matter to 28 days with the hope of dealing with the problems about which you have spoken, and also discipline.

Sen. T. Roopnarine: That is very interesting. I would consider that to be worse than what was there before. A man who is on remand, it is usually what, one prisoner in a cell of 10 people? They love to get out the cells and ride bus, as you call it.

Prison system in Trinidad and Tobago has been deemed unconstitutional. You know that? The facilities and so on are deemed unconstitutional. My suggestion for this is simple, you have a remand court either by teleconferencing or by putting the court next to the prison and you remand the prisoners there, either in the jail house, or next day or by teleconferencing.

Sen. Panday: A pilot project has commenced in Tobago. Your Senator, Shamfa Cudjoe, would verify that there is a teleconferencing system in Tobago.

Sen. T. Roopnarine: So having saved money on having these prisoners driven up and down Trinidad and Tobago, apparently all over Trinidad with the concurrent police officers that have to be with them, five and six cars at a time, Amalgamated who would cry, “well you have broken my contract. I had a contract for 10 years for X amount of money and I have brought in and trained people. I have staff and so on”; to me they would run justice on time very well, I think they would run PTSC just as well. They have the facilities to do so; they have the—*[Interruption]*

No, I am saying in the event—*[Interruption]*—that a contract has to be broken or is frustrated, or government policy intervenes to make that contract unenforceable or the government is liable for breach of contract, there can be some measure of amelioration and mitigation by looking at the possibility of allowing them some preferred status with respect to the bus service. That would certainly save the country a lot of money as well.

Finally, the point made by the other side, which I commend them for, increase decentralization. I think there ought to be far more ministries that are put outside of Port of Spain, this is definitely going to save the Government a lot of money, the population a lot of time and a lot of money as well.

Thank you very much, hon. Senators.

Adjournment

Tuesday, July 13, 2010

ADJOURNMENT

The Minister in the Ministry of National Security (Sen. The Hon. Subhas Panday): Mr. President, I beg to move that this Senate do now adjourn to Tuesday, July 20, 2010 at 1.30 p.m.

Sen. Beckles-Robinson: Can I just make an enquiry from the hon. Senator as to what we are likely to do on that date, please?

Sen. The Hon. S. Panday: We are doing some work on another piece of legislation. However, it seems to me they should be continuing this debate. If there is any change I would inform both benches.

Sen. Beckles-Robinson: Thank you very much.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 5.34 p.m.