

HOUSE OF REPRESENTATIVES*Wednesday, October 14, 1998*

The House met at 10.30 a.m.

PRAYERS[MR. DEPUTY SPEAKER *in the Chair*]**ARRANGEMENT OF BUSINESS**

The Minister of Public Utilities and Acting Attorney General (Hon. Ganga Singh): Mr. Deputy Speaker, the Government proposes to proceed with the second reading of a Bill entitled an Act to provide for the service of Trinidad and Tobago for the financial year ending on September 30, 1999, instead of Motions 1 and 2.

*Agreed to.***APPROPRIATION BILL
(BUDGET)**

[FOURTH DAY]

*Order read for resuming adjourned debate on question [October 5, 1998]:**Question again proposed.*

The Minister of Health (Dr. The Hon. Hamza Rafeeq): Mr. Deputy Speaker, before I begin my contribution this morning, I would like to compliment you on the manner in which you have presided over this debate so far. I think I speak for Members on both sides of this House ~~when I say that~~ *[Desk thumping]* when I say that you have done it in an efficient manner indeed.

As I was saying last night, as a Member of this Government and as a citizen of this country, I support the budget which was presented by the Minister of Finance a little over a week ago. However, as the person who is responsible for the health of the population at this point in time, I am pleased with the measures in the budget which impact on health. Of course, the health sector, as any other sector in the economy and the country, can utilize more funds, but within the constraints and the competing interests, we will work within the budget that has been allocated to us.

Mr. Deputy Speaker, two nights ago I saw on the television news that one of the public sector unions has organized or is organizing the workers in the health sector to make a point to press for more funds within the health sector. I would

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like to put this request in proper perspective. In 1994, the allocation to the health sector was \$613,797,000; in 1995, the allocation was \$673,847,000; in 1996, \$641,712,000; in 1997, \$663,218,000. In 1998, the allocation was \$679 million and because of the shortening of the year we utilized \$532 million. For 1998/1999, the allocation to the health sector is \$889,415,770. This means that there is an increase in our allocation of over \$100 million.

But, there is more than that. Within the Ministry of Planning and Development there is about \$24 million that has been allocated for training, directly related to the health sector: training of doctors, pharmacists, dentists, nurses and so forth. Then there is \$68,000,802 that has been allocated to the Tobago House of Assembly to the Division of Health. When one adds these two, that gives a total of \$93,321,000. This means that the health sector for 1998/1999 has been allocated close to \$1 billion. *[Desk thumping]*

Before I continue my contribution, I think I owe this honourable House and indeed, the national community, to say a few words on the situation concerning the meningococcal disease which we have been reading about recently, and I would just like to take two minutes to do this. Meningococcal disease is not a new disease in Trinidad and Tobago. In 1996 we had one confirmed case and in 1997 we had five confirmed cases. Over the past two weeks, the Ministry of Health has been engaged in investigating nine reported cases of meningococcus. Two of these are children: one from the Claxton Bay area and one from the Valencia area and the others are all from the San Juan/Barataria area. Mr. Deputy Speaker, the area which you have the honour to represent at this point in time. Of these nine cases, five of them have died. Post mortems were done on all. The post mortem findings were consistent with meningococcus septicaemia in five cases, with laboratory confirmation of the disease in only one case. Four cases are alive and laboratory confirmation of meningococcus was made in one case. In one of the cases which is alive and it was confirmed that there may be an association with three others, there was a confirmation of meningococcus as well. Two of the deaths were not related, those are the ones from Valencia and Springvale. The one from Springvale had laboratory confirmation, the other case is awaiting laboratory results.

Mr. Deputy Speaker, in response to the occurrence of each case, the National Surveillance Unit of the Ministry of Health in collaboration with the County Medical Officers of Health have initiated epidemiologic investigations. They have taken nasal, pharyngeal and throat swabs from all the known contacts of the nine

cases and they have given prophylactic antibiotic treatment to all of them. There is a heavy surveillance team presence right now in the area of San Juan/Barataria and all physicians at the primary care level and at the hospital levels have been informed to maintain surveillance for possible additional cases.

This disease is spread by droplets from the nose or throat through close contact. The symptoms are fever, headache, vomiting, nausea and neck pain, but there is a complete cure for it if it is diagnosed in time, that is antibiotic treatment. It is a reportable disease and we are asking all persons who have been in close contact with infected persons to contact the nearest doctor at the first sign of sore throat, fever or so.

In addition to this I just wanted to mention, there are, as I mentioned recently, two other epidemics in Trinidad and Tobago right now. One is the epidemic of red eyes, this may be caused by a bacteria or virus; and the other epidemic is the dengue epidemic. While people have died from the meningococcus septicaemia and meningococcal disease, more cases of deaths have been related to dengue. We have had many more dengue cases this year than last year. We have had so far, three laboratory confirmed deaths and we have had 92 clinical cases reported of Dengue Haemorrhage Fever. I am mentioning these because all of these diseases can be preventable. In the case of dengue, it can be prevented if people adopt proper environmental practices, proper hygiene and so forth.

Just a few days ago in my own area, the constituency of Caroni Central, I organized a clean-up campaign in which we cleaned up most of the constituency and with the help of the Insect Vector Control Division, we were able to spray most of the constituency as well. I want to ask all Members of Parliament to lead this effort in their own area, that is clean-up campaigns in their own areas. We at the Ministry of Health will make available, as much as we can, the Insect Vector Control Division, so that we can have spraying in your area as well. We are asking for that kind of support, because without community support it is difficult for us at the Ministry of Health to deal with this epidemic of dengue alone.

The health sector in Trinidad and Tobago is undergoing reform in about its fourth year. As expected in any reform process of this magnitude, we will have, and we have had our fair share of challenges and problems as well. However, we have also had our fair share of successes and although it may be too early to see the full benefits of the reform programme, we have already started to see positive results. However, this is a challenging period in health sector reform, both here and

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abroad, where the main emphasis is not on building physical infrastructure, but on reforming systems, shifting emphasis from secondary and tertiary care to primary care. It is reform in which individuals are being asked to become more involved in their own health care.

In 1998 so far there have been substantial developments in the major hospitals in Trinidad and Tobago. Our infrastructural development programme will continue to accelerate significantly in the 1998/1999 period. At the Port of Spain General Hospital we have had refurbishment of the wards, the pharmacy area, the Accident and Emergency Department and the laboratories. We have had refurbishment of the St. Ann's Hospital and the St. James Medical Complex as well. We have had upgrade and purchase of new equipment at the X-ray Department of the Port of Spain General Hospital, including the Accident and Emergency Department. We have also had upgrade and purchase of biochemical and haematology equipment for their labs. We have had, as I mentioned previously, extended hours of pharmacy at the Port of Spain General Hospital, where the pharmacies are now open until 10.00 p.m. on Monday to Friday, and 8.00 a.m. to 4.00 p.m. on Saturdays, Sundays and public holidays as well. The refurbishment of the surgical ward for same day surgery at the Port of Spain Hospital has already started.

In relation to the San Fernando Hospital, we have had the commissioning of the operating theatres, and this has brought significant relief to many of the people who seek care there. Because since these theatres have been commissioned we have had recorded a 50 per cent increase in the surgical operations being done at the San Fernando Hospital. We have already had the Sterilizing Department commissioned and we have at San Fernando Hospital an increased bed capacity of about 70 beds at this point in time. As I mentioned before, we have had about \$22 million in equipment over the last three years which are now fully commissioned at the San Fernando Hospital.

The Mayaro Hospital has been almost fully commissioned and new services have been added and new equipment has been purchased for that facility. Medical and other equipment have been purchased and installed at Sangre Grande. The X-ray room at Sangre Grande Hospital is now about 75 per cent completed and there has been substantial refurbishment of most of the health centres in that region.

In relation to Mount Hope, we have purchased a Cat-scan machine and this has been installed and commissioned at Mount Hope. The paediatric services have been transferred from Port of Spain to Mount Hope and commissioned. Mr.

Deputy Speaker, I think you would be interested in this one yourself, and that is that the renal transplantation programme has continued at the Mount Hope Medical Complex. Cardiac surgery was done on children for the first time this year: 10 children were operated on successfully. Cardiac surgery and the Cath Lab development contract has been entered into with a certain amount of flexibility.

10.45 a.m.

As far as Tobago is concerned, there have been the outfitting of the X-ray department with an ultrasound machine, expanded medical services in the area of orthopaedics, ophthalmology, virology, dermatology and urology. There have also been the establishment of a 12-bed psychiatric unit at the hospital; acquisition of vehicles for emergency medical treatment; major refurbishment works at the maternity unit at the Scarborough Hospital and there have been a lot of structural works done at the out-patients clinics and the physiotherapy department. There have also been the purchase of equipment for the health centres including dental equipment; preventative and restorative work to 16 health centres in Tobago, primary health care workshops, and new and expanded services in the area of dermatology and nutrition.

Mr. Deputy Speaker, in the area of training, our health visitors programme at the University of the West Indies we have had the third completed; community psychiatric health nursing programme, this is in progress; the public health inspectors programme basic has been completed and there is now advanced training. We have had the training of nurses and nursing assistants and at this time, we are involved in discussion with NIHERST to increase the intake of students for nurses and nursing assistants. We have had training for intensive care unit patients, nurses and operating theatre nurses at the San Fernando General Hospital.

The training programme for pharmacists and dentists is continuing and the Government of Trinidad and Tobago pays 50 per cent of the economic cost. We have had dietitians' course and the internship programme in progress. There has been training on advanced trauma life support and pre-hospital trauma life support at San Fernando General Hospital, and infection control and we have sent two radiographers abroad for training in oncology in preparation for the new oncology centre.

In the area of health promotion, we have had several activities at different levels. There have been workshops and seminars dealing with subjects like AIDS, dengue, cholera, diabetes, food safety, mental health, family planning, safe

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motherhood, breast feeding, weight loss and cardio-pulmonary resuscitation. We have had several community health fairs in different areas, lifestyle programmes on television and other arms of the media. We have had education seminars at schools, clinics and health centres and we are working with the non-governmental organizations as well in other programmes like the healthy heart project as organized by the Heart Foundation of Trinidad and Tobago.

Mr. Deputy Speaker, we have introduced into the system in Trinidad and Tobago 15 new ambulances and training has begun in safe driving and early patient care for the drivers of these ambulances. I would develop on this later on. We have strengthened most of our supporting services like the Insect Vector Division, Food and Drug Division, and the Trinidad and Tobago Public Health Laboratory. These are some of the things we were able to do in the nine months in 1998.

This morning I would like to focus on some of the plans which we have for 1998/1999 within the budgetary allocations we have. It is estimated that Trinidad and Tobago spends about \$400 million each year on pharmaceuticals both in the private and public sectors, of which Government supplies for 1995 were \$48 million; 1996, \$60 million; 1997, \$60 million; 1998, \$72 million and in 1998/1999, \$79 million has been allocated for the purchase of pharmaceuticals.

The Government is very concerned about the high cost of pharmaceuticals to members of the public, especially those who suffer from chronic illnesses and those who have to be on drugs on a long-term basis; many of them elderly and some not so well off. In Trinidad and Tobago there are tens of thousands and probably hundreds of thousands of people who suffer from the following illnesses: glaucoma, diabetes, hypertension or high blood pressure; heart disease; asthma and cancer and the cost of medications for treating these illnesses can be quite prohibitive.

In an effort to alleviate the plight of those persons suffering from these conditions, we have made an arrangement with our purchasing agency, NIPDEC, to supply a basket of 15 items covering these conditions to private pharmacies to be sold at approximately 50 per cent lower than the cost at which they are presently sold. For example, we can expect that a vial of insulin which is at present sold in the private pharmacies at the price of \$155.00 to be sold for \$60.00 or less. For one of the drugs used for treating glaucoma, the price which is now paid is \$75.00 and we expect that to be reduced to about \$22.00 per vial. The inhaler which is being used for asthma we expect it would be reduced from the present

cost of \$74.00 to \$33.00 and for one of the cancer medications, from a price of \$5.32 per tablet to \$1.50 per tablet.

Mr. Deputy Speaker, I had discussion a few days ago with the Pharmacy Board and it has pledged its support for this venture and we are putting the necessary arrangements in place to have it started in January 1999. This would positively impact on the lives of hundreds of thousands of persons and bring some measure of relief to their burdens as they carry on their lives on a daily basis. As soon as this is implemented, we intend to publish a list of the drugs and the prices in the daily newspapers so patients would know what they can expect to pay in the private pharmacies. In addition to this, these drugs which are available at the public institution would still continue to be available to persons who cannot purchase them in the pharmacies.

Secondly, in Trinidad and Tobago there are a number of children who require cardiac surgery for heart disease, either congenital or acquired. This service has never been available in Trinidad and Tobago and children who suffer from these diseases have had to go abroad and through the assistance of NGOs, and arrangement with surgeons and institutions from abroad, a few of them have been operated on. We have begun to develop the capability at the Eric Williams Medical Sciences Complex to do these surgical operations at Mount Hope and last month, with the help of some professionals from abroad, 10 surgical operations were successfully performed on children. We have been able to save 10 lives and have given these children, who would have died otherwise, a chance to live a normal life. We intend to further develop this programme in the new year and \$1 million has been allocated for the continuation of this programme. It is hoped when it is fully developed it would serve the needs of not only our population of Trinidad and Tobago, but the services can be sold to our Caricom and Caribbean neighbours.

I want to mention a few words on the ambulance service. I think everyone agrees that we require to have a reliable and quality ambulance service in Trinidad and Tobago. Recently, 15 new ambulances, which are not enough, were brought into the system. As part of the Health Sector Reform Programme, the establishment of a national ambulance service is one of the key elements. We are now evaluating a proposal which has been endorsed by the government of Nova Scotia from the manufacturers of ambulances to do a pilot project in the South-West Regional Health Authority by providing ambulance service. This project entails well-equipped ambulances with paramedics, drivers and proper

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communication. This is a proposal in which the Government of Trinidad and Tobago would not have to purchase ambulances, provide training, or provide drivers. We would be buying the service from this company. We are in the process of evaluating this and as soon as a decision is made, we have been assured that this service could become available within three months. We feel very excited about this and hope it would obviate the need for having to institute things like disciplinary action against persons who have been found sleeping on the job.

While improvements continue to take place at the major hospitals in Trinidad and Tobago in 1998 and 1999, three of the major projects which would continue in the 1998/1999 period are the construction of the oncology centre at the Eric Williams Medical Sciences Complex, early works on the Burns Unit at San Fernando Hospital, and the Intensive Care Unit at Port of Spain General Hospital. The focus in 1998/1999 would be on the primary health care sector and in this respect I mention the following.

During the 1998/1999 period, refurbishment works would take place in health centres in every region all over the country. Construction would begin in a number of district health facilities including the long awaited Couva Hospital, which design is now completed. In two weeks' time, we would be having a meeting at Princes Town to finalize the siting of the Princes Town Hospital and as soon as this is done, the design which is site specific would be done and construction would begin. At this time, the design for the St. James facility and the St. Joseph facility are being done, and when completed, construction is also likely to begin.

As far as the Point Fortin facility is concerned, we have been able to make a justification for it to be upgraded and at the request of the Inter-American Development Bank, a feasibility study has to be undertaken. The terms of reference for this study has already been developed and a consultant is in the process of being contracted to do the study. When this is completed and agreed upon, the design brief would be prepared to move the process forward. Works on the smaller health centres would continue as well and we do have a list of those that would take place during the 1998/1999 period.

Mr. Deputy Speaker, in the area of health education and health promotion, there would be heavy emphasis on health education and promotion activities during the next year. I mentioned last year, or early this year, that a health promotion council would be established. We have already developed this proposal and a note is expected to go before Cabinet soon to establish a health promotion

council. This would consist of officials from the Ministry of Health, and the regional health authorities and would also have in its membership representatives from other ministries and agencies which impact on health, and representatives from non-governmental organizations. The initial task of this council would be to review all the existing documents on health promotion and to develop an action plan for implementation.

Beginning in 1999, we would be instituting a nationwide programme on screening for two of the commonest types of cancers in Trinidad and Tobago: cancer of the breast, and cancer of the prostate. It has been shown that with early detection and treatment of these cancers, life can be prolonged significantly and a cure may even be achieved.

11.00 a.m.

We will begin this programme early in 1999 in order to give patients who may be suffering from this disease in its early stages, a good chance of survival.

Mr. Deputy Speaker, our training programme will continue for district health visitors, that is, in regard to primary health care. Beginning in early 1999 the post-graduate programme in family medicine for physicians would begin. In addition, all of the regional health authorities have been mandated to develop their own primary health-care programmes during the year. We already have proposals from many of them and some have already been accepted.

In relation to this and in our desire to empower the population to take greater responsibility for their health, we will be giving each of the approximately 300 children suffering from diabetes a glucometer, which is a machine to measure their own blood sugar. We will be giving them to each of the 300 juvenile diabetics in Trinidad and Tobago. [*Desk thumping*]. This is a very sensitive group of patients, and it has been shown that testing of urine for sugar, especially in this group, is not a reliable monitoring mechanism.

In passing, I would just mention the measure that had been alluded to in the budget concerning the removal of VAT from orthopaedic items and other appliances. The Minister of Social Development dealt with it in great detail yesterday.

There are a couple of other things I would mention, Mr. Deputy Speaker, I think you would be pleased to hear this one. [*Interruption*] As you know, there are many people in Trinidad and Tobago who suffer from chronic renal failure, that is,

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kidney disease. In the public health sector we have not been able to offer them treatment on a continuing basis as far as dialysis is concerned.

However, as you would know, the only real and effective cure for chronic renal failure is kidney transplant. In fact, in December we will be laying on the Table of this House a Bill entitled 'An Act to make provision for and in relation to the removal of Human Tissues for Transplantation and Blood for Transfusion and matters connected therewith.' This will give effect to the measure that will allow organs, kidneys particularly, to be harvested from cadavers. We know that if this is implemented we can save the lives of many people who die from renal failure in the future. Early in December we will be bringing this Bill before Parliament and as soon as it is passed we will implement this measure.

In our quest for quality health care, I mentioned earlier this year that in addition to other initiatives we would be developing a charter of patients rights and obligations. It is in its final stages, we have the document here, the Patients' Charter of Rights and Obligations. It is before the regional health authorities and would be made available to members of the public early in the new year giving them an idea of what their rights and obligations are as far as health care is concerned.

The Ministry of Health has also initiated steps to introduce a health service accreditation system for all health facilities in Trinidad and Tobago to ensure that national standards are adhered to and a comparable quality of care is delivered at every institution and health facility in Trinidad and Tobago.

I would just mention a word on the Scarborough Hospital. In the Health Sector Reform Programme the only general hospital that was supposed to be built was the Scarborough Hospital. When we came into office, after we signed the loan agreement, there were some differences of opinion as to the site and size of the new Scarborough Hospital. Because of this, the InterAmerican Development Bank requested that we do a feasibility study. We took some time together with the Tobago House of Assembly to agree on the terms of reference for the feasibility study. It has now been completed and the Tobago House of Assembly has accepted the results. These results of the study are now before the InterAmerican Development Bank for their non-objection and as soon as this is received the process of design would begin and after that, construction.

Before I close, there are two other things I would mention. Firstly, a couple words about AIDS in Trinidad and Tobago. HIV/AIDS is a worldwide epidemic, and in the Caribbean, Trinidad and Tobago ranks fourth in its incidence rate after

the Bahamas, Bermuda and Barbados. HIV/AIDS is found in all geographic areas in Trinidad and Tobago, the highest incidence being in St. George Central, St. George West and Tobago.

In the first quarter of 1997 a total of 2,642 cases was reported by the National Surveillance Unit, and of this number, 1,681 have died. It also shows that our young women in the child-bearing age are at a higher risk of being infected with HIV. Mother to child transmission now represents 5 per cent.

The Ministry of Health within the next month, that is, by November, will complete its strategic plan after staging a national multisectoral workshop on AIDS, but in the meantime there are several activities aimed at decreasing the incidence of HIV/AIDS that is in progress in Trinidad and Tobago. As a result of a regional workshop on AIDS held in this country recently, we are now considering a proposal for implementation that would treat pregnant women who are HIV-positive. The evidence has shown that this significantly decreases the incidence of AIDS in newborn babies.

With regard to the issue of financing of the health sector, we have been allocated this year close to a \$1 billion for the health sector, but we have been looking closely at the area of an alternative means of financing the health sector. At present, we have a committee at the Ministry of Health and the Regional Health Authorities which is looking at all the documents concerning health financing that are available in Trinidad and Tobago because many studies have been done and would soon be making a recommendation to the Ministry of Health.

In the meantime, we are looking at two areas where we would like to institute fees for users, and one is in the area of accident and emergency, where people involved in motor vehicular accidents, most of them are insured by insurance companies. We are developing a proposal at this point in time to ask the insurance company to make some kind of contribution towards their care while in hospital.

Secondly, at this point, we provide service for a fair amount of other Caricom nationals from outside of Trinidad and Tobago. We are looking at a proposal to institute some kind of charge for people outside of Trinidad and Tobago who seek services here.

The Ministry of Legal Affairs is also presently engaged in the unique Identifier Registration Programme. My understanding is that in a couple weeks the contract would be awarded for this programme which is a prerequisite to the instituting of

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our National Health Insurance System that we would be bringing on stream later on.

Finally, as far as mental health is concerned, we have developed a mental health plan within the Ministry. After extensive consultation, we are now in the final stages of that document and it would be implemented as soon as it is finalized.

We also have a dental health plan which was initiated at the level of Caricom. We have developed our own plan in relation to that and that is also in its final stages of development; we would be implementing that very soon. In the Eastern region they are in the process of finalizing the arrangements to have a dental clinic on the road to service that region. [*Desk thumping*].

We recognize that the health sector is a very sensitive area. On a daily basis in the public health sector, we look after close to 10,000 patients. We know that there is a lot of room for improvement in the health sector, but this is the goal of the entire Health Sector Reform Programme. Our goals and targets can only be realized if people begin to take their own health seriously. We can put as much money in the health sector as we want, but we would only be perpetuating an inefficient system of health care delivery.

Our focus, therefore, has to be disease prevention and control, and we have to place emphasis on the primary health care sector and people have to begin to take responsibility for their own health.

Thank you.

Mr. Martin Joseph (*St. Ann's East*): Mr. Deputy Speaker, I am pleased to participate in this debate.

When the Minister of Finance presented his first budget to this honourable House on behalf of the UNC Government in January 1996, it had no identifiable theme. When he presented his second budget on December 12, 1996 his theme was "Opportunity for all, a Blueprint for Human Development, Savings and Asset Building". He called his third budget presented to this House in December 1997, "Total Quality Nation". Yet we have not seen the results of this budget theme nor have we seen the results of the previous budget theme. I will come back to that a little later.

This fourth budget presented earlier this month by the hon. Minister of Finance had as its theme "Platform for Progress, Security for All". I am forced to ask the

question, whose progress and which "all"? The reason I ask is to find out whether this "all" to which the Minister of Finance refers is the same as the national unity theme that the Prime Minister and Member for Couva North mouthed very early in that administration's tenure. We have seen, so far, the results, or should I say the consequences of that national unity, which for all intents and purposes at this point in time, can be best characterized as an effort to ensure that there is a certain amount of national disunity.

One assumes that the budget in the absence of some overall plan is a plan of the Government's focus, in particular, for the ensuing year. I quote from an article written by Professor Selwyn Ryan in the *Sunday Express*:

"National Budgets are fiscal blue prints which seek to indicate how a government intends to manage the country's financial systems in the year ahead. They are also political statements through which the government sends signals to the national and international community as to where its stands in terms of current and future policy priorities".

This budget like previous ones of this Minister of Finance, falls woefully short of any such indication especially in the area of social development. It still continues to provide no comprehensive details and one can understand the Minister's reluctance to do what is traditional in the presentation of any budget, and that is to review the performance of the year gone, so that we have some indication as to the extent to which we were able to accomplish some of the goals, objectives and programmes identified in previous years.

11.15 a.m.

We have been complaining since the coming into being of this Administration that we are seeing a movement away from the traditional presentation of budgets. Not that we are not about change, but we are about meaningful change. In the past, all administrations—the PNM and the NAR administrations—have been able to present budgets that turned out to be meaningful documents to the citizens of Trinidad and Tobago. A major part of that budget presentation requires some review of the performance of the Government in the period gone so that we are in a position to determine the extent to which the Government has been able to achieve what it set out to do.

This Government has consistently refused to do that, so much so that over the weekend our Leader of the Opposition and Political Leader suggested that perhaps

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the Parliament may need to legislate in terms of what a budget ought to contain and what are some of the minimum requirements that ought to go into a budget if, in the first instance, as Parliamentarians, we are to be in a position to adequately debate a budget; and, secondly, the citizens of Trinidad and Tobago, who are supposed to benefit from the budget and have some indication as to what happened before and what is likely to happen in the future, will be able to participate meaningfully.

Mr. Deputy Speaker, this Government boasts of the fact that part of its programme is to have the citizens involved in the democracy and decision-making. That is only a set of talk because here they have an opportunity to have the citizenry be aware of what is happening and participate, yet they are denied. I will give you another example: when they occupied these Benches here, especially when the previous PNM administration came to have the financial year changed, they threw in a whole set of legislative measures that they felt needed to be put in place. One of those measures was this whole question of throne speech. They said that a government ought to come to the people through the Parliament and indicate to the people precisely what the Government intends to do during the year apart from the budget that will deal with the number crunching and the specifics and so forth.

This is the fourth budget presented by the UNC Administration. If they were really serious about what they were saying when they were here, one would have expected that we would have had a throne speech that outlined the Government's programmes and policies for the ensuing year; but no such thing. No details are provided and one has to understand the Minister's reluctance to review the performance of his Government, especially in the area of social development because, as previous speakers indicated, one can go through a shopping list of promises. Promise this and promise that and yet none of those promises were fulfilled. Twenty-five million dollars to single women; no such thing and not even an explanation as to why these promises were not fulfilled. Therefore, the possibility of some of the things outlined in this budget and the likelihood of those things being achieved, one is left to wonder.

Mr. Deputy Speaker, this UNC Government continues to tinker and tamper with little pieces here and there. One would have expected that by the third year an overall policy framework for social development would have emerged.

The Minister of Finance attempted to make heavy weather of the Government's initiative to raise the levels of pension payments to senior citizens by an additional \$100 per month. While commendable, it is insufficient in the context of the economic and social realities of today. This increase will not significantly improve the lot of senior citizens, especially when one looks at the increases in prices that have been occurring during the last three years.

The Member for San Fernando East, in his presentation, provided this honourable House with examples of increases in the cost of food items. The Member for Diego Martin West also indicated that over the last three years food prices increased on average of some 20 to 30 per cent. The Member for San Fernando East quoted what food prices were in 1995. Processed chicken per pound was \$4.99, in 1998 it is \$7.80 per pound; Happi corned beef, \$4.99 per 12 ounce tin in 1995, in 1998 it is \$6.99, an increase of 40 per cent; pigeon peas \$5.85 for 16 ounces in 1995, in 1998 it is \$7.99, some 37 per cent increase. *[Interruption]*

Mr. Deputy Speaker: Members for Tunapuna and Arima.

Mr. M. Joseph: Thank you, Mr. Deputy Speaker.

Nestle condensed milk, in 1995, it was \$4.39 per tin, in 1998 it is \$5.79, a 32 per cent increase; and the list goes on in terms of increases.

That increase will not significantly improve the circumstances of senior citizens in light of the cost of living increases. Later on we will see that the major requirements of senior citizens such as medicine, even though the Minister of Finance attempts to reduce some of the cost of medicines, we will see that is not sufficient to improve the lot of the senior citizens whom we are boasting that this \$100 will help substantially. The Minister of Finance, in addressing the matter of pension reform at page 25 of his budget document stated:

In other words, for having an extra dollar of income, the pensioner loses the entire \$520 per month. This is a grave injustice which must be addressed."

So he is talking about addressing this grave injustice.

Later on in his budget presentation he talked about harmonizing old age pension and national insurance. Mr. Deputy Speaker, again the Minister of Finance is vague in terms of how this harmonization will take place and what are the likely consequences. I think only last night in his contribution the Member for Laventille East/Morvant raised some concerns which were raised with him by some senior

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citizens to determine whether or not they are going to be better or worse off as a result of the ceilings and as a result of utilizing both the old age pension and national insurance payments. That is something that certainly needs to be addressed because one wonders whether or not this is another example of the public relations and spin that this Government puts on most things. They indicate one thing and then the population is left believing that because of the implementation of that thing they are better off and only when they start dealing with the calculation they realize that they are worse off.

There is a question that needs to be answered in terms of the specifics as to how this harmonization of old age pension and national insurance will, at the end of the day, not leave people worse off than they were. I hope the hon. Minister of Finance, in his winding up, will address that concern.

There is also a group of pensioners who have not been addressed. Mr. Deputy Speaker, permit me to indicate that group. I received a letter dated October 12, 1998 from the President of the Government Pensioners Association. This group has indicated that their pension concerns have not been addressed over a period of time. They have asked that some representation be made on their behalf. These are individuals who served government at the highest levels in the public service and yet, at the same time, they are in a situation where, given the increases in the cost of living not only that, they receive a pension that does not take into consideration that in many instances that pension represents the only source of income.

They are at least two-person families because most of them are married. Their plight is crying out for some sort of remedy. I am hoping that group because the Minister of Finance also mentions the fact that he is going to be dealing now with daily-paid workers and that there is some proposal to address the question of daily-paid workers and provide them with some pension benefits. We are asking, on behalf of the Government Pensioners Association, that their mark-up be addressed also. Hopefully it can be addressed as speedily as possible.

The Minister of Finance made comments about the National Insurance Scheme. At page 25 he mentioned:

“..the level of benefits and contributions of the National Insurance System has not changed in 18 years. If nothing is done to address this adverse situation then the National Insurance System will become increasingly irrelevant and completely marginalized.

It must be recognized, however, that given the historical neglect of the National Insurance System, it is not possible to correct all of these deficiencies at once the required increase in cost would be unbearable to both employee and employer. This can no longer be ignored and must now be done on a phased basis.”

Again, in his typical style, he comes here and attempts to castigate the PNM while in government for doing nothing about the National Insurance System.

I think we need to put on the record once and for all because we are all aware—that between 1983 and 1993 we were in a recessional period and we had falling incomes. The ability to implement the actuarial recommendation at that time was not feasible. Remember it would have required increases in contributions by both employers and employees.

Mr. Deputy Speaker, according to the NIB Act the scheme has to be reviewed by an actuary once every five years. Numerous modifications have been made to the structure of the scheme from its inception in November, 1971 until the last major one in 1980. That major reform consisted of the modifications of the benefit amount, the contribution rates and the class ceilings. Since the fourth report which was completed in 1990, the funeral grant was raised to \$1,000, the maternity grant was increased to \$500 and the direct payment system of contribution collection had been implemented.

The Government has decided to implement the recommendations of this fifth report which was completed in 1995. The question is, why so late?

This was done in 1995. It is now being implemented in 1998.

11.30 a.m.

Mr. Deputy Speaker, the point is that the Government in 1995 was in a position to have increased the benefits because during the period 1991-1995, the economy as is recorded here, for the first time started to show signs of growth. The People’s National Movement’s policy during the period 1991-1995 was to ensure that the economy was on a solid footing so that, having done that, they would have been in a position to address in a more comprehensive and meaningful way, the other social sector.

Notwithstanding the constraints that we faced between 1991-1995, efforts were made to marginally increase the social sector, but this Government was absolutely

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fortunate in the sense that it harvested a good crop and, as a result, one expected that it would have been in a position to implement social development.

Only this morning, I listened to a report indicating that somebody from the International Monetary Fund is here and saying that the basic macro-economics were still solid but this Government, if it did not watch its actions, is likely to fritter away the gains.

Now, let me tell you why we focused on economics, Mr. Deputy Speaker. There is something called a Growth Poverty Reduction Elasticity that says for every 2 percentage points reduction in poverty, there must be a corresponding percentage increase in growth. So, this is what one would have expected. If the economy grew by 5 per cent, we expect there ought to be a 10 per cent reduction in poverty but, more importantly, what it does is it prevents what is referred to as 'new poor' from joining the rolls and having to rely on the state to be provided with services. We have maintained that the way to go is to ensure that those persons who, for reasons they have no control over, must rely on the state, that group ought to be kept to the barest minimum because there is a cost associated with providing adequate social services.

What should be done is to be sure that the economics are such so that there are no persons who need to come to rely on the state, or if they have to rely on the state, it ought to be only for a short period because of some dislocation or some disaster over which they have no control, because we recognize the relationship between the economics and the social.

Once and for all, because the hon. Member for Chaguanas, in his contribution yesterday, tried to make heavy weather that we were in government all this time and we did nothing to improve the lot of certain disadvantaged persons. But, as I indicated, especially as it related to the pension—because that is what he focused on—between 1983 and 1993, the economy was in such a state that the ability to do some of the things that we wanted to do, we could not. I will return to that later.

Now, however, this Government is in a position to do certain things and we realize they are doing certain things. This is the reason I asked earlier on this budget theme 'A Platform for Progress,' prosperity, progress and security for all—which 'all,' and whose 'progress'? Because what we are seeing is that it is not everybody's progress at all, but just progress for a few and the 'all' is a kind of

The Member for San Fernando West, in his contribution last night, indicated that NIS funds are targeted to be used to fund Government projects because the Government cannot, or is unable to source international funding, it was not successful in being able to float a bond on the domestic market. Their inability to source international funds, as we recognize, is because they cannot meet some of the stringent requirements of accountability, *et cetera* and it was clearly indicated by Members who spoke on this budget before, about the issue of the Airports Authority and the airport contract and how the PNM government proposed to have funded the airport with no recourse to the Treasury at all.

Now, it is recourse to the Treasury and because of the concerns raised about accountability, it is now off the books and now will be funded separately and the National Insurance Board is supposed to be one of the major sources of funding for those kinds of projects. We have some concerns about the use of NIB's investment income which is currently estimated at some \$3 billion. One expects that it is going to increase tremendously when this new actuarial recommendation is implemented and there are employers and employees making higher contributions.

Are the proposed increases in contribution by employees and employers designed to provide this Government with additional income for it to be involved in some of these very questionable practices? One must ask that question.

I understand that there have been some strange occurrences where those investments have been popping up. The Investment Committee of the National Insurance Board is headed by the Chairman of the Board. The Member for Diego Martin East, in his contribution, established the link and the relationship between the Chairman of the National Insurance Board and the Minister of Finance; he established the relationship between the Chairman of the National Insurance Board and the fact that, by law, he is also the Chairman of the National Insurance Property Development Company and we know about that relationship. But, there is something else that is a little more frightening. That the current Executive Director of the National Insurance Board is also closely related and connected with the Chairman of the National Insurance Board and also the Minister of Finance, so much so that there are persons who are extremely concerned about that connection and relationship and what is likely to happen as a result of that relationship and the use of the National Insurance Board funds.

Just recently I was reading in the newspaper that the Comptroller of Finance was dismissed from the National Insurance Board—I read it in the newspaper and he

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has taken the National Insurance Board to court because he claims wrongful dismissal. I understand it involved some investment decision that he went against and the board went ahead anyhow and, as a result, the National Insurance Board lost millions of dollars as a result of the deal and they were trying to pin that on him. It was as a result of that he was dismissed. I understand that the matter is in court.

In his contribution yesterday, the hon. Member for Naparima expressed concerns about this whole issue of corruption in this country. He indicated his concerns because, obviously, there are concerns in the society as reflected in some of the editorials in the newspapers and as reflected in the man-in-the-street talking. He said the Government to which he belongs is concerned about that and will take some kind of action. He also went on, as I am sure you recall, Mr. Deputy Speaker, to talk about what pervasive corruption does to a society, how it distorts the economic development, how people suffer.

Let me underscore the point he made yesterday, by quoting and placing on record an article I saw written in the *Latin Trade* of September 1996. It is called "The Other face of Business in Latin America." It says in the caption:

Throughout Latin America, corrupt government officials are undermining legitimate business and economic growth, causing billions of dollars in losses to the region's nations every year. Is change finally underway?"

Let me quote some parts of this article, again, as I said, to underscore the point made by my colleague, the hon. Member for Naparima:

Corruption can have significant negative effects on the economies by distorting market forces. The losses caused by corruption exceed by far the personal benefits obtained since corruption distorts the economy as a whole...

It's an impediment to job creation and economic growth,...

Corruption undermines efforts by legitimate businesses to work hard and provide the best possible products and services at the best possible price. Consequently, when over-priced and under-qualified companies are awarded government contracts, the ultimate loser is not only the government, but the consumer, who is bereft of the best products, anticorruption experts says...

At the same time, a system of corruption leads to heavy losses for the country since it encourages local legitimate business people to move to more

transparent markets and discourages foreign investment by many legitimate companies.

The country also loses when under-qualified companies are awarded important infrastructure contracts.”

Yesterday, somebody was asking: Is that what we are seeing on the Solomon Hochoy Highway?

Projects may either end up not being completed (in which case the government has to intervene and incur further expenses) or done improperly (causing, for example, environmental damage).

Corruption undermines the legitimacy of public institutions and strikes at society, moral order and justice...”

I quoted from this because, given the concerns expressed by my colleague and given the concerns with respect to the use of the National Insurance Board funds for Government projects, and given what we are seeing occurring—and I do not need to go back and rehash all the examples; they are glaring there for the public to see—let me just say something. When the Member for San Fernando East kept making the point that when the Government allows corruption to take place, what it does is that it filters down throughout the rest of the country especially in a society as small as ours.

There is a statement in management that says, “What gets rewarded, gets done.” There is the flip side to that and that is that we have to deal with behaviours that are inappropriate. If, for example, we reward corruption, if we reward immorality; whatever it is that is rewarded, people are going to do that. If you are a manager and you reward news carrying, then that person has a CNN because all the employees will bring news, because they will say, “Okay. That is rewarded. If I bring news, I get promotion, *et cetera*.” If I could engage in corrupt activities and nobody said anything, what happens to those who do not engage in corrupt activities? They would say, “But, I am stupid.”

Not only that, we have a saying in this society that exemplifies this. “If the priest could play, who is we.” In the world, perception is as good as real. There is a perception that there is a certain level of corruption taking place in this country that is unprecedented.

Mr. D. Singh: What proof?

Mr. M. Joseph: Let me speak about something said earlier this week.

11.45 a.m.

Mr. Deputy Speaker, let me put it on the record again. There was a time when as far as this country was concerned, it was not pleased with the way the PNM administration dealt with perceived corruption and mismanagement. We paid the ultimate price for that. We were kicked out of Government! [*Desk thumping*] Not only that; when people use that and say PNM thief, so we could thief it underscores a mentality that is disruptive for this country, especially from people who ought to know better.

The Member for Tobago West keeps making the point. There are those of us who care about Trinidad and Tobago. There are those of us who have nowhere to go; "We navel string tie here!" Trinidad and Tobago is important to us. There are right-minded thinking people in this country who are not pleased with what is happening. This UNC Government believes that it could do whatever it wants and it has a segment of the population which will support them irrespective. That is not healthy for the country. There are right-thinking citizens of this country who are not pleased with what is happening. [*Interruption*]

Mr. Deputy Speaker: Order!

Mr. M. Joseph: When there is no censure and they could get away with it, this is what it leads to. When the Member for Princes Town, with respect to some hiring decision involving some person who was sixth and moved to first, and we brought it to this House and raised the whole matter, no one seemed to be concerned. The Hon. Member for Princes Town came to this honourable House and deceived the Parliament. The Member for Diego Martin West raised the issue and said what it was costing us in terms of accessing certain funds. Mr. Deputy Speaker, I am constrained to raise this to show the extent to which it is going.

I have in front of me a draft note. The other day when my honourable friend from Diego Martin East was tracing the whole question of the airport matter moving from here to there and was quoting Cabinet notes, I was seeing people across there aghast. This is Trinidad and Tobago. Cabinet notes and information coming out of Cabinet. There are right-thinking people, and when they see certain things happening, they try their best to see if they could get it to some source where it could be addressed. They are not just whistle blowers; they have a conscience, because they realize that if this continues, it would erode the fabric of the society.

This is a draft note to Cabinet involving the employment contract of one Dr. Winston Rampaul as the manager for Rudranath Capildeo Learning Resource Centre.

The matter for consideration by Cabinet is the employment on contract of Dr. Winston Rampaul as manager of the Rudranath Capildeo Learning Resource Centre, Ministry of Education for a period of three years with effect from the date of assumption of duty on terms and conditions to be negotiated with the Chief Personnel Officer.

It goes on to say that Cabinet agreed, and so forth.

Mr. Deputy Speaker, it was on the basis of interviews and five persons were interviewed and ranked. Dr. Winston Rampaul was first and Mr. Hatem Gardner was second. This was the proposal. Here is the revised. The original proposal identified that No. 1 was Dr. Winston Rampaul and No. 2 was Mr. Hatem Gardner. It went to the Minister of Education and the Minister *[Interruption]*

Mr. Deputy Speaker: Member for Tunapuna and Member for Arima, we have facilities behind the Chair for discussion. You may use them at your convenience. Please let the Member continue.

Mr. M. Joseph: Thank you, Mr. Deputy Speaker. The original proposal went to the Minister. The long and short is that the Minister of Education, upon reviewing the result of the interview process, considered that undue weight was given to academic qualifications above the Bachelor's level as compared with relevant experience. Moreover, the Minister considered that with the current situation with the centre, with distance learning educational broadcasting transferred to a new portfolio it would impose a significant dimension of new demands on the manager and required, therefore, heavier emphasis on relevant administrative experience, administrative co-ordination, and relevant diplomatic skills. The Minister, therefore, considered that the order of merit of the first two candidates should be reversed.

The only difference with this one is that they did not take No. 6 and put No. 1, but the point is that there are interviewing panels that are set up and given the criteria, some job specification clearly would have developed; there is a job analysis that would have been done; they would have identified what the job entails, what are the qualifications, and so forth, and on the basis of that, interviews would be conducted; people would be selected and ranked.

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After that, they reversed it and tried all sorts of technical things to say that they over-emphasized it. If one knows about hiring, they rate things. They say education is going to be so much, experience, so much, knowledge, so much, and it is on the basis of that. They are undermining people! I do not know whether or not the intention is really deliberate. I do not know if there is some long-term agenda we do not know about, but these things cannot be allowed to continue. We are seeing instances where all sorts of questionable practices are being put into place, and I am saying with respect to the National Insurance System, concerns must be raised with respect to the use of that scheme.

Returning to the NIS reform, has the Minister of Finance worked out the impact of these increases on small businesses when one takes into consideration that just recently there was the situation with the minimum wages, and now we are talking about an additional NIS contribution? The impact on employees? What will happen to their take-home pay as a result of this increase in contributions? Are we seeing changes being implemented without understanding their economic implications?

What is supposed to be the role of the NIB in enhancing the social net over the next two years as we enter into the 21st Century? Over the years, the National Insurance Board has proven its capability in the administration of social programmes and relief benefits. Last year, the Minister of Finance came to this honourable House and indicated that he intended to reform the NIS. He also talked about some Chilean model of privatization.

Mr. Deputy Speaker: The speaking time of the Hon. Member has expired.

Motion made, That the Hon. Member's speaking time be extended by 30 minutes. [Mr. E. Hart]

Question put and agreed to.

Mr. M. Joseph: Mr. Deputy Speaker, I was indicating that the Minister of Finance in his last budget came to the House and talked about reforming the NIS. He also talked about pension reforms and a two-tier system, and there are concerns expressed in the community as to whether or not a particular insurance agency is likely to benefit.

Corruption, like discrimination, is pervasive and hard to prove. Once credibility goes, then there is a serious question. One starts questioning every move, looking

under the surface and trying to read between the lines, because one realizes that whatever one sees on the surface, somebody is to benefit. That is not what Government is about. That is what distinguishes a PNM administration from other administrations. When we talk and we say that we are uniquely poised to manage the affairs of this country, there are people who misinterpret that, and figure that is arrogance. That is based on groundings of philosophy, values, morality and other belief systems. The PNM ascribes to a philosophy that says that Trinidad and Tobago belongs to everybody, where every creed and race find an equal place. When we are in Government everybody feels comfortable and happy because all could co-exist. *[Desk thumping]*

Mr. Ramsaran: You are living in a fool's paradise!

Mr. M. Joseph: Yes. I am living in a fool's paradise. You will see.

Concern with regard to some aspects of pension reform which the Minister spoke about in his last budget. Again, no mention of that in this budget, and what are the likely results of it?

Mr. Deputy Speaker, let me give you another example of a gesture here and a tinkling there. The Minister of Finance made a statement on health at page 18 where he said that \$43 million will be going into health. Without any overall policy for the health sector, we cannot have a sense of what that means. How will this injection of \$43 million change the lives of the average citizens who expect adequate health services? Is the Minister aware that citizens are going to the hospitals and there are no medicines? Is he aware of the frequent mishaps in our health institutions? Is he aware that negligence in the health institutions has now reached the courts?

I could imagine, one may have been as shocked as I was, at the front page of the *Sunday Guardian*. The Member for San Fernando West alluded to it also in his presentation: 'AMOCO sued \$1b in child's death' This followed an editorial in the *Newsday* on October 6:

'Hospitals negligence stable'

We are now talking about suing these institutions. The standard of health care is also deteriorating at a time when we are talking about international coverage for Trinidad and Tobago. We are talking about hosting Miss Universe. Can we imagine a negative resolution to this, and what sort of scare it is going to put in the

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hearts of persons who are coming to Trinidad and Tobago? A child died because she was bitten in a rat infested place.

12.00 noon

So that this is what I mean when we talk about this being a spin Government; this is a public relations Government; it is little something here and little something there, and yet, the overall integrated programme and policy is being completely overlooked. So we know of the standards of health. These are the sort of "çoki-eye" priorities of this Government.

I am not attacking the Minister of Health, he is one of the most gentlemanly on that side. I am attacking the policies of his government, I am attacking the programmes of his Government, I do not attack individuals. At all! It so happens he is the Minister of Health. It so happens that the Minister of Finance is the Minister of Finance, he is the face that we see when he presents whatever his Government stands for.

He talks also about \$1 million because of the incidence of heart disease among young children. What is \$1 million going to do as part of an overall integrated programme?

He talks also about reducing the cost of pharmaceuticals. Again, it is difficult for us to analyze this, it is difficult for us to make some meaningful assessment of it in the absence of something that allows us to make comparisons, and see where we are along a particular road. That is the difficulty. There is a worldwide recognition that governments have to enter partnerships to provide citizens with better health care, and maintain the cost of these services at an affordable level to both governments and citizens.

In addition, the concept of governmental accountability has taken on a new meaning. In this view, Government demonstrates accountability when it shows the citizens, one, what they are getting from the use of public funds in terms of products and services; two, how these expenditures benefit their lives or the lives of those they care about and; three, how efficiently and effectively the funds are used. This type of accountability holds Government responsible, not only for its actions, but also for the results of its actions.

Mr. Deputy Speaker, the last PNM administration in 1991-1995 set in place the overall administrative framework for community-based health care services with the establishment of regional health care authorities. This UNC Government cannot

honestly say that they met nothing in the health sector. They were required to design a framework for health care services delivery, building on existing administrative frames. Instead, they chose to tamper with the management personnel and, as a result of their actions, the situation in the health care sector has deteriorated to what it is today. What is worse, the Government has not been able to bring about a co-ordinated environment for the administrators, medical practitioners and the nursing fraternity.

Now, after 18 months, the Minister of Health is now admitting that we have a dengue epidemic in the country. This is a regional problem requiring a regional response. What this underscores is the lack of overall thinking and the importance of health care as a major plan in human development. It is quite clear that in the area of social development this Government is incapable of producing any meaningful direction, because this is a project Government. They have a short-term view. Human development comes from a long-term integrated respect and caring for the citizens of Trinidad and Tobago, as is evident by the budget document itself.

If one looks at the budget document: law and order, the global economy, the domestic economy, economic policy, energy and energy-based industries, tourism, Tobago affairs, health, agriculture, housing, education, pension reform, *et cetera*: this Government is about public relations and spin, not really making any fundamental change. None whatsoever! Look at the decreasing role of the Minister of Culture, look at the merging of Social and Community Development with Sport and Youth Affairs. It shows the barrenness of thought at the top. Sport and Youth Affairs needs its own focus, it needs to be driven by a strong Minister, as evident by the last Minister of Sport and Youth Affairs. [*Desk thumping*]

Social policy and, by extension, social policy programmes need to focus on children, youth and families; education; community development; economic development; the environment; crime prevention and control, including community policing; drug prevention; welfare; public works; public safety; housing and homelessness; health care.

A PNM administration recognizes that equitable social development is the foundation of economic prosperity and economic growth, and that is necessary for social development. We also subscribe to the view that social welfare is an integrated and comprehensive system of social services, facilities, programmes and

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social security to promote social development, social justice and the social functioning of people. We see that social welfare will bring about sustainable improvement in the well-being of individuals, families and communities. Social welfare is intrinsically linked to other social service systems, through which people's needs are met and through which people strive to achieve their aspirations. Social welfare services and programmes are, therefore, part of a range of mechanisms to achieve social development, such as health, nutrition, education, housing, employment, recreation, rural and urban development. So we see it and recognize it as an integrated part of the human experience in Trinidad and Tobago.

Where are the programmes and policies for integrating sports, physical education and leisure into the fabric of the communities in a way that produces positive human relationships and dynamics, that in turn reduces crime and allows for economic growth and physical and human development? We note that the highest incidence of crime is among youth, and it has been established that there is a relationship between lack of social and human development on the one hand and crime on the other. Social policy must focus on youth, culture and sport as instruments of economic and human development.

I started off earlier on by talking about this Government making heavy weather of the \$100.00 increase in pension. I indicated that was not sufficient. What are the concerns of senior citizens? The concerns of senior citizens are access to medical services; they want to be able to have access to doctors, affordable medicine, lab facilities and proper care; they want access to affordable and suitable housing and shelter; payments below some minimum level; they want specially designed facilities for the physically challenged; they want available food and clothing and, in many instances, because of their age, some kind of special diet. These are the areas on which the focus ought to be, but there are no specific housing proposals for the economically disadvantaged. The Government says its intention is to offer units for sale at subsidized rates, extended mortgages and extended mortgage periods, but that does not address the needs of the very low income and aged persons.

The National Housing Authority should be funded and mandated to cause the construction of shelter which can satisfy the low income end of the spectrum. There should be primary home ownership opportunities for persons earning less than \$2,000 per month and a level of rental stock should be provided for this group. The Government has to find a way to introduce a system and methods for constructing housing for this sector at prices which do not expressively burden the

state. In other words, what we expect to see is some holistic approach to the whole question of social development.

Mr. Deputy Speaker, permit me to change my focus and spend the next few moments dealing with some of the problems confronting the persons whom I have the distinct honour and pleasure to represent in this honourable House, the citizens of St. Ann's East.

We have a couple of concerns which the people of St. Ann's East face. One is the question of water; two, drainage; and three, roads. It is the first time I have been told in the living memory of people of St. Ann's East especially Santa Cruz that this year was the worst in terms of water delivery to the area. In the past there was a schedule, people knew they got water Sunday, Wednesday and Friday nights. We have situations existing in some areas in Sam Boucaud, La Canoa and other areas, where one does not know, now, when water is coming at all. When we made that point the other day where is the Member for St. Joseph, who was raising some point about how that happens all the time. It is the worst in living memory.

Now, my understanding is that there is a shortfall of water in the valley and water comes from the treatment plant in St. Joseph. I also understand that that approach is not the best way to deal with the deficit in the valley. We have sufficient water in the Santa Cruz Valley to satisfy the needs of that valley and ship some out. What is required is some water treatment facility in an area referred to as 'The Meadows'; I am sure you may be familiar with it. I saw and I was trying to locate it an article in a newspaper earlier in the week indicating that there are two areas for which WASA is going to be spending some \$3 million in terms of some improvement. One is La Fillette and one is in Santa Cruz. But when I go through the budget documents, I see no mention whatsoever about that. So I would like the Minister of Public Utilities to give me some kind of assurance as to what is going to be happening as it relates to the situation with water. Because, as I said, there is sufficient water in the valley to satisfy the needs of the residents of the valley and ship some out. As it is now, we are shipping it in and it is coming on a most irregular basis, so I am hoping that matter would be addressed.

The second matter deals with drainage and flooding. Again, because of the circumstances this year, we have had a large amount of flooding. Normally we have areas where once every 10 years we have a flooding problem. However, we are seeing an increased frequency: perhaps it may have to do with the cutting of

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areas, *et cetera*, but the question about the drainage, desilting and dredging the river goes unanswered.

You know, it is unfortunate. When the Member for Oropouche used to be on this side, he used to talk about Members of Parliament having some input in terms of the budget so that they can provide better representation. We need to review that whole question about representation. I do not have enough time to talk about that, but at some other time I am going to talk about representation and tell you about my experience with this Government. So this is the reason why I say they say one thing and do something completely different. Anyhow, let me come back to the question about drainage. We need to regularly dredge the Santa Cruz River.

Mr. Deputy Speaker, I live in an area where every morning and evening, sometimes three or four times a day, I drive over a 20-year temporary bridge that is only waiting to collapse.

12.15 p.m.

Mr. Deputy Speaker, there is an insufficient amount of funds provided to local government for it to take care of that bridge and the embarrassing thing is that I live there. When the former Member of Parliament, Mr. Wendell Mottley, was the Minister of Finance, he made sure that certain provisions were made for the paving of the Santa Cruz River, the construction of a bridge, and a fire station. I put that on record because last year, I raised with the Minister of Planning and Development whether or not they were going to be completed. The fire station is being built and is likely to be completed, but we want the paving of the Santa Cruz River and the construction of the Hololo bridge.

On the question of roads, you are aware that the St. Ann's East constituency provides this country with a large amount of its mining material. There are about three parts of the constituency, two in Santa Cruz and one in Acono from where the material comes, one in Gasparillo, one in Changrial and the other in Acono.

Miss Nicholson: Quarries.

Mr. M. Joseph: Thank you very much, Member for Tobago West. We have three quarries. I am sure you are aware that we have some vehicles which the roads in Trinidad and Tobago were certainly not built to accommodate. They are loaded and drive at very high speeds and many times I have to pull to the side of the road. I do not know if there is a time frame in which they have to do things, but they are mashing up the roads and I am concerned about the repairs of those

roads. As damage is done, invariably they also affect the water delivery. We are not against progress but we are concerned about regulations as it relate to those vehicles and, secondly, the damages they are causing to the roads.

Finally, somewhere in the Public Sector Investment Programme, mention was made about the Commission for Self-Help and the fact that it gets some of its funding from the Community Development Fund. I am sounding a notice and warning. I attended a function recently where an electricity project was being opened in Luengo and one of the representatives of the developmental fund made a statement which caused me some concern and I raise it. I do not know if he was speaking on behalf of the funding agency, but he said if he had his way, funds for self-help projects would no longer be used to improve the facilities in the communities and they would go only to the eradication of poverty. I am concerned because in St. Ann's East we access self-help to improve the living conditions of persons in the community and many of those projects are not technically designed to eradicate poverty so if they start narrowing the focus of self-help, especially funding from the Community Development Fund and the IADB, I have some concerns. Perhaps what the Government may need to do is put some special funding there to deal specifically with the eradication of poverty, but I would not be in agreement with any attempts to limit self-help.

In the past, self-help has operated in a very unbiased way in providing assistance to communities as long as they met the requirement, and one is starting to get the impression that there is a shift in focus of what self-help is doing and I understand that some people are saying that there are too many self-help projects in PNM constituencies. Mr. Deputy Speaker, they must desist or stop, and not even start to think in that direction because it would underscore some of the concerns which I raised earlier on.

Mr. Deputy Speaker, I conclude by saying that I am very honoured to participate in this budget debate. The Member for Naparima indicated that the Minister of Finance notwithstanding the fact that he is not here, and that needs to be underscored in the past, like the Speaker, sits and listens to everybody's contribution. This Minister of Finance is treating this budget debate with a certain level of contempt which we need to underscore.

Thank you.

The Minister of Public Utilities (Hon. Ganga Singh): Mr. Deputy Speaker, I am happy to support the 1998/1999 Appropriation Bill before this honourable House. *[Interruption]*

Mr. Deputy Speaker: Order please!

Hon. G. Singh: Mr. Deputy Speaker, I must congratulate the hon. Minister of Finance whose Budget, 'A Platform For Progress: Security for All' lays the groundwork for dramatic innovations and fiscal strategies which would make our nation more economically stable. This would encourage real growth and development as we move into the next millennium. Consequently, this budget is designed to strengthen our social and economic infrastructure. Small wonder that it is getting accolades of approval from all the experts.

I read from the 1999 Budget Memorandum of Price Waterhouse Coopers on page 6.

The Minister of Finance has followed his 1998 budget caption, Opportunity for all with a budget of equal emphasis for 1999 captioned, Platform for Progress. Our review of the 1999 presentation however leads us to the conclusion that this budget ought more aptly to be captioned The People's Budget. The salient features of the presentation included a surplus of \$39 million for the period to 30th September, unemployment rate of 13.4 per cent to June, inflation rate of 5 per cent, no new taxes on business, no new incentives except in the area of training and nominal reduction in business levy. Foreign reserves increased to US \$1.1 billion, debt service ratio reduced to 10 per cent, incentives provided for agriculture, housing and education increase in pension benefits for senior citizens, increase in social security contributions by employers and employees.

Mr. Deputy Speaker, on page 7, the third to last paragraph of this budget memorandum states:

The principal beneficiaries of the 1999 budget have been the people of Trinidad and Tobago, the young and the elderly. The young from the standpoint of the educational and training facilities that are to be provided albeit limited, and the elderly whose pension and retirement benefits have been increased.

In a period where Government revenue is unpredictable, if not scarce, the special focus on this sector of our community is commendable and few would question the approach.

The business sector will undoubtedly have mixed reactions to this budget since there were no incentives provided and no material reduction in taxes. The

import duty on special registration fee for new and foreign-used cars respectively have been significantly increased and the price from the respective quarters would be loud and long. The Minister's approach in this area is however understandable.

In conclusion, the 1999 budget contained few surprises. The Minister has continuously advocated fiscal discipline and hence in a period of scarce revenues we should expect no largesse. Our concerns lie in the ability of the economy to achieve the targeted growth rate and to maintain employment levels in the absence of new sources of foreign investments.

Mr. Deputy Speaker, if you look at today's newspapers you would see that the IMF team is saying that this economy is on a sound footing. [*Desk thumping*] In order to ensure that this footing is secure, it is necessary that we place the infrastructure services, in particular, the utility services in proper perspective in order to provide the appropriate foundation for this thrust.

In keeping with the Government's plan to promote the development of Trinidad and Tobago as a total quality nation, the utility sector continues to explore more efficient, user responsive and resourceful ways of meeting the demand for quality utility services. The overall policy objectives of this sector are to ensure access to utility services for every household in this country. When one looks at the water sector and recognize the challenge which we face, the legacy which was left for us, one would recognize that this goal of providing access to every household in this country is quite a challenge to ensure a more equitable distribution of utility services in the country, to promote balanced development of utility services in the country, to ensure financial viability and sustainability, and to create an environment which is conducive to the effective operation of both the private and public sectors in the provision of the necessary utilities.

Mr. Deputy Speaker, in pursuing these objectives, our main objective is to develop the utility centre to yield the maximum benefits for the citizens of this country. Since assuming office, we took a certain philosophical approach to the governance of the utility portfolio and it is guided by this maxim we have coined, that the quality of our democracy is not measured by the contentment of the affluent, but rather by how the less fortunate amongst us have access to the basic amenities. When we recognize that this is the way we have to approach our task, you would see, as I begin to demonstrate in my presentation, that this is the kind of social philosophy which we bring to bear upon the utility sector.

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Today, there are still numerous problems as the last few weeks demonstrated—and as the Member for St. Ann's East indicated in the demand for utility services. This is not something which happened overnight; it is a legacy of years of lack of maintenance, chronic dilapidation, and virtually no management of the sector. That is what we had to deal with. However, fortunate for us, we have brought about some measure of focus and plans in this area in order to bring about the changes required in order to provide the utilities in the country.

Over the last few years, the Ministry of Public Utilities has made implicit strides to reaffirm our commitment to the achievement of greater operating efficiency and the attainment of financial viability.

Mr. Deputy Speaker: Hon. Members, we would break for one hour for lunch.

12.30 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

Hon. G. Singh: Mr. Deputy Speaker, when we took the break I was indicating to this honourable House and to the nation at large, the major achievements of the Ministry of Public Utilities:

- (a) On a close examination of our project implementation record, it would demonstrate the implementation rate has been over 80 per cent. In fact, for many projects we have utilized our full allocations.
- (b) There has been a major improvement in the reduction of operating deficits of some of the agencies in 1998, T&TEC is expected to show a profit from since 1994. Mr. Deputy Speaker, they divested the generation aspect of T&TEC in 1994 when T&TEC was making a profit and subsequent to that, no profits were made, bar 1998, but I will deal with that subsequently. Even WASA is expected to show a small surplus on the operating side by March, 1999.
- (c) There has been a major policy shift in an attempt to improve efficiency of the sector. There are major reform efforts in post offices, meteorological services, the electrical inspectorate and T&TEC.
- (d) There has been a major policy shift with respect to retroactive billing and the billing policies of the utilities, generally. In the case of WASA and T&TEC, the retroactivity will now be limited to a period of one year. Customer service bureaus or complaint tracking systems have been strengthened to deal with customer concerns more effectively. With the

proclamation of the RIC, Mr. Deputy Speaker, it would put an end to this old issue of retroactivity by service providers.

- (e) There has been the introduction of the accurately targeted social support programmes and cushioning mechanisms to ensure that no one is deprived of utility services. In this regard, the Hardship Relief Programme is continuing and is now being expanded.

The Government's strategy for the postal services is to make rapid improvements in market, financial and operational performance of the post office, by limiting Government's role to that of the policy-setter. In this regard, we have already embarked on a number of activities to effect the reform process:

- A new postal bill is expected to be enacted before November 1998.
- A management contract with New Zealand Post is currently being negotiated.
- A few weeks ago I made a statement to this honourable House informing Members of the terms and conditions and the whole evaluation process of that management contract operator with respect to the post office. I hope that the Members of the Opposition take time to read, because obviously, based on the contribution of the Leader of the Opposition, he did not take time to read the presentation and statement I made on February 6, with respect to the status of negotiations between T&TEC, and the provider of power, InnCogen.
- Government's immediate strategy for the rehabilitation and development of the postal services include policy reform, strengthening institutional capacity, commercialization and technological reform with the ultimate aim of increasing mail volumes, broadening the scope of services offered, and eliminating financial losses within two years.

Telecommunication service is the newest addition to the portfolio of the Ministry of Public Utilities. Developments in the area of telecommunications are in keeping with Government's plan to develop Trinidad and Tobago into a total quality nation. The primary strategic goals of TSTT are:

- (1) Enhance the local teledensity.
- (2) Provide new services in response to market needs.

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- (3) Enhance customer and employee satisfaction.
- (4) Enhance revenue and profitability.
- (5) Enhance the company's competitive position.

Mr. Deputy Speaker, key indicators of its performance in 1998, include the following:

- Significant capital expenditure, projected to be \$540 million and recurrent expenditure, projected to be \$502 million in 1998, concentrated in the areas of network development, cellular switching, transmission and outside plant, information systems, lands and buildings, vehicles and the provision of customer equipment.

During 1998, basic service was provided to the following previously unserved and underserved areas:

Speyside and Charlotteville
 Rancho Quemado
 Matura, Salybia and Rampanalgas
 Tabaquite
 Plymouth
 Palmiste and Todds Road
 Brasso and Flanagan Town

The use of technology through the Wireless Local Loop systems would also provide for a greater rural outreach.

As a result of TSTT's network programme, its customer base has grown from 239,000 at the end of 1997 to 255,000 at the end of August, 1998, an increase of some 7 per cent. The voicemail network was also upgraded and expanded, which can now support approximately 100,000 customers as well as a wide range of service features.

During 1999, TSTT will continue to place significant emphasis on the provision of service to unserved and underserved areas. The use of information technology to enhance service delivery, operating efficiency and customer service would also continue. Some of the areas earmarked to receive service in 1999 are:

Union Village, Rio Claro

Fishing Pond
Ortoire
Cumana
Cushe/Navet
Tortuga
Cedros/Bonasse/Granville.

Mr. Deputy Speaker, TSTT expects to spend some \$972 million in 1999, of which capital expenditure is projected at \$411 million and recurrent expenditure at \$561 million.

In order to lay the proper architecture for private sector participation in the utility sector, there was the need to lay a proper regulatory framework. I am pleased to say that recently I had the opportunity to successfully pilot the Regulated Industries Commission Act intended to replace and repeal the Public Utilities Act, some 22 years after it was thought necessary to have that kind of legislation.

Change is taking place in every sector. Even in the area of the weatherman, Mr. Deputy Speaker, change is taking place. The Ministry of Public Utilities sees meteorological services provided by the Meteorological Services Division to be public goods, but is committed to the public/private sector mix in its provision. In recognition of the need for cost recovery of specialized services, as opposed to the provision of public goods, my Ministry will encourage the development of a more commercially-oriented meteorological service. With this in mind, we intend to engage the services of a consultant to conduct a diagnostic review of the Meteorological Services Division in order to identify the Division's potential for financial and commercial viability. It is clear that with that kind of setting the news stations would have to start paying the weatherman a fair fee.

With respect to the maintenance of standards in the supply and provision of electricity, to ensure that standards are maintained, the office of the Chief Electrical Inspector has been recently brought within my portfolio. The mission of the Electrical Inspectorate is to ensure:

- i) competent inspection of electrical installations in Trinidad and Tobago;
- ii) competent analysis of electrical fires and accidents in Trinidad and Tobago;

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- iii) effective regulation of the electrical industry; and
- iv) maximum customer satisfaction with minimum harassment.

Mr. Deputy Speaker, as we expand and there is growth in the country in the housing and construction sectors, there is tremendous demand for the services of the electrical inspectorate, and we are looking for innovative ways to meet our customers' requirements.

In dealing with the provision of the utility services, clearly the area in which they have the greatest amount of problems is in the water sector. It is clear that a proper water and sanitation infrastructure are necessary for the socio-economic development of Trinidad and Tobago.

1.40 p.m.

Unless satisfactory water and sanitation infrastructure is developed, the whole industrial, agricultural and commercial base of the country would be severely limited. Mr. Deputy Speaker, the recent example of the rupture of the 54-inch main from the Caroni/Arena treatment plant to South and Central Trinidad brought into sharp focus the lack of pre-planning that existed in the years gone by, and the need for us to ensure that we move quickly into the provision of these services to satisfy the major industrial and domestic challenge with the provision of these infrastructure.

Once again, I take this opportunity to express my gratitude and sincere appreciation to the residents for their tolerance, patience, discipline, creativity, innovation and community co-operation in that time of trauma and suffering. The Water and Sewage Authority has set itself the following goals:

1. Improve financial viability;
2. Organizational Development aimed at cultural transformation of the Authority;
3. Increase productivity;
4. Improve customer billing;
5. Improve the response time in customer complaints resolution;
6. Increase the delivery of water/wastewater services.

This is a most exciting time in the provision of water in the water sector in this country, and I will move quickly to point out that there are certain areas in this

country, because of the way the programme has been structured over the years, because of the manner of delivery of water, there have been significant problems.

In fact, if I may be permitted—I am certain that the Hon. Member for Tobago West would recall—I will quote from the *Trinidad Guardian* of May 11, 1991:

\$300 million price tag for south water system.

The Minister of Public Utilities, Pamela Nicholson said yesterday that if the Ministry were in possession of \$300 million, it would move vigorously to improve the water supply in South Trinidad.”

What is the reality of the water supply in South Trinidad? One will see as I develop that point of view that this matter of provision of water to South and Central Trinidad has been there for quite a considerable amount of time.

Mr. Deputy Speaker, the question is the provision of adequate resources. WASA presently has 95 water sources; 70 per cent of the total water production is from surface water, and the rest is of ground water origin. There are four major sources of water in Trinidad which together account for 60 per cent of production: Hollis, the impounding dam and reservoir; Navet, the impounding dam and reservoir; Caroni Arena, river intake with pump storage; and North Oropouche, river intake.

We are dealing with water with respect to Trinidad. I will deal separately with respect to coming up with a plan for the provision of water. In the same way I have issued the challenge to my technical people to come up with a plan for the sustainable production and maintenance of that production of water to industries and to the people of South and Central Trinidad, I am doing the same thing for the people and industry in Tobago.

Mr. Deputy Speaker, there are no major potential raw water sources in Trinidad 15 million gallons and over. The combined groundwater potential of the four aquifers in Trinidad—underground water—is estimated to be 72 million gallons, of which the current usage is 44 million gallons, and the recommended maximum take is 51 million gallons. Therefore, there is long-term development, but there is no further scope for development in the Point Lisas area, as there are already concerns that existing wells may be over-abstracted.

Currently, the total water production in Trinidad and Tobago is about 178 million gallons, and the total safe field is estimated at 170 million gallons during the rainy season and 156 million gallons during the dry season. Unaccounted for

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water is estimated to be as high as 50 per cent of total production; in addition, per capita water consumption is high. It is also estimated that the industrial demand for water at Point Lisas is likely to increase from 12 million to 15 million gallons in 1998, to 43 million gallons by 2005. It is evident that when losses are taken into account, the available supply is insufficient to meet the total demand for water, resulting in a shortage of approximately 28 million gallons. Unless something urgent is done, water shortages and scheduling will intensify well into the next decade. It is a very serious situation.

Mr. Deputy Speaker, I am sorry that the Hon. Member for San Fernando East is not here, because in the *Trinidad Guardian* of April 5, 1993, the banner headline reads:

Chance for cheaper water: PM priorities

As Government attempts to deal with a critical water shortage in various parts of the country, it may have to consider private sector involvement in the production of water.

Prime Minister Manning said on Saturday, 'What we are saying is that we may very well ask some investor to come in to develop water and send it to the distribution system at a fee, and that water, I assure you, will be lower than the cost at which water is now produced at WASA.' He added that the result would be a lower price of water for the consumer and a better water supply."

The projects described by the then Prime Minister as priorities involved the building of a dam on the rivers in North Oropouche and South Oropouche so that an extra 40 million gallons and an additional 25 million gallons of water per day, respectively, can be produced.

Mr. Speaker, this is just a con. The pre-feasibility for the building of new dams was never done by that side when they were in Government. Talking about building two dams, he saw the need for the building of dams, but no pre-planning. Their attitude was, deprive the people of water, let the industry take the water and continue the deprivation until they could do it no more. The plans were there. He saw the necessity of the plans but they were never implemented, even at the level of the pre-feasibility.

He goes on, Mr. Deputy Speaker:

Noting that every day in the newspapers there were complaints about water shortages, Manning said the country could not continue to develop as a modern industrial society with a caring Government and not make provision for a basic amenity like water.

Hypocrisy!

Recognizing that half of the available water in the country was lost through leakages, Manning said the leakage detection programme needed to rectify this, would take as much as five to seven years.

He was saying this in 1993! Five to seven years then, and it continues:

It was too long a timeframe, he argued, stressing that new sources of water had to be found.

Mr. Deputy Speaker, it was recognized that there was need for new sources. No building of dams, even at the level of the thought processes where they put it on paper and conduct the necessary studies in which to build dams. No! Not one thing was done.

The development of a dam can only be considered in relation to the time factor and the cost factor. What are the phases in the development of a dam? I am sure my colleague from St. Augustine would know about these things. Do the feasibility, the design, the procurement, the financing, the EIA, then start construction. Before one puts a shovel in the ground, one has to do all of these things. A minimum of seven years. If they had started that process in 1993, we would have been on our way to the building of that.

Today, in this regime, during this term of office, we have started that process of doing the pre-feasibilities for studies of dams in North Oropouche, Matura, Moruga and Innis. They are forever playing catch-up, but telling the people he saw the need for a dam. He dammed the dams! What is the cost? Moruga development and transmission: the yield, 24 million gallons, projected cost, \$400 million; North Oropouche: the yield, 16 billion gallons, 30 additional lower down the river, projected cost, \$430 million; Matura: the yield, 24 million gallons, projected cost, \$300 million.

So, Mr. Deputy Speaker, the cost would be significant. Richmond Dam in Tobago, \$400 million for phase one. If one cannot build a dam in the short-term, if one cannot cure it through leakages, because the leakages are integrated and one is required to replace mains which are 3,900 kilometres of mains, how is one going

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to solve the problem? Over a 10-year period, it would cost \$950 million to replace 1,000 kilometres of mains. If one cannot build a dam in the short-term, what does one do? One has to find a technological solution. We must place this thing in context.

After 34 years of PNM rule, what did they leave behind in 1995? They left 11.5 per cent of the population receiving a 24-hour water supply; 43.2 per cent of the population receiving 48 hours per week, and 83 per cent of the population receiving intermittent water supply; 700 communities receiving severely restricted supply once every fortnight. A deficit of some 28 million gallons a day; 50 per cent leakage. I have listed the areas in this country but time does not permit me to go through it where there is a 24-hour supply. There are so little areas in terms of the number of populated areas. It is an indictment of the PNM.

Together with the saltwater project which would allow for the expansion of the Caroni/Arena plant, the refurbishment of the expansion of the Navet Dam, the replacement of 255 kilometres of mains, the drilling of 18 to 23 wells, the building of one new treatment plant and the refurbishment of eight other localized treatment plants at a total cost of \$643 million completed in an 18-month period, will bring the whole of South, Central and North Trinidad to a level of water supply of class 2, which means five days per week. Whenever they turn on their taps for five days per week, they will have water.

1.55 p.m.

Expenditure cannot satisfy the industrial requirements. Cannot! Because from 2001 as Point Lisas begins to draw upon the water system, it begins once more to revert to the position where it is today in 1998. That cannot take place. So we have indicated that we are going to build a desalination plant in Point Lisas. The Member for Port of Spain South always says, „No, do not build a desalination plant, rehabilitate Beetham and use the water from Beetham Estate to send down to the industry.” We do not do things by "vaps" or by "vops".

Mr. Deputy Speaker, I am quoting from the main report of a Water Resource Management Strategy of Trinidad and Tobago, August 1998. Hot off the press. At page 57:

Reused Water From Treatment Plants

This measure assumes that the waste water effluent from three major waste water treatment plants in the Beetham, San Fernando and Arima can be used to

satisfy local industrial demand. Although the capacity of the Beetham site seems interesting as a source, the location of the plant implies a large investment in the conveyance of water towards the industrial areas. The capacity of the San Fernando plant is negligible compared to the water demand of the industrial areas.

Assessment

These measures are not promising and will not be analysed further.”

This is what the Dutch consultants employed by the Government of Trinidad and Tobago and by the World Bank have said. And for three years I have been hearing the geophysicist Member for Port of Spain South talking about the reuse of water.

When we do things, we do it with coherent thought and planning. The World Bank, in an Aide Memoire under Dr. Rafeeq Hurgi, Senior water resource management specialist, dated August 5th, 1998. The purpose of the mission was to review the progress of the water resources management strategy being undertaken by DHV Consultants, an internationally reputed Dutch firm in conjunction with Delph Hydraulic and Lee Young and Partners, local firm. The Aid Memoire clearly supports the approach being undertaken by the Government with respect to the pursuance of a desalination solution.

Page 2 of the Aide Memoire says and I quote:

One of the significant conclusions of the water resource planning presentation was that since sizable additions to the total water supply would only become available in the longer run, the desalination option would have to be explored in order to meet current and short-term deficiencies in supply.”

Mr. Deputy Speaker, they go on. What is the current status? We are not going to wait, because the Member for San Fernando East saw the need for adequate water supply, and did nothing. We are not going to wait and pooh-pooh when a basic amenity like water is not being provided. What we are going to do is provide the water for Point Lisas and divert the water from Point Lisas to the people of South, Central and North Trinidad, and they could take that in their pipe and smoke it.

The Government, on July 28, publicly invited suitably qualified and experienced companies to submit prequalification applications for the Point Lisas Industrial Estate to build, own and operate desalination projects. Why build, own and operate? Well the Government simply does not have the finances and we will

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not wait until money can be acquired from the Public Sector Investment Programme. The Government is not going to put one cent into this project and the people and the Water and Sewerage Authority are poised to reap tremendous benefits. What we are interested in is volume, quality and the price of the water. We are not going to engage in any capital investment. You see, innovation, they are not interested in that, they are not interested in solving the problem.

Mr. Narine: The monorail.

Hon. G. Singh: The monorail is coming. You see, they did not think ahead. One needs a mass transit solution to the transportation problem in this country.

Over 50 companies were involved in the prequalification phase and it is currently being undertaken by the Permanent Secretary and four technical people, including an international expert in desalination. As before, we will make it public when it is appropriate, as we have done with respect to electricity, the post office and with water; not the kind of nondisclosure by that previous regime.

With respect to the Beetham sewerage, the PNM was going to spend \$91 million in order to clean the sludge ponds. We said, 'Hold your horses, you cannot do that.' What we did was to say, study what the options are and the study came back by Rekouter which said, if you spend the \$91 million, you would not have an appropriate solution, the sludge that would have been going into the swamp would not meet the environmental standards, and they had made certain recommendations which we will be implementing in the new year. It is clear, no new ideas; bereft of innovation, bereft of creativity, bereft of a plan for governance, which is equitable and distributive.

I now move on to an issue raised by the Opposition Leader in his contribution. He promised us pepper sauce. I am surprised that he is not here, he was here earlier when I started my contribution. His contribution was one of deceit and deception. He is, by all appearances, on the basis of his contribution, a purveyor of sleaze.

On February 6, I made a statement on the authority of Cabinet before this honourable House outlining I would read it:

As Minister of Public Utilities, I take this opportunity to apprise this Honourable House on the status of negotiations for a Power Purchase Agreement between the Trinidad and Tobago Electricity Commission and InnCogen.

Mr. Speaker, T&TEC, on July 3, 1997, presented to the Ministry of Public Utilities an overview and a plan of action for the provision of the additional capacity to satisfy the country's growing demand for electricity.

The present contract with PowerGen provides for a maximum contracted load of 719 MW plus a contracted spinning reserve of 100 MW. This load will be sufficient to meet T&TEC's maximum 1998 load commitments.

In order to meet the system load beyond 1998, T&TEC, based on its **History and Forecast Projections**, indicated that new generation capacity would have to be added by September 1999 to meet T&TEC **Phase 1** generation requirements.

Consequently, T&TEC had been holding discussions with three co-generators with a view to finalizing an agreement for the purchase of additional power.”

Mr. Deputy Speaker, that was February.

But this is what he came to say in this House on October 12, 1998. I quote from the *Newsday* of October 13, 1998.

Soon after UNC took office this company approached the government with a proposal and to this day no other company has been given an opportunity to bid or even put in an alternative proposal.”

Lie! That is a total untruth! Mr. Deputy Speaker, that is why I am pleased that you circulated this extract from *Erskine Mays Parliamentary Practice*. The misconduct of Members deliberately misleading the House. Deliberately! Utter contempt for this House! There is pepper in the sauce right now. Just because he is looking for pepper sauce, he looked for all kinds of condiments in order to bring some kind of offering to the electorate. There was no substance.

Mr. Speaker, then I went on to three Co-Generators:

Mr. Speaker, **Co-Generation** allows for the production of electricity for own use and for sale to the national grid. In addition, Co-Generators bring to the host country other industrial enterprises thereby creating more employment and other economic benefits. The three Co-Generators who had expressed a desire to supply additional power to T&TEC were:

- (1) Norsk Hydro Aluminium;
- (2) the Aluminium Company of Trinidad and Tobago (ALCOTT)

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(3) Innercob Industries (Tdad) Ltd.”

Mr. Speaker, based on advice given by T&TEC, this is what I said to this honourable House. Such contempt for this House demonstrated by the Member for San Fernando.

With respect to Norsk Hydro Aluminium, T&TEC indicated that discussions commenced about a year ago and according to the Hydro's project implementation schedule, T&TEC's deadline of September 1999 could not be

They could not meet the deadline requirements.

Similarly, bearing in mind the timeframe to work out financial details and to conduct technical feasibility studies, T&TEC has advised that ALCOTT would not have been in a position to install new capacity by September 1999. Consistent with the Government's policy, these Companies are likely to meet T&TEC's Phase II generation capacity requirements for the year 2001.”

We have not eliminated them for further capacity requirements in the national grid. You see, they are bereft of ideas. Stand alone generation simply is not *en vogue*, it is not the way one conducted one's affairs. If one can use power generation as an attractor to bring other industries so as to attract more employment, to attract more investment, one uses that. So what we were doing—

Mr. Deputy Speaker: The speaking time of the hon. Member has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Hon. J. Humphrey*]

Question put and agreed to.

Hon. G. Singh: Thank you very much Members and Mr. Deputy Speaker.

As I was saying, cogeneration allows one to expand one's industrial base, increase the employment opportunities and also bring taxes and royalties to the Government, so the economic measure is appropriate. With regard to stand alone, all one does is provide power. So we have cogeneration. What is InnCogen bringing?

2.10 p.m.

Innercob Industries (T'dad) Limited has also signed a Memorandum of Understanding with the Tourism and Industrial Development Company of Trinidad and Tobago (TIDCO) and Caroni (1975) Limited for the purposes of establishing:

- 1) A glass manufacturing plant
- 2) A paper manufacturing plant
- 3) A particle board manufacturing plant
- 4) An ethanol refining plant; and
- 5) A plant to generate electricity to supply energy to the above four mentioned plants and the excess capacity to the Trinidad and Tobago Electricity Commission.

Together these five plants are expected to create employment for 725 persons at an estimated capital cost of \$350 million. It is expected that these industries would engage approximately 2,000 workers at the construction stage.

I then went on to outline the various parts of the consortium, floating glass, paper plant, and to indicate the members who were part of the negotiating team: Davanand Ramlal, the then Deputy Chairman of T&TEC; Mr. Stanley Ottley, General Manager of T&TEC; Mr. Denis Singh, Assistant General Manager Administration, T&TEC; Mr. Kenrick Bobb, Assistant General Manager, Transmission and Distribution, T&TEC; Miss Judith Morris, Assistant General Manager Finance, T&TEC; Mr. Indarjit Singh, Chief Engineer Systems Operations and Planning, T&TEC; Miss Colleen Licorish, Senior Accountant, Treasury. The legal firms of Slaughter and May of London, Pollonais & Blanc and Byrne both of Trinidad and Tobago, acted as legal advisors to T&TEC.

Thus, when the hon. Member for San Fernando East said that this was conducted in secrecy over a year, I am advised that over 22 meetings were held. I said all this on February 6, 1998. This is utter contempt by the hon. Member!

Mr. Deputy Speaker, this Power Purchase Agreement is in keeping with our stated policy for an electric power enunciated in the *Medium Term Policy Framework 1998/2000*. I said that the new generation expansion of the system will be done utilizing the Cogeneration/Independent Power Producers (IPP) approach. This will relieve T&TEC of the financial responsibility of generation expansion while at the same time deepen the involvement of the private sector at the generation level.

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I said all that, but the hon. Member for San Fernando East was sleeping or was ill-advised, as no doubt in his contribution just to move briefly away from the electricity sector when he asked where we got this water improvement rate from. We passed legislation in this House after two days of full debate, and he is not aware. [*Crosstalk*]. He is suffering from all kinds of memory lapses. All he could see was "a man in short pants". [*Interruption*]

The hon. Member for St. Joseph is right, by virtue of the legislation it goes to the Consolidated Fund. What amazes me is that and that is why I am trying to find the motivation for the Member for San Fernando East the Adam Smith Institute report initiated by the Manning regime in 1992 questioned the monopoly power of PowerGen and seriously questioned the wisdom given its unassailable advantage of permitting PowerGen to invest in or bid for new generation capacity, and suggested that for reasons of increasing competition and reducing dependence on one supplier, to allow other suppliers to provide additional capacity.

This is not a think-tank that we introduced, this is the Adam Smith Institute out of London. I am sure the hon. Member from Diego Central is familiar with them. They said not to give PowerGen any more generation capacity because you cannot move from a public sector monopoly and place it in the hands of a private sector monopoly. What you need to do is bring in competition so as to reduce the price. [*Desk thumping*]. Like a pied piper the Member comes to sing the song for Southern Electric International, and I am going to deal with that. [*Crosstalk*].

In trying to find what is the motivation I had to go back to basics. How did Southern Electric International come into this country? Who brought them in? For what reason was the issue of Southern Electric International raised in this budget debate? When I went back to basics, I read newspaper reports of how it came to Trinidad and who were its promoters. I had to go back and do some research. I first went to an article of May 24, 1994 in the *Trinidad Guardian*:

"Why T&TEC should not be privatised—WTU.

A comprehensive evaluation of the government's decision to divest the Electricity Commission's generation operations has been conducted by the Oilfields Workers' Trade Union.

The 18-page memorandum is now being widely distributed throughout the national community with the advice to discuss, copy and pass on for further distribution: 'Write your M.P. even.' It is titled: 'The Case Against the Sell-out of T&TEC and the National Interest'.

In summary, the OWTU argues that 'extremely viable alternatives exist' for T&TEC which it feels 'must be seriously considered before the privatisation option is adopted.'

The union outlined what it called 'the history of deception...'

So you understand when the Member talks in his budget speech of deceit and deception he is living circa May 24, 1994, because the Oilfield Workers Trade Union accused the hon. Member who was then Prime Minister of a "history of deception".

"in the divestment decision at T&TEC, arguing that the government elected to privatise because it 'wanted US \$70 m for its own finances.' Said the OWTU: 'We are totally opposed to the sale of T&TEC as a revenue raising measure for the government. This cannot be defended.'"

I will go on to show how they distributed the moneys from the sale of the profit-making aspect of Trinidad and Tobago Electricity Commission, that there was no revenue for T&TEC. I will also show that they diverted the moneys through NGC into LABIDCO which costs the taxpayers in this country \$256 million down the drain.

The article continued:

"The union challenged the dismissal of its own proposal for funding T&TEC generation programme saying that evaluators, Black & Veatch, never met with the OWTU to discuss its proposal.

The union went on to question the firm's investigation processes and claimed that Black & Veatch...which were not included in the costing of the SEI/ABDC proposal." [*Crosstalk*]

The article continues:

"The ABDC's involvement in electricity generation is a further concentration of power which is most undesirable especially in a small country such as ours and represents a major conflict of interest.'

The OWTU claims the evidence it has gathered shows there is no immediate need for expansion since increased power can be achieved by better maintenance procedures, conservation plans and demand management while a 'slight reduction in T&TEC's reliability criteria would enable the deferring of new plant installation without any deleterious effect.'

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It claims that T&TEC was brought to the brink because of the repeated failure to implement recommendations aimed at improving the commission's operations."

The OWTU was asking, "Why are you selling it to Southern Electric International? Sell it to us, the people of this country, we have a plan. You do not need to buy new equipment we will refurbish and maintain the existing equipment." That is exactly what Southern Electric International did! But I will deal with the reliability criteria because, today, as they promote Southern Electric International the purveyors of sleaze of that side—

One article from the *TNT Mirror* on May 1994 reads:

"TTEC deal a national scandal

Prime Minister Patrick Manning was on the phone to Independent Senators early Monday, trying to twist their arms to back the legislative measure which paves the way for foreign involvement in the Electricity Commission.

Manning flopped badly.

Not one of the nine Independent voices in the Upper House supported the TTEC Amendment Bill when a vote was taken later that day.

The PM earned the dubious honour of having all non-partisan Senators thumb their noses at a Government proposal for the first time in recent memory, maybe even in local parliamentary history.

But Manning was spared even more shame."

Incidentally, the Oilfields Workers Trade Union's offer was hailed by energy superman Ken Julien just before he winged off to the US and selected SEI as the preferred investor. This is the same man who selected Severn Trent, and they are talking about purveyors of sleaze and corruption! Where is the Member for St. Ann's East? He talked about corruption in an airy-fairy sense. This is the reality.

I would go on. I want to establish the reasons why there is the kind of advocacy by the hon. Member for San Fernando East for Southern Electric International in the national budget. In the *Mirror* newspaper of Friday April 7 it states:

"Marshall wanted citizens to know all on TTEC sale...

GOOD FRIDAY BOBOLEES

MORRIS MARSHALL's death couldn't have come at a better time for Southern Electric International, TnT Electricity Commission's (TTEC) new partner.

Because, the fallen Utilities Minister was reportedly reluctant to grant the sweetheart \$625 million deal for TTEC's generating assets to the Atlanta-based firm...

Instead, as soon as the Minister succumbed to pneumonia complications, everyone seemed to be given a body-beat, with SEI and its associate, AMOCO, coming out roses.

In what looked almost as a clandestine move, Prime Minister Manning hogged the Utilities portfolio (snatching it from John Eckstein), signed the pact, and then passed on the controversial job hours later to the hapless Barry Barnes."

Therefore, as he did as Prime Minister, he continues the advocacy and promotion as Leader of the Opposition, and he uses a national stage to cast all kinds of aspersions. That is what the general manager and all the technocrats of the Trinidad and Tobago Electricity Commission (T&TEC) said, that they could not believe what they heard. They denied the charges against InnCogen, all the charges of secrecy, or take or pay. He did not even do it properly. This purveyor of sleaze is doing so in the face of the fact that PowerGen today is creating problems for T&TEC. We have a contracted capacity of 859 megawatts of electricity to get from PowerGen. To run T&TEC properly it requires 800 megawatts of electricity. PowerGen is currently providing 759, therefore, there is a reliability problem with PowerGen today. But this promoter or purveyor of sleaze is advocating the cause for PowerGen.

I want to tell this country how the money that was paid to PowerGen was disbursed. PowerGen paid for half the generation assets \$634.3 million however, it kept back \$211 million for maintenance, so you end up with \$422.62 million. Out of that \$422.62 million NGC was paid \$294 million for gas. I have already indicated that the same Ken Julien who winged of to get SEI to buy is the same man who was Chairman of NGC, who was responsible for LABIDCO.

Out of that, \$294 million went to NGC and \$256 million was spent by NGC in LABIDCO, the failed industrial estate. It does not take a rocket scientist to see why he has to advocate and hold a brief for Southern Electric.

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I go on. Government taxes \$31.8 million, pension plan \$32.1 million, negotiation fees, metering, environmental audit, T&TEC. Even when T&TEC sold its profit-making end and paid off that, it still owed NGC \$40 million; this cardinal sin committed against this country. In addition to that T&TEC had to take \$269 million in loans. PowerGen did not get any of that. They buy their generation assets, they get paid \$634 million, they take back \$211 million and they still have to service loans of \$269 million.

The General Manager of T&TEC outlined the benefits to this country. He is a man who has straddled several administrations and he is non-political. I have the greatest respect for him. He has said to this country he could not believe what he heard the hon. Member for San Fernando East say. In other words, the terminological inexactitudes, the wholesale untruths and the promotion and advocacy by that Member for San Fernando East.

I want to suggest because I am also interested in institutional mechanisms to correct that kind of behaviour whilst we are seeking to bring about a constitutional amendment to ensure that there is a select committee to look at the operations of ministries, and I support that fully because integrity in public life is an absolute necessity, we must also get them to register their interest so that the public can see when they come here and promote special interest using and corrupting this Parliament, we must have public disclosure of their interest.

There will be the need for a proper code of conduct for all Members of the House including Members of the Opposition because information, in my capacity as acting Attorney General, has been brought to my attention. A former senior Minister of that regime and they talk about the old PNM; I am telling you about the PNM of 1991 to 1995. A senior government minister of the Manning regime of 1991 to 1995 was on the payroll of a major energy corporation to the tune of US \$500,000 per year; almost TT \$4 million a year.

Mr. Valley: That has to be Kuei Tung, that is why we fired him. Call the name.

Hon. G. Singh: Not anybody on this side. He is still on your side and if you want I can tell you the name. *[Interruption]* You have cocoa in the sun. *[Crosstalk]*

Mr. Deputy Speaker: Order.

Hon. G. Singh: I want to be quite clear. He was in the government of the Manning regime for the period 1991 to 1995, a senior minister on the payroll of a major energy corporation.

Mr. Deputy Speaker, I want to inform the honourable House and the population that I have requested the assistance of the American government with a view to invoking the Foreign Corrupt Practices Act to determine and we are going to look at the SCC and various other legislation to bring these matters to bear.

This is the kind of thing that we have to do because the information and presentation of the Member for San Fernando East really lacks substance. Therefore, he sought to cast aspersions and even when he is faced with the truth by the General Manager of T&TEC he fails to recant. He is not that wily because he realizes that if he deliberately misleads this House he could be called for contempt. You and I know that he deliberately misled this House, Mr. Deputy Speaker. Therefore, he ought to be brought before the Privileges Committee because the statement I read was a document before this House.

Mr. Deputy Speaker, it is in this scenario that we are addressing the issues in the public utilities sector. We are bringing change and delivery to the customer. We are bringing about the kind of change in the utilities sector hitherto not experienced in this country. The customer is king in the public utilities sector and in the Government of Trinidad and Tobago.

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

Mr. Kenneth Valley (*Diego Martin Central*): Mr. Deputy Speaker, as I am sure you are aware, my intent was not to speak at this time but after hearing the Member for Caroni East I had to get into this debate at this time.

This morning in my mailbox I do not know who put it there as I came out I got a whole pile of documents relating to this transaction. First one: Trinidad and Tobago Electricity Commission Report on Due Diligence Visit to York Research Corporation and Design Build Professionals New York, June 25 June 27, 1997, that is the first document. The second one: Trinidad and Tobago Electricity Commission System Operations and Planning Subdivision a time table to ensure generation addition by September 1999. The third document: Trinidad and Tobago Electricity Commission note to the board, update on negotiations with InnCogen, October 1997. I must admit I have not gone through this document as yet nor have I had the time as yet to go through this document: Trinidad and

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Tobago Electricity Commission draft of power purchase agreement between T&TEC and InnCogen; but I am sure we would have time to deal with that.

From the first two documents we see certain things. From the first document, that is the document which reports on the due diligence visit of June 25 to June 27, the following points are clear: that there is a certain individual, a Mr. Narine Singh, who is supposed to be a director of a company called Innercob which was the mastermind behind this whole thing. It says that this firm, Innercob Industries (Trinidad) Limited, approached the Government of Trinidad and Tobago last year, that is 1996 shortly after the elections, with the proposal for establishing three projects, namely, paper, glass, ethanol and panel board along with an energy facility which would supply these projects with electricity, chilled water, hot water and steam. This energy project was supposed to be in the order, it says, of some 20 to 25 megawatts of power. It says clearly:

INNCOGEN would be responsible for building and operating the Cogeneration Facility. This Facility would supply approximately 20-25 MW of power and steam to the four (4) projects listed above. Excess power would be sold to T&TEC.”

What one notes is that suddenly, first of all, the project went to a 273 megawatts project and then a third one was added. I will quote a bit from this first meeting. It says in this document and I am quoting from a Report on a Due Diligence Visit to York Research Corporation and Design Build Professionals New York, June 25—June 27, 1997. It bears at the bottom System Operations and Planning Subdivision

Earlier this year a number of meetings were held with Innercob and their Associates, York Research Corporation (York) and Design Build Professionals (DBP) of New York and New Jersey, respectively, with a view to agreeing on the capacity to be purchased and the terms of that purchase. Since then, York, DBP and Innercob have formed a new Company called InnCogen Limited...”

Mr. Deputy Speaker, there is a report in this morning's *Newsday* which stated that the Chairman of T&TEC, as well as other officers of T&TEC were unaware of the shareholding or the directors of InnCogen.

A while ago the Member for Caroni East read the names of the persons who conducted negotiations with InnCogen. One has to assume that the persons who

were from T&TEC who conducted this due diligencetheir names are not herewas that team that visited New York in that period.

I noted that the Member said quite clearly that the Chairman was there. I noted quite clearly that he said the General Manager was there. In this document it says clearly who the parties were with respect to York Research Corporation: Mr. Beningson, President and CEO and Mr. Paladino. It says clearly who the persons were from Design Build Professionals: Mr. Kinkela and Mr. Cudd. Most importantly, it says clearly who the parties were with respect to Innercob, the facilitator, mover and shaker.

Mr. Deputy Speaker, nobody objects to competition. As a matter of fact that is why we brought Adam Smith Institute down to guide us. All we are saying is that if they are going out for generation there is a well-known procedure in place in Trinidad and Tobago that talks about public tendering.

2.40 p.m.

But, what happened in this situation, they attempted to get around that whole concept of public tendering by using the term "cogeneration." So, here we had individuals coming with grandiose planning to build three other projects. The T&TEC people saw through that. They are, in fact, coming to provide generating capacity for T&TEC and they are hiding behind that concept of cogeneration because, if that is not done, as advised by T&TEC, then there is an independent power producer and if one is an independent power producer, it means that the tendering procedure must be maintained. It says that quite clearly.

On page 8 of the document, it says:

"T&TEC's major concern was the type of guarantee InnCogen could provide to ensure that at least two (2) of the four (4) projects..."

Remember, they said they were coming here to do four projects. Chat!

“(Glass, Paper, Ethanol and Panel Board) would be implemented.”

What T&TEC was saying was that they wanted some guarantee that, in fact, at least two of those projects would be implemented.

"T&TEC, while recognizing the financing implications of including project guarantees in the PPA, argued that without these projects, the energy facility could not be categorized as a co-generator but rather as an IPP and, therefore, participation would have to be through public tendering."

So that, to avoid the laws of Trinidad and Tobago, the public tendering.

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Here, there was a situation going around. First of all, a friend comes, gets a deal and, I tell you that as a facilitator, he got 5 per cent of the deal. He is a 5 per center coming in here and making a huff and a puff; he is a 5 per center. He gets York Research Corporation. The document also made reference to the fact that the Design Build Professionals came into the deal after they were approached by York who was approached [Member's cellular telephone rings]

My sincere apologies. It is just more information coming, I am sure. They are calling to give me more information. [Desk thumping and laughter] I do not really follow these things. I was extremely surprised when I got this pile of documents in my mailbox this morning. I sat here going through my documents when the goodly gentleman decided to raise this hornet's nest.

Mr. Assam: It is really a brand tub.

Mr. K. Valley: I am telling you. I got it in my mailbox.

Mr. Deputy Speaker, listen to some of these things.

The following points were specific to the proposed Cogeneration Project:

York's involvement in the Power Project came after being approached by DBP, who in turn was approached by Innercob."

Remember that Innercob is the fellow, Narine Singh, and from what I have heard, this is the gentleman who drinks scotch. Member for St. Augustine, is it scotch or champagne?

Hon. Member: Champagne.

Mr. K. Valley: champagne in some place up at St. Ann's. That is the facilitator. He goes to Design Build Professionals. As I am on that, let me go quickly so that a feeling for the view of T&TEC could be had of this Design Build Professionals. At page 9, it says:

"T&TEC was not as comfortable with Design Build Professionals whose level of equity participation in InnCogen was the same as York. T&TEC was yet to receive a balance sheet from this Company. This was requested earlier on in the visit. It appeared DBP's contribution would be in the design, engineering and overall project management of the works. It was very likely that the DBP's present equity of 47.5% would be reduced when InnCogen broadens its equity base, as it intended to do."

Understand what has happened. This facilitator, this 5 per center, knew nobody in the field. He knew this contractor who, when T&TEC visited this contractor's place in its due diligence exercise, said:

“VISIT TO DESIGN BUILD PROFESSIONALS INC FACILITIES

At the request of the T&TEC team, a visit to the offices of DBP was arranged. The offices were located at their Supor Industrial Park Development Project site. The scope of the Supor Industrial Park Development Project included clearing of an old industrial site and establishing fish farming facilities.”

These are the people who are supposed to be coming here to build a Cogenerating facility for T&TEC.

The DBP office facilities were small with only enough room to accommodate the three (3) Principals of the Company (Mr. K. L. Kinkela, Mr. R. J. Cudd and Ms. M. P. Kinkela)...”

So, the facilitator runs to this fly by night operation which happens to know York Research Corporation which is the only recognized unit in this whole triumph rate, and T&TEC has said that. I want to ask the basic question: Why not just work with York?

But, the basic point is that this was all a sham to get around the tendering procedure. Say that you are coming to put some other plants so that you are in fact coming under cogenerating and because we are putting up these other plants and because we are going to have excess electricity, we want to sell you to your grid.

B is for bluff; B is also for bull and that is what this is. It is all part of Plan B: Bobol, brazen and getting up here and making a huff and a puff about things. If one wants to know about the divestment of the T&TEC generating capacity, all one does is go to the library. When one is doing research, one does not go to the newspaper, one does it from the facts. It is all on file in the library there. But, we are not here for smokescreen this afternoon, we want to get to the facts. [*Desk thumping*]

The point is I think my colleague, the Member for St. Ann's East, made the point this morning there are persons in this country who are really fed up with the corruption by which the Government is now identified. I knew nothing about this. I took a big envelope out of my mailbox and I had no chance to even look at all the documents. This is what it is.

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I want to move on to the second document because I have to make my contribution, and I simply wanted to deal with this rather quickly.

When the T&TEC team told them, Listen, friend, you have to give us some type of guarantee somehow that you will, in fact, implement those two other projects, because failing that, if we do not have that, then you would be an IPP and you have to do public tender." Because, as I said, remember York is the only legitimate one in this.

York indicated that while they were positive the projects would come as they had plans for acquiring equity in them they fully appreciated T&TEC's position. Both parties agreed to study this further."

No commitment was given. There you have your main thing about coming to Trinidad from what was said so far was that you were coming with these other projects. It was just by the way, since we are doing these projects and since we were going to have excess electricity, could we kindly sell it to your grid? That was the thing. Now, when it was said, Before we sign the agreement, give us some assurance that you are really doing this project," there was hemming and hawing. I have to study it, later." Understand what is happening.

Now, the issue, of course, and that is why I would have wanted a bit more time because it would have been interesting to look at this document to see whether the guarantee T&TEC wanted is contained in this document, whether there is some guarantee in this document stating that they would, in fact, do the other two projects. But, we have time for this. Now that I have this, it is going nowhere, I am keeping it close to my chest.

I want to go to the second document that I had a chance to look at A-Time Table to Ensure Generation Addition by September 1999. I want to put some of this on the record. It says in part:

"T&TEC's 1997 History and Forecast projects a maximum demand of 757MW in 1997 increasing to 919MW by 2001. This represents an average annual growth rate of about 5.0%. Based on information received subsequent to the publication of the Forecast, it appears that this growth may be even higher as additional new industrial loads are now expected over the next few years."

Fine.

The present contract with the Power Generation Company of Trinidad and Tobago (PowerGen) provides for a maximum contracted loan of 719MW plus a contracted spinning reserve of 100MW.”

2.55 p.m.

Mr. Deputy Speaker, a while ago the Minister with responsibility for T&TEC stated that the PowerGen contract provided for 859MW.

Mr. G. Singh: Mr. Deputy Speaker, let me clarify that. The contract provides for 1189MW that includes per user. It has contracted capacity right now of 859MW. We require 800MW right now, it is providing 759MW and 763MW so there is a penalty for PowerGen to pay now to T&TEC.

Mr. K. Valley: Mr. Deputy Speaker, all I am saying is that this document is dated July 16, 1997 and on the face of it I do believe it is a document from T&TEC; it is not signed by anyone and it says:

The present contract with the Power Generation Company of Trinidad and Tobago (PowerGen) provides for a maximum contracted load of 719MW plus a contracted spinning reserve of 100MW.”

That is all I am saying.

T.&T.E.C.’s strategy for meeting the system load beyond 719MW is to apply a level of control on the arc furnace load of the steelworks and to contract additional capacity from PowerGen.”

Understand, Mr. Deputy Speaker, what T&TEC is saying. The Trinidad and Tobago Electricity Commission is saying that in order to meet their increased demand their plan is to curtail the use by ISPATT and to contract additional capacity from PowerGen.

The latter, however, is limited to the excess capacity which can be derived from the existing facilities without sacrificing system reliability. Discussions have already started with PowerGen and the terms of an agreement should be finalized soon. It is expected that these measures will allow T.&T.E.C. to meet its maximum 1998 load commitments.”

Obviously, what has happened is that via the new agreement PowerGen has undertaken to provide some more.

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In order to meet the system load beyond 1988, T.&T.E.C. has determined that new generation capacity would have to be added.

Mr. Kuei Tung: Mr. Deputy Speaker, on a point of order. Exactly, what is the Member quoting from? I am sorry, but I came in late.

Mr. K. Valley: You are supposed to be here for all of yesterday and all the time! *[Desk thumping]* You have disrespected this House. *[Desk thumping]* You are a visitor to this House and you have shown no respect whatsoever! *[Desk thumping]* *[Interruption]* He is not the Minister of Finance, you are! You are the Minister of Finance. We left here at 12.30 a.m. and you left here since about 4.00 p.m.! *[Desk thumping]* You were not here! *[Desk thumping]*

Mr. Deputy Speaker: Order! Order!

Mr. K. Valley: Mr. Deputy Speaker, the document from T&TEC states:

In order to meet the system load..."

Mr. Panday: What document?

Mr. Valley: It says Narine Singh your facilitator. That is what it says. *[Desk thumping]*

Mr. Panday: Signed by whom? Nobody.

Mr. K. Valley: The question is: On whose benefit is he getting the 5 per cent?

Mr. Deputy Speaker: Order! Member for Diego Martin Central, can you confine your arguments to the Chair, please?

Mr. K. Valley: Yes, Mr. Deputy Speaker.

Mr. Deputy Speaker, in this document T&TEC is saying that to meet its requirement for 1998 it:

has determined that new generation capacity would have to be added."

They say further that:

Traditionally, this exercise would dictate that a specification be prepared and new plant and equipment acquired and installed in time to meet the load through public tendering."

T&TEC knows the law. They operated under a PNM government for a long time and they know if they wanted increased generating capacity, then there is the public tendering procedure.

Mr. Deputy Speaker, I am responding to the Minister of Public Utilities. That is what I am doing. It says that:

To date, this process has not been started because, at Government's request, T.&T.E.C. has been holding discussions with a number of co-generators with a view to finalizing an agreement for the purchase of additional power."

Mr. Manning: At whose request?

Mr. K. Valley: At Government's request. [*Desk thumping*] Understand what has been happening. The Trinidad and Tobago Electricity Commission has a certain requirement; T&TEC, a competent organization, knows exactly what it has to do; it has to do public tendering, but the Government stopped that process and have them talking to all types of fly-by-night people, forgetting that there is a tendering procedure in place. That is what this is all about. I need not go any further on this, but I am sure we are going to hear much more of InnCogen.

Mr. Deputy Speaker, before I move on, understand something else. Do you know where this plant is going? This plant is going on 62 acres of land from Caroni. We have heard on a number of occasions they cannot give Caroni (1975) Limited land for a number of other things but they are giving a lease of 62 acres of land and not to InnCogent- Innercob. In other words, it is going to Mr. Narine Singh. [*Desk thumping*] More than that, part of the development of that industrial complex, they say in one of these documents, is all part of the project. I want to leave this because, quite frankly, I do not think there is a parliamentary word for it, but this thing smells all the way to heaven. I would deal with this.

Mr. Panday: Lay it on the table.

Mr. K. Valley: I could lay it on the table, but you ought to have it. This is your document. I want to move on.

Mrs. Persad-Bissessar: Mr. Deputy Speaker, on a point of order. The Member quotes from a document and it has to be laid on the table.

Mr. K. Valley: Under what Standing Order?

Mrs. Persad-Bissessar: I am referring to the rules governing contents of speeches. The Standing Orders are very clear that where the Standing Orders are

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silent we refer to *Erskine May's Parliamentary Practice*, 22nd Edition and I am referring to page 387, Rules Governing the Contents of Speeches, Citing Documents Not Before The House." This comes under the whole rubric of rules governing the contents of speeches.

Mr. Deputy Speaker: The sitting of the House is suspended for 10 minutes.

3.05 p.m.: *Sitting suspended.*

3.15 p.m.: *Sitting resumed.*

Mr. Deputy Speaker: Hon. Members, *Erskine Mays Parliamentary Practice*, 22 Edition refers to the laying and citing of documents, that is, public documents. However, the Member for Diego Martin Central decided to make those documents available to the House.

Thank you.

Mr. K. Valley: Mr. Deputy Speaker, I thank you very much. I know the Member for Siparia was incorrect but as I said, I have no difficulty whatsoever with making the documents available to the Parliament and to the press.

Before I leave this matter, I want, for the benefit of Members of the House, just to indicate that this document which deals with the divestment of the generating capacity of Trinidad and Tobago Electricity Commission is available at the Parliament Library and it deals with every matter. There is, for those persons who do not have the time to go through this document, an Executive summary of the main agreement that one can also read. That is available for the Member of Parliament for Caroni Central and any other Member who so desires. They may also wish to have a public investigation into the divestment of PowerGen. We want a public investigation with respect to this InnCogen transaction.

Mr. Deputy Speaker, over the last week or so, there was a rumour going around that the general manager of T&TEC would be moving on to be the new general manager of InnCogen. I must say that this morning while coming into the Parliament, I met the general manager and I asked him directly whether that was so and he stated there was no truth in that whatsoever. That is the integrity of public servants that I like.

During the period of the festival of lights, on Monday we celebrate Divali and I wish my colleagues in this honourable House a happy Divali. I also pray that Mother Lakshmi blesses this country so that we would be wealthy in the fiscal year

1998/1999. As we reviewed the figures in this budget, we came to the inescapable conclusion that unless they were to obtain the blessings of Mother Lakshmi, we are in real hell in this country. [Interruption] What is worse in this whole situation—Mother Lakshmi is the Goddess of wealth. I am from Couva, I would know that. The hon. Member would not know that there is a Minister of Finance who refuses to face reality.

Yesterday when the Member for St. Joseph spoke he made a very valid point. He got a bit slightly mixed up but the basic point he made was that in a recession a government wants to invest and similarly, in periods of economic growth, a government ought to run surpluses. The fundamental concept in public finance is that a government, that is, a Minister of Finance ought not to be so much concerned with balancing the accounts as balancing the economy. The budget is a major fiscal tool. It is a tool used by a government in directing an economy along a certain path.

What I see happening in Trinidad and Tobago however, since this Government took office, is that the Minister comes to the Parliament and tells us that he is running surpluses even after the end of the year in spite of the figures he shows. He still claims that there is a surplus and so he continues offering all types of goodies to the general public and to the various Ministries knowing full well that the revenues would not be there to carry out his wishes. We simply have to look at what has happened since 1996 and in the 1998/1999 *Draft Estimates of Revenue*, one would have seen quite clearly that for that year the Minister of Finance had a budget deficit of some \$208.6 million, in 1996, the actual figures; in other words, the figures as audited by the Auditor General.

The Minister of Finance had current revenues of \$9,440,900,000. He has capital revenues of \$5.7 million. He has current expenditure of \$8,705,300,000. On the current account there was a surplus of some \$735.6 million but then there was a development programme, the capital expenditures of some \$949.9 million. So that when one looks at the current surplus of \$735 million plus capital revenue of \$5.7 million one sees that he has some \$741.3 million available to finance the development programme. The development programme was \$949.9 million, therefore, the deficit was some \$208.6 million. That is 1996. That was before the Minister of Finance became quite ingenious and started counting the proceeds of divestment as part of its capital revenue rather than as the financing item as it was treated in prior years.

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If one were to go to table 12 in the *Review of the Economy* one would see clearly what the Minister of Finance has been doing.

3.25 p.m.

Mr. Deputy Speaker, we go to Appendix 15 of the *Review of the Economy 1998*. We see proceeds from divestment being treated as a financing item. In 1993, for example, in terms of the divestment of Fertrin, we see a figure of \$492.4 million. In other words, that money is available to assist in financing a shortfall.

The same applies in 1994, when the proceeds of divestment was \$589.3. There was no foreign divestment in 1995. In 1997, however, the methanol plant was divested. In spite of that, there is a zero in that line. Obviously, the proceeds of divestment in 1997 should be in that line, rather than the capital receipts line. One notes the same thing for domestic divestment. As a matter of fact, up to 1996, there were proceeds from domestic divestment of \$28.2 million. I think that came from the National Flour Mills.

Mr. Deputy Speaker: The hon. Member's speaking time has expired.

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Mr. P. Manning*]

Question put and agreed to.

Mr. K. Valley: Mr. Deputy Speaker, when one looks at the actual out-turn for 1997, one sees that the current revenues are \$9,220.9 million and the current expenditure, \$9,120 million, allowing for the surplus of \$735.9 million. Again, when one looks at the capital revenue, one sees a figure of \$827.9 million, which is incorrect. In that figure, \$735 million are the proceeds from divestment. Even if we were to leave it as the \$827.9 million shown here as capital revenues, plus the \$100.9 million under current surplus, there is still an overall deficit, since the development programme costs \$1,564.9 million. As a matter of fact, the overall deficit, even taking the proceeds of divestment as a capital receipt, was \$636 million. When we make the necessary corrections, the overall deficit is, of course, much higher. So there is a deficit in 1996 and one in 1997.

I have made the point that having a deficit, as long as it is a planned deficit, is not a cause for concern. As long as one knows what one is doing, there is no cause for concern. If he says that his economy is in recession and he has to have a bigger capital expenditure programme so that he can get out of the recession, that is fine.

It is quite different if the plan is for a surplus and he runs a deficit. This means that he is monetizing the economy, putting pressure on his foreign reserves, foreign exchange and prices; all of those negatives.

More than that, unplanned deficits send a signal to the international community. In an environment in which the economy needs some \$3.2 billion in borrowing for 1998/1999, \$1.9 billion of which is external borrowing, one can understand the difficulty this country will face next year. Quite frankly, I think our chances of raising those funds on the external market are extremely low. As a matter of fact, I think it is zero.

There is no way this Government will be able to raise in excess of \$300 million on the external market next year. One is aware of what is happening with the \$200 million that the Government has been trying to raise on the local market. It has been reported that one bank has already decided that it wants no part of the deal. Given what is happening in the international environment, the cost has gone up. Interest rates have risen, especially for Third World debts. When one can get higher spreads in places such as Venezuela, a country such as Trinidad and Tobago, running unplanned deficits for three years straight and facing another massive deficit in the new fiscal year, would have serious difficulties in raising those funds.

If we are unable to raise those funds on the external market, how will we make our repayments? Our repayments are a must. If we have to take revenues from other places to make those repayments, then the situation is even worse.

When we look at the Minister's estimates for 1998/1999, we note, first of all, that there are quite a number of new line items. We had a discussion a while ago, when the Member for Caroni East was speaking, concerning the water improvement rates. I got a copy this morning of the notes of *Hansard* when we passed the resolution with respect to the water improvement rates. The whole intent of the water improvement rates was to provide additional revenues to WASA so that it can undertake the development of its water distribution, plants and so forth, to supply the Point Lisas Industrial Estate. That is the whole reason for increasing the rate. In that context, that \$81 million is income to WASA, not the Consolidated Fund. I do not know how it can get into the Consolidated Fund.

We also see a number of other items. We noted that there was a higher than normal collection of VAT revenues in the nine months in 1998, because of what is happening in the energy sector. This means that there is a large refund for the

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energy-based companies in the new fiscal period. VAT revenues for the 1998/1999 period, therefore, is highly overstated. It is stated at \$2,039 million. We believe that this is about \$500 million overstated.

3.35 p.m.

Mr. Deputy Speaker, the corporate tax from the oil companies for the 9-month period was \$163.4 million and one is estimating for the new fiscal year that it is going to be \$502 million. Even if we annualize that \$163 million, we see that the Minister is projecting an increase of 130 per cent. Is that normal?

Land and building taxes where there was an actual of \$56.6 million for 1997, and \$54.3 million for the nine months in 1998, the Minister is projecting \$93 million for the new fiscal year, an increase on an annualized basis of some 28 per cent and it continues.

Profit from state enterprises: there is an estimate of some \$100 million increase. Customs user fees and I would hope that in his response the Minister would tell us exactly what this is. This is a new line item meaning that we never got revenues from this source before and the Minister in his budget statement did not even identify this new income source, but he is expecting to get some \$141 million from the source in 1998/1999. What is this? If, in fact, it is revenues which customs users would have to pay, is it going to be passed on to the general public, and what are the implications for inflation and so forth?

Quite simply, having gone through the figures, we are of the opinion that the Minister's estimated revenues for the new fiscal year is at least \$800 million overstated. It could be as much as \$1.3 billion, that is the range. What are the implications? In 1997, we note that even though the Minister got the revenues which he planned, his projections with respect to current expenditure were off by some \$900 million. When he planned to spend about \$8.1 billion, he eventually ended up spending \$9 billion, so if his revenues would be off by about \$800 million and that trend continues in the spending, one understands what it is likely to be the next year.

It is really not becoming of a Minister of Finance because I do not know who he is trying to fool. I want to tell him quite clearly that he is not going to fool the people at the International Monetary Fund (IMF) or the World Bank. We have seen for this year rather than have the proceeds of investment under the extraordinary receipts where it is normally stated under Head 11, it is now included as Sale of

Other Assets' which is an item which normally deals with the sale of Government's quarters or old equipment at the Ministry of Local Government and the Ministry of Works and Transport; items like typewriters, old cars and these things. That item was never meant to include the proceeds of divestment, but it appears to be an attempt to hide from the discerning analyst. The Minister cannot do that, they are going to find it wherever he puts it.

If there is a problem, or prices are down and he is having difficulties, he has to determine what we want in Trinidad and Tobago and set our budget within the long-term framework. We have to say this is where we want it to go and even though we may need to have deficit budgeting for two or perhaps even three years, after that, we are going to get out of it, but we cannot continue with business as usual coming to the Parliament and talking about having surpluses and when the figures are looked at, they evaporate into thin air.

In the *Review of the Economy* when we look at 1997 it is getting rather astonishing. In table 12, one sees capital receipts for 1997 of some \$1,292.1 million. Even if divestment is included as part of capital revenue, it is supposed to be \$827 million according to the *Draft Estimates of Revenue*. From where did this figure of \$1,292.1 million come? Why is he doing this? So that even qualified accountants like Price Waterhouse just listening to the Minister's budget speech and not getting the supporting documents are going along with the figures as he stated and simply repeating them. I want to tell them that in the Minister's 1998 budget, they would see that the surplus of \$39 million is fictitious. [*Desk thumping*] All they have to do is some work. There was no surplus in 1996, none in 1997, he is not going to have any in 1998 when the report comes back from the Auditor General, nor is he going to have any in 1998/1999 unless Mother Lakshmi intervenes. That is the reality of the situation. So we need to take stock and I am asking the Minister of Finance to let us get our act together. This is our country and we want to go forward. Yes, we know that things are hard, and we need to have a plan in place which would get us there.

Thank you, Mr. Deputy Speaker.

The Minister of Planning and Development (Hon. Trevor Sudama): Mr. Deputy Speaker, it is my pleasure also to wish all Members of this House a very happy 1998 Divali and I trust at the end of it there would be a measure of enlightenment on the other side.

When I heard the contributions coming from the other side, a Shakespeare phrase came to my mind, full of sound and fury signifying nothing." I change

This is a row concerning the offers of the shares to Mitsui, a Japanese company, as against the offer of the shares to Ferrostaal/Helm.

The Government had earlier divested 31 per cent equity in the methanol company to the German consortium, Ferrostaal/Helm.

Then last January, a further 24 per cent shares were transferred to the Germans for US \$18 million, with the understanding that within four years the Government had the option to sell to a third party...

Mitsui agreed to pay US \$51 million for 25.1 per cent shareholding.”

Mr. Deputy Speaker, something went wrong which they have not told the country yet. Do you know who were involved in that? Dr. Lenny Saith, Prof. Ken Julien and one Nicole Richards, of the Divestments Secretariat.

It goes on:

Sources note that even amidst of this sale conflict the public was not told of plans to further divest the Point Lisas company...

It proves once more,’ said an industry source, how we are underselling

The Government has been under intense pressure for its perceived lack of transparency in disposing of the country’s assets.”

Yet they come here in 1998 to accuse the UNC Government of a lack of transparency in dealing with the disposal of state assets.

Mr. Speaker, the Member talks about a rebuke to Trinidad and Tobago from the international agencies for the way it was handling its financial and economic affairs and he talks about the president of the International Monetary Fund, and there is no such position. I do not know from where he gets his information.

3.50 p.m.

I have just come from meetings of the Commonwealth Finance Ministers, the International Monetary Fund, the World Bank, and I have had discussions with officials of the Inter-American Development Bank. They were all quite satisfied with the way Trinidad and Tobago was handling its monetary and fiscal affairs, compared to what was going on in other countries in the region and, indeed, in the world. They were quite happy and satisfied. Not that there was room for a great deal of complacency, but they felt that in the circumstances, Trinidad and Tobago had done well. Therefore, this rebuke he speaks about, coming from the International Monetary Fund, is a figment of his very fetid imagination; that this country, at this juncture, is on the receiving end of harsh and adverse criticism from the international financial institutions.

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Then he talks about difficulty in raising external loans. Let me explain for the edification of Members on the other side, the international capital market does not remain the same at all times. There are times when the market is a little more difficult than at other times. There are times when the market, perhaps, is a little more restrictive than at other times. This does not mean that if you manage your affairs properly and if you are perceived to have good prospects, that you cannot approach the international capital market and that you cannot get some funding from that market. It does not at all mean that. What it means is that you have to time your approach to the market properly.

So that to tell this House and this country, and to portray this picture of gloom and doom, as they are accustomed to doing, is something which does this country no good and it does them no good, because it shows that all they have is a negative view of the prospects of Trinidad and Tobago.

When the time is right; when the circumstances are right, propitious, the Government will, of course, be going to the international capital markets. That, as I say, is a matter of judgment; it is a matter of timing and we will do so in due course.

Then the whole question of whether this economy grew by 5 per cent or can grow by 5 per cent in 1998, I want to spend some time dealing with that. We are dealing with statistics that are provided to us by public servants—the point has already been made—and we have to rely on those statistics. We do not manufacture statistics ourselves. *[Interruption]* They are projections based on the statistics. They want to query the statistics, but the information is all here. The basis of the prognosis is all here. If they had taken the trouble to look at page 8 of the *Review of the Economy* and see what has been the outturn for the first two quarters, and what has been projected for the rest of the year, they would have seen that an estimate of 5 per cent growth is quite appropriate and in order.

I have some further information here from the Central Statistical Office that says that the projected growth of the petroleum sector is 3.1 per cent in 1998, but the petroleum sector is 23 per cent of the GDP. Therefore, if you have a projected growth of 3.1 per cent of 23 per cent, that is a fairly significant figure. It lists how that is comprised:

Services contractors	26 per cent
Petroleum marketing and distribution	21 per cent
Refining and processing of natural gas	13 per cent

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Petrochemicals

8 per cent

The indicator used for the sub-industry of service contractors is three months and this is forecasted to increase by 26.1 per cent. I have already told this House that we have coming into this country, US \$500 million in investments in production and exploration over the next three years.

So that for manufacturing, which is 9 per cent of the GDP, we have, on the basis of what has happened in the first two quarters of this year, food and beverages projected to grow by 20.6 per cent; chemicals, metallic minerals, 24.8 per cent; assembly-type and related industries, 11 per cent; wood and related products, 6 per cent; printing and publishing, 4 per cent. So that there is 16 per cent growth in a sector that comprises 9 per cent of the GDP.

In construction, there is 13 per cent growth in a sector that comprises 11 per cent of the GDP. For transport, storage and communication, there was a 5 per cent growth in a sector that comprises 12 per cent of the GDP; distribution, 8 per cent growth in a sector that comprises 13 per cent of the GDP. While agriculture is scheduled to decline somewhat, that is merely 2.5 per cent of the GDP.

Mr. Deputy Speaker, on the basis of these figures, you will see that a projection of 5 per cent growth for 1998 is a fair one, and it is an expression of the manner in which the economy has been managed; it also is an expression of the confidence of investors in the economy, both foreign and local and it is also an expression of the prospects they hold for the economy of Trinidad and Tobago. So need I say more on the whole issue of the prospect of a 5 per cent growth in 1998?

Just a word on this whole issue of whether there was a growth rate of 5 per cent in 1994, over which the Member for San Fernando East made a big song and dance. The Central Bank compiles figures on a different basis from the Central Statistical Office. I want to remind this House that the Central Bank has always recognized and advised that the quarterly gross domestic product and the annual GDP series are not official statistics and that the official source of national accounts data is the Central Statistical Office. I do not want to go into the technicalities of the differences which have arisen to us coming to two different types of figures, but on that basis, what we have seen over the years is that on the CSO figures, in 1994, there was a growth rate of 3.6 per cent; 1995, 3.8 per cent; 1996, 3.8 per cent; 1997, 3.2 per cent and 1998 an estimated growth of 5 per cent. Therefore, it is the CSO's figures which are the relevant figures that we have to use in any discussion about growth rates in this country.

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4.00 p.m.

Mr. Deputy Speaker, the Member for San Fernando East spoke about trade in foreign-used cars and he spoke about all the disadvantages of trade in foreign-used cars. I want to tell him today that he ought to know about trade in foreign-used cars because he did a healthy business in trading in foreign-used cars: buying foreign-used cars and selling them to known drug dealers in Trinidad and Tobago. The car licensed, PAN 1010, owned by Patrick Manning ended up in the ownership of Nankissoon Boodram, also known as Dole Chadee. So when it comes to foreign-used cars he knows about the disadvantages of dealing in them.

A few years ago, it was good for him to buy foreign-used cars and trade with drug dealers, but suddenly these cars are not good business anymore. Not only that, the same man who is now on Death Row was a house guest of the Member for San Fernando East. They used to drink at Penoš in Marabella. They are buddies, therefore, this big song and dance about the Human Rights Commission and the human rights of convicted murderers, I do not think this was raised here by accident. It is because one of his buddies is there right now, incarcerated and facing the rap and, therefore, human rights now become a big issue. Glen Ashby was hanged while his case was before the judge, today we have a big hue and cry about the Human Rights Commission and why we should adhere to all the hearings, tenets and procedures and so forth; because we know why. His partner is now behind bars. I just wanted to say that as an aside.

I want to make the point that when we made the decision about foreign-used cars, it was to make vehicles more readily available to the lower income groups. Of course, we know that at some point in time, it will become a problem on the roads: a pollution problem, a traffic congestion problem, and other problems associated with it. Therefore, we feel that it is time we apply a certain measure of restraint, but the principle behind the freer inflow of foreign-used cars to make them more available to lower income groups in the country was a principle to which this Government has subscribed and continues to subscribe. I want to make that point clear and that we were not doing it for the purposes for which the Member for San Fernando East was doing it.

Then he talks about the investment of the National Insurance funds in government bonds. I would come to this later, about savings and investment, but the point I want to make here is that investing the savings of a country in Government securities, in Government development, is not an unknown thing. It

has been done in the case of Chile, in the case of Singapore, and in the case of a number of developing countries where savings have been put, not only into the private sector development avenues, but into the infrastructure development that has been financed by the public sector. I see nothing sinister about this. The only thing sinister about this is what goes on in the head of the Member for San Fernando East.

I just wanted to make that brief comment by way of explanation, because I really got up here just to answer some of the misinformation and some of the points which were raised because he really does not understand. There was a lack of understanding on the part of the Members on the other side, particularly the Member for San Fernando East.

Then, there was the Member for Diego Martin West who asked for an explanation on three matters. The first is, why was the Tobago House of Assembly project not included under the Infrastructure Development Fund? The simple answer to that is while we did this in 1998, the Chief Secretary of the THA expressed what he described as his acute concern in a letter to the Prime Minister dated April 2, 1998 in which he stated:

Of the \$18 million which has been provided to the Tobago House of Assembly under the 1998 Capital Programme, \$49.5 million (the correct amount was \$44.4 million) has been put under the Infrastructure Development Fund with attendant cumbersome procedures for accessing these funds.

It is apparent that this action is tantamount to circumvention of the Tobago House of Assembly Act, 1996. As Chief Secretary, I strongly suggest that the entire \$18 million be made available to the Assembly to execute its capital programme in the manner prescribed.

In other words, what it is saying is that under the IDF, if one is going to access money from that, one has to give a lot of information; one has to provide submission of detailed documentation on each project to the Budget Division of the Ministry of Finance, and it is only when one does that we are going to get releases under the IDF. Apparently, the Tobago House of Assembly does not want to engage in that process from the letter of the Chief Secretary and, therefore, they are saying they do not want funding from that source. This is why they were excluded from the infrastructure development fund in the 1998-1999 budget.

Then he raised the issue of the construction of four secondary schools under the World Bank Fourth Education Programme, and I want to report that the four

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secondary schools that are to be constructed under the World Bank Fourth Education Programme are located at Cunupia, Guaico, Cocorite and Mason Hall in Tobago. We are continuously accused of discrimination. Today, designs have been completed for the schools at Cunupia and Mason Hall. It is anticipated that construction of these two schools will commence in the last quarter of 1998. The estimated cost of each school is approximately \$20 million, and the period for construction is approximately 18 months. Allocations of \$2 million and \$10 million respectively were made in the 1998-1999 budget.

With respect to construction of the schools at Cocorite and Guaico, \$1 million was provided in the budget to commence preparation of designs. I hope he has the information and does not go to his constituency in Carenage and gives misinformation and accuses this Government of all sorts of evil. Finally, he asked about the construction of the Government school at Carenage. The completion of the construction of the school at Carenage had been delayed significantly by almost one year as a result of a defaulting contractor. It is not the Government's fault.

The contract was given as a result of a tender process. At one time, they told us we must go through a tender process and we went through a tender process. We gave the contract to a contractor who defaulted and they are blaming the Government for that. The matter was addressed by the Chief State Solicitor. In August 1998, a proposal by the Ministry of Works and Transport to complete the construction of the school at a cost of \$4.5 million was accepted by the Ministry of Education. For this year, an allocation of \$2.25 million was made for this project in the current fiscal year, so despite what the Member for Diego Martin West may have suffered in the last PNM administration, he can be assured that under a UNC Government, he will get his school in Carenage, regardless of the fact that he could not get it under the stewardship of the Member for San Fernando East.

Mr. Deputy Speaker, I also want to say a few things about the performance of the Public Sector Investment Programme which was raised. Before I look at that programme, I want to really say that this debate about the performance of the Public Sector Investment Programme should be about the capacity, the orientation of the bureaucracy that we now operate as an agent of delivery of project and services; to what extent it is geared with all the rules and regulations with which it has to work for speed of delivery; to what extent it is hampered by lack of resources, human and otherwise, in terms of delivery, and this has effected all governments. This is something that runs across the experiences of so many

governments, but despite all of that, in 1996 we were able to achieve an 82 per cent rate implementation, and in 1997, a 75 per cent rate implementation.

As has been explained in the PSIP, the reasons for the rate of implementation in 1998 have been quite clear. The question of the setting up of the Infrastructure Development Fund and accessing it and the question of the weather pattern. Most important is the fact that we have had to endure a migration from the public service into the private sector of key professional and technical staff and, therefore, the public service is deluded of the kind of staff that we really need in order to effect implementation at a satisfactory rate.

4.15 p.m.

If they get me angry, I will read of the performance of the last regime in the *Public Sector Investment Programme* of 1995. I want to read in order to give you an idea of what their experiences were. Let me read page 3:

TANTEAK Expansion Project

Operation of the new plant commenced in August. Incremental expenditure of \$3.5 million brought the project cost to \$52.0 million, the financing of which was facilitated by a US\$5.1 million loan from the Caribbean Development Bank (CDB). Project completion, it should be noted, was two years behind schedule, owing to variations in the original scope of works and delays experienced during the early stages of implementation.”

Now, one could easily cry corruption, but we have not done so. On page 5:

Business Expansion

14. The rate of implementation of the Business Expansion and Industrial Restructuring Programme has been unsatisfactory and efforts will be made in 1995 to accelerate the technical assistance component of the programme. Revised expenditure for 1994 is projected at \$4.0 million compared with an allocation of \$22.0 million.

15. One element of the programme is a US\$20.0 million line of credit to facilitate financing of plant modernisation and expansion by enterprises wishing to improve their international competitiveness. Since this facility became available in 1993, only two applications totalling US\$1.9 million have been submitted to the World Bank for final approval. Approvals amount to US\$1.5 million to date.”

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Out of a programme of \$20 million. That goes to show the performance under the former regime.

With regard to the EMA programme, the original time-tabling could not be achieved. On page 6:

20. With respect to the Environmental Protection and Rehabilitation Programme, actual construction works have lagged behind the scheduled work programme. While an allocation of \$12.7 million was made to finance the project in 1994, expenditure projections have been revised to \$7.8 million.”

It goes on and on with these shortfalls in implementation schedules.

It states on page 8:

Transport and Communication

27. Provision of \$8.0 million was made in the 1994 programme for the construction of container stripping facilities at the ports of Port of Spain and Point Lisas. Construction of only one facility commenced during the current fiscal year.

Water and Sewerage

29. After a prolonged delay attributable to the necessity to satisfy conditions precedent to loan disbursement and tardiness in carrying out procurement procedures, tenders were invited for the supply of pipelines for the CDB funded Interim Water Supply project in Tobago. The cost of the project has risen from \$16.0 million to \$26.0 million because of price increases and the exchange rate depreciation...Expenditure on the project amounted to \$750,000 at the end of September and \$1.6 million is expected to be spent by the end of the year.”

Out of \$26 million! Investment sector reform programmes, we made an allocation of 13 million; revised expenditure on technical assistance programme is expected to be \$2.8 million. I could go on and on to indicate that the problem with the Public Sector Investment Programme is a systematic problem with which this Government is now attempting to deal in a more fundamental way than has been dealt with in the past.

So Mr. Deputy Speaker, it is a matter of great significance that we do not make a partisan issue out of this very important problem of implementation on the Public Sector Investment Programme. We look at it; we see what needs to be

done; we look at it in context of the reform of the bureaucracy; what needs to be done in order to make certain categories of employment in the bureaucracy more attractive to retain staff; to streamline the processes; to cut out the delays; and therefore, to make public sector project implementation a more viable proposition in the public service. So that, I just thought I would make a few of those points.

Before, I speak about some of the things that we are attempting to do and what has been the focus of the 1998/1999 Public Sector Investment Programme. If one looks at this document that we have produced, one will see that we have made certain kinds of distribution of resources under the programme. We are planning to spend just over \$1 billion under the Public Sector Investment Programme.

What we have done significantly is increased the amount that we are spending for social infrastructure projects. Social infrastructure has been given a greater significance under our programming. So that the PSIP for 1998/1999 is structured in order to achieve Government's main economic objectives by providing a conducive infrastructural environment in order to promote growth and development. The main thrust of the programme will be the continuous advancement of main infrastructural works in roads, bridges, water and sewerage projects, community services, housing, education, health and public administration reform. Efforts would also address the management of our natural resources; youth empowerment; poverty reduction and, of course, next year we are planning to have the 10th yearly population and housing census. The amount that we have allocated, \$1.97 billion, is approximately 5 per cent of the GDP. The planned expenditure on economic and social infrastructure amounts to \$881.9 million: \$487 million has been allocated for economic infrastructure and \$394 million to social infrastructure.

Over the 1998/1999 period, Government would pursue measures to increase the project implementation rate. That includes the intensification of training of professional staff in the Ministry of Planning and Development and the relevant executing agencies. Then, we have put on stream an inter-ministerial committee and we have also established operating guidelines and the standardization of documents for procurement procedures and for the streamlining of documentation.

Proportionally, the amount of resources to be invested in economic infrastructure declined from 49 per cent in 1998 to 44 per cent in 1999. Social infrastructure increased to 36 per cent in 1999 from 33 per cent in 1998. Public administration where we are putting a great deal of emphasis, because we want to reform the public service increased to 15 per cent from 12 per cent in 1998.

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Now, as regards the sources of funding, the Inter-American Development Bank will continue to be the lead source of external financing, providing a total of \$215 million for the continuation of 11 programmes in the economic and social sectors. The major programmes which will continue in 1998/1999 are the national highway programme; the rural access roads and bridges rehabilitation programme; settlements and squatter regularization programme; the health sector reform programme; and the community development fund programme. A total of \$114 million will be drawn from the World Bank to complete the business expansion and industrial restructuring programme and a water resources management strategy programme. The bank will also finance the basic primary education programme and institutional strengthening of the Environmental Management Authority, among other projects. Assistance would also be utilized for reforms in the postal service and the administration of the judiciary.

In agriculture, forestry and fishing a total of \$113 million or 10 per cent of the total 1998/1999 PSIP has been allocated to agriculture, forestry and fishing. This is a percentage—

Mr. Deputy Speaker: Hon. Members, the speaking time of the hon. Member has expired.

Motion made, That the hon. Members' speaking time be extended by 30 minutes. [*Hon. G. Singh*]

Question put and agreed to.

Hon. T. Sudama: Mr. Deputy Speaker, I was just outlining the various allocations to the various sectors. As I was saying, for the coming fiscal year, the allocations to agriculture, forestry and fishing have been one of the largest percentages of the PSIP ever allocated to this sector. In that allocation, the main activities will be the IDB-assisted technical assistance programme, allocated \$21 million. The consultancy services will be engaged to assist the Ministry of Agriculture, Land and Marine Resources in the preparation of the agricultural sector investment programme, where we know that we need a great deal of investment on the ground in order to get this sector moving and for it to contribute a larger amount to the gross domestic product.

Other major programmes are the continuation of the rural access roads and bridges rehabilitation programme of \$35 million; the youth agricultural credit and training programme of \$3 million; and for research development and training activities of \$12 million.

In the tourism sector we have allocated almost \$21 million for the continuation of projects and programmes supportive of tourism development. A key initiative in the 1998/1999 fiscal year is the preparation of a five-year strategic plan for the long-term sustainable development of the tourism sector to which we have given a great deal of priority.

Then, we have another programme called business and trade expansion. This is being financed through a loan from the World Bank and this ought to be completed in 1999. A figure of \$13.3 million was budgeted to facilitate disbursements under the credit facility and to complete institutional strengthening activities of the Bureau of Standards, Caribbean Industrial Research Institute and the Tourism and Industrial Development Corporation of Trinidad and Tobago. The programme and this is very important will also provide resources for the strengthening of the regulatory framework for the financial and telecommunications sectors.

With respect to drainage, an allocation of \$28 million has been made in the programme for drainage works. A comprehensive drainage development programme which was prepared with the assistance of the World Bank, will enter Phase II in 1999 when additional World Bank financing of US \$12 million is expected to be secured. The total cost of this programme is estimated to be \$110 million.

Mr. Deputy Speaker: Hon. Members, the sitting is suspended for half an hour.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Hon. T. Sudama: Mr. Deputy Speaker, when we adjourned for the tea break I was elaborating on aspects of the Public Sector Investment Programme (PSIP) as to its profile: where we are putting the emphasis, the sort of allocations we are making and so forth. I would address the House ~~those~~ those Members on our side *Laughter*] on some more serious issues. I think it has been raised in this House, but when I was in Washington the concern was raised as to what were the prospects for the world economy.

At the outset, I would say that we would not wish for the world economy to go into a recession. If it goes into a recession, there is very little a small economy like Trinidad and Tobago could do about it except to adapt to what is happening

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to the lower outputs, income, trade levels and the investment flows that will be realized in such a situation.

The major countries of the world understand this and the strategy is, you want to contain the recession and the crisis in the countries in which they exist at that moment and to have growth continuing in the major economies like the United States of America and Europe. A key point is Japan, you want to get that economy moving and the banking sector put on a proper footing, then to see how you could get private capital flows going again and getting the emerging economies back into a growth path. That is the scenario that is evolving.

There are some principles which are being explained in these international fora. One of the things which have come across strongly is that one of the problems experienced in these countries facing a crisis, is that the banking and financial system were not as strong as it ought to have been—

Hon. Member: There's nobody on the Opposition Benches!

Hon. T. Sudama: Thank you, Mr. Deputy Speaker. [*Desk thumping*] [*Laughter*]

The Minister of Finance (Sen. The Hon. Brian Kuei Tung): Mr. Deputy Speaker, I have a very interesting task ahead of me at this time. I was not expecting to be pressed into service so soon after the tea time. I hate to start with an apology, but I would at least mention that I mean absolutely no disrespect to this House where I am a guest, by not being here for the very full time that I should have been during this debate. It is unfortunate that I do not have the luxury as the previous Minister of Finance of the previous administration of having a Minister in the Ministry of Finance, and from time to time it was required of me to be elsewhere whilst the debate was taking place.

I have taken the pains to at least obtain some of the contributions made and therefore, I have been able to keep clearly up to date with respect to the way the debate had been going.

As you know, I presented a budget statement to this honourable House last week, Monday 5, October, and at that time I indicated the kind of policies and programmes which the Government had planned to embark upon given the very tight financial and fiscal possibilities that await us during this ensuing year.

I gave very ample time for the Opposition to deal with the issues raised in the budget statement, only to find that the initial reaction by the Member for San Fernando East was that "he was going to eat Kuei Tung raw". Mr. Deputy

Speaker, I have no difficulty in that kind of vernacular, as a matter of fact, it is the kind which I myself have grown very used to. Therefore, I came here, and I believe that all the people of Trinidad and Tobago were looking to the feast that the Member for San Fernando East promised, hopefully with respect to the question of a budget statement which is a "A Platform For Progress, Security for All".

Instead, I have been treated to a situation in which to sum it up I would say that the people of Trinidad and Tobago are extremely pleased with the budget as it had been presented. [*Desk thumping*] Not only in terms of the reaction that we get particularly from people like independent thinkers such as Price Waterhouse, Coopers, and Ernst and Young but the general man in the street. I must say that I believe the greatest compliment I got on this budget was from the Member for San Fernando East.

Not only did he fail to eat me raw, [*Laughter*] instead of attacking this document he moved on to spend 40 per cent of his contribution attacking me for "cooking the books". I have a feeling he is preoccupied with food. He is either starving and maybe that is the reason he cannot contribute the \$1.1 million that he owes the Treasury. If he does not want to eat me raw he is accusing me of "cooking the books". [*Laughter*] I really do not know what to say with respect to the contribution he made.

Then he spends another large portion of his contribution talking about wild allegations of corruption, and to date he has failed to address the issues in the budget statement. Instead of attacking the message which unfortunately he cannot attack, he decides to attack the messenger. I believe that in itself is the greatest compliment I could have gotten from the Leader of the Opposition, the Member for San Fernando East, by the fact that he said the budget is a great one because he has to attack the man and not the budget itself. That has to be a great compliment, and I accept it very gracefully. [*Desk thumping*].

Mr. Deputy Speaker, this is the fourth budget I have presented, and each time I keep hearing the same things: numbers, figures, profit, deficit, surplus. I try to understand, in sitting here and listening to the debate, what precisely is motivating the other side to talk about these matters. Surely, they must realize that they represent a particular constituency maybe they represent the whole of Trinidad and Tobago who expects that the budget statement would be torn apart with respect to its underlying principles, policies and programmes.

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People are not interested in whether the number is correct or wrong. I would admit, I am an accountant by profession but I am not the bookkeeper for the Government. I do not keep books for the Government. There is a government department responsible for the accounts and the accounting system. I myself have no idea whether that accounting system is computerized, or if it is a manual system, whether they use index cards or copy books. The numbers are presented to me based upon the department called the Comptroller of Accounts which deals with the Ministry of Finance and provide the numbers. The numbers are not mine.

I cannot sit and conjure up numbers. I do not make entries. Somehow or the other, the Members on that side spend a great deal of time talking about numbers and accounts when the people of Trinidad and Tobago are asking, "What does that have to do with me? "I want a job, food, pensions; that is what I need!" Those are the bread and butter issues that the people of Trinidad and Tobago expect those on that side to address; not to spend an hour and a piece talking about this number and that number and the wrong number. Maybe he needs my telephone number.
[*Laughter*]

Instead, I again get the feeling that the programmes we have approached cannot really be criticized. I say that because, how do you tell a pensioner that the numbers are wrong?.

What does that have to do with the pensioner? He or she gets a cheque and it is the correct amount. What do they need to know about numbers? Is this side saying that when they come into Government in the year 2015 they will go back and ask all those pensioners to send back the numbers because the former Minister of Finance had wrong numbers?

5.15 p.m.

The real issue that the people of Trinidad and Tobago are concerned about is how the budget is going to improve the quality of their lives over the next year given the global financial circumstances that face this country. That is the issue; not whether it is a deficit or surplus.

Mr. Deputy Speaker, to put this discussion to bed, I hope once and for all, what I would like to do is to quote—

Mr. Boynes: Mr. Deputy Speaker, we on this side were not prepared to windup this debate. The strategy that while we were eating and preparing to come into the House that the Member for Oropouche would sit quietly and have the

Minister of Finance stand quickly—I am saying there is a certain courtesy in the debate that we demonstrate to each other. There is a certain agreement by the Leaders of both sides that we adhere to.

Mr. Singh: Mr. Deputy Speaker, they abdicated their responsibility to be in the House.

Sen. The Hon. B. Kuei Tung: Mr. Deputy Speaker, in order to satisfy this thing I really do not plan to deal this afternoon with the issue of whether the accounting or economic conventions are correct. When I speak about a surplus or a deficit I regard it to be a surplus or deficit on government's fiscal operations. I have always taken pains to explain that I am referring to a surplus or deficit on government's fiscal operations.

I wish to quote as to where we have been able to achieve this from a given convention. I refer to the fact that the preparation of the estimates of revenue and expenditure that have been laid in this House has consistently followed the principles outlined in the Manual on Government Finance Statistics which is published by the IMF and used by all its members. In fact, this is a standard requirement of the IMF and the Manual on Government Finance Statistics which is published by the IMF states as follows:

‘A government deficit represents the portion of expenditure and lending which exceeds receipts from revenue, grants, and loan repayments and which the Government covers by undertaking obligations for future repayment and/or running down its liquidity holdings.’

Conversely, Mr. Deputy Speaker, a government surplus represents the excess of revenue, grants and loan repayments receipts, over-expenditure and lending which government allocates to reducing its obligations for future repayments and/or building up its liquidity holdings. In other words, a surplus is equal to total revenue which includes tax revenue, non-tax revenue and capital receipts, less total expenditure which also includes recurrent expenditure, net lending and capital expenditure.

So you see, Mr. Deputy Speaker, there is a convention which is being developed by a Manual on Government Finance Statistics which has been put out by the IMF and which is used by all its members and I wish to remind you that Trinidad and Tobago is a member of the IMF. Therefore, when Members stand and start talking about bogus accounting it really is a very hollow and shallow criticism

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because these numbers, and even the 1997 numbers, have already gone past the IMF.

Why are we arguing about whether there is a surplus and what are the implications? If I say it is a surplus and they say it is a deficit, how does that benefit the people of Trinidad and Tobago? It boggles my mind and I really would like to dismiss these claims particularly because I have every confidence in the public servants who prepare these numbers for me.

Mr. Valley: What public servants? It is you.

Sen. The Hon. B. Kuei Tung: Maybe that is what you did when you were the Minister in the Ministry of Finance. I now understand why Mottley was left to do the real work while you were busy downstairs keeping books.

Mr. Humphrey: Cooking.

Sen. The Hon. B. Kuei Tung: He was cooking. Why are you trying to confuse the population with cooking books and eating people raw when the people are concerned about bread and butter issues?

Mr. Deputy Speaker, in terms of some of the criticisms that have been levelled at other ministries, I am happy and pleased that my colleagues on this side have been able to address the issues which have been raised by Members on the other side. I particularly enjoyed some of the issues raised by Members like my friends, the Member for Tunapuna and the Member for Laventille West, who have raised pertinent issues which the people of Trinidad and Tobago are concerned about. I particularly enjoyed the Member for Tobago West and I wish to congratulate her. I know she is serious and in her heart she is genuine with respect to her concerns for the people of Tobago and I assure her I mean absolutely no disrespect to the people of Tobago. I am willing, as I said in the Budget Statement, to work along with the Tobago House of Assembly and the Chief Secretary and the representatives for the benefit of the people of Tobago but I find myself at the wrong side of the interpretation of the law, and until we can get that clear—I also want to assure her that we do not want, necessarily, to be talking about Trinidad taking Tobago to court; I know it sounds wrong. We can agree, on a friendly basis, that if there are two different interpretations, how about a third party coming up with an interpretation which we can live by so we can have a friendly court matter.

Miss Nicholson: No court matter can be friendly.

Sen. The Hon. B. Kuei Tung: I accept and I prefer not to. You must understand that when I come to Parliament and ask that it removes money from the Consolidated Fund, I am subjected to parliamentary scrutiny. I am held responsible and I will be happy to transfer that responsibility from myself, as Minister of Finance, to the Tobago House of Assembly. I am pleased and willing to do it but it must be done in accordance with the laws and that is all I am asking. It has to be done and the law has to be interpreted and we will put measures in place to ensure that those things can be done. In the meantime, I give the undertaking I will be working with the Tobago House of Assembly to achieve Tobago's objectives.

What else did I have, Mr. Deputy Speaker? I had the Member for Diego Martin East who brought some rather extraneous comments into the debate that seemed almost like a passionate attack on my person which, again, and I must thank the Member in his absence, must be a testimony to the fact that he could not criticize the budget so he criticized me and he makes wild allegations. I had, and I must apologize to you, Mr. Deputy Speaker, to refute his allegations by saying that he is lying.

I do not want to use that kind of unparliamentary language but when someone talks utter tripe and says that I had hired an art dealer to go to the United Kingdom to buy a painting for me for \$750,000 without any foundation and without producing any evidence of truth, I have no choice but to defend my character. I wonder whether his objective is not *[Interruption]* He has never seen my house, far more my bedroom. I want to assure this honourable House and my colleagues that I have had absolutely no contact with him or his home or members of his home; not at his home, at least, and not at my home. Therefore, I cannot understand this bitterness, malice and hatred that is thrown at me in a budget debate. This is serious government business and it is reduced to personality.

The untruths that he masks as the truth, I will give you a very simple example. He says that he saw this Mercedes Benz and he was awed and struck by the fact that it was a convertible and then he saw me. Mr. Deputy Speaker, I had picked up my son from his home at half past five. He claimed it was during the day and he was going to do constituency work; deception and deceit. He said it was a "teeny bopper." My son is 11, he is not in his teens. He is trying his best to use things to make it sound as if I have something personal against him.

I want the Members on that side to know that I love them all and that as a politician I am required to be polite. *[Interruption]* Member for St. Ann's East,

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there was no one to continue the debate when I was invited by the Deputy Speaker to talk. I take it as a second-hand compliment from the Member for Diego Martin East that, not being able to find anything to criticize in the budget, he decided to attack the messenger.

Mr. Deputy Speaker, when one bandies around the word ‘corruption’ as he does so loosely, I want the people on the other side to understand that the whole country is looking at them. They did not introduce a used car regime because the used car dealers are corrupt. Those are the words that the Leader of the Opposition used, that they would never have wanted to put a used car regime in because the system would have been corrupt. I assume that if the system is corrupt, should that party ever gain government again, in the year 2015 or whatever, they are going to ask all of these people to send back their cars from wherever they came because they were not entitled and it is not something that you would have done.

All of these people are happy with the fact that if they could not afford a brand new car they were happy with a used car. It was what is affordable given the change in the economy which has taken place. The economy is growing at a pace and some people can afford a brand new car and some people cannot. But that side, in spite of the fact that so many people have been able to take advantage of it, will say that in my fourth budget debate that they would never have done that.

5.30 p.m.

They are obviously not listening to the people of Trinidad and Tobago. The people of Trinidad and Tobago are asking. Instead, we are hearing, ‘They are corrupt.’ So, the people who buy the cars are corrupt; the people who sell the cars are corrupt; the people who are new car dealers are corrupt; and every opportunity they have, they say, ‘Government is corrupt and the people of Trinidad and Tobago

What are we doing? We do things for our friends. So the 80,000 pensioners who have received three consecutive increases are our friends and they are corrupt. I am happy that these people are my friends. I am happy that I can serve—and I said so in my budget presentation—and am able to assist the people of Trinidad and Tobago who most need help and, if they are my friends, then I am happy they are my friends and family.

If there is anything I can do to assist them, if they are students and they are going to get computers in the schools and you think they are corrupt and they are my friends, I am happy for their friendship.

If the business people who are going to pay less business levy are my friends, I am happy that they are my friends. I am happy to help the people of Trinidad and Tobago and I can go on and on, *ad infinitum*. The business strategies are there to help the people of Trinidad and Tobago and everywhere I walk, I get great acceptance that the people are saying at least this Government is concerned about the plight of the poor and the underprivileged. [*Desk thumping*]

Seventy-eight per cent of the people polled said that the management of the economy is excellent. You ask if I believe it.

Mr. Deputy Speaker, I want to read something and I want the hon. Member for Diego Martin Central to note that I am responsible enough in that what I am about to read was put in my mailbox, too, but it happens to be something from which I can quote and which is a public document, not something that somebody concocted to put in the Member's mailbox. How do I know it was not prepared by the Member himself?

Instead, I quote page 9 of today's *Daily Express*. When the Member for San Fernando East was bemoaning the economy, the IMF Director:

Claudio Loser, director of the IMF's Western Hemisphere Department..."

Mr. Manning: Is that the strategy?

Sen. The Hon. B. Kuei Tung: Strategy. Does the Member mean that I am so corrupt, I bribed the IMF, too? I mean, where is the Member coming from? Where is he going to reach?

Dr. Griffith: He is your friend.

Sen. The Hon. B. Kuei Tung: Oh! This gentleman is my friend. That is the strategy. He is one of my friends. I met the guy last night.

Mr. Manning: I did not.

Sen. The Hon. B. Kuei Tung: Well, the Member should have been there to hear him. While the Member was busy mouthing the economy but I understand the need to oppose and the people of Trinidad and Tobago expect the Opposition to criticize, but I am getting the distinct feeling that they are wishing the economy to be bad. They are wishing that on the people of Trinidad and Tobago. It is coming

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across that they want the economy to go, so that they have us forever trying to find third party and independent confirmation. The headline is "T&T economy on solid ground, says IMF."

The IMF official said policy changes in such programmes as tax administration, currency and trade liberalisation were now yielding..."

Mr. Valley: Which one of those is the Minister responsible for? Tell me. Is he responsible for the tax administration, for the currency or trade liberalization?

Sen. The Hon. B. Kuei Tung: I am responsible for managing the economy after three years. [*Desk thumping*] Does the Member remember when he said we would not last three days? That is why I said they want it to go that way. They wish that on the people of Trinidad and Tobago. Then, they said three months; it is now three years that they are telling me the numbers are wrong.

Mr. Valley: But they are wrong. [*Laughter*]

Sen. The Hon. B. Kuei Tung: The article said:

He advised policymakers to increase investments in the public sector and to stimulate higher domestic savings and investment.

The IMF official, focusing on a region-wide need for reforms in health and education, commended the Trinidad and Tobago Government for addressing these issues in the 1998/1999 Budget.

Loser described the \$100 increase in old age pension as a "step in the right direction" with respect to the placement of adequate social systems.

He also applauded Government's intention to effect a "revolution in education" by increasing expenditure in this sector..."

It is all there. How does one criticize such a good budget?

Dr. Griffith: One does not. Only a fool will do that.

Sen. The Hon. B. Kuei Tung: So that, in essence, the debate to which I looked forward ended up being very much of an anti-climax. It turned out there was precious little that I could get from that side barring one or two contributions. Therefore, Mr. Deputy Speaker—

Mr. Manning: I beg to move. [*Laughter*]

Sen. The Hon. B. Kuei Tung: I beg to move. [*Desk thumping*]

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Question put and agreed to.

Bill accordingly read a second time.

Bill and Estimates committed to Finance Committee.

Mr. Deputy Speaker: The House will now go into Finance Committee and should be cleared of all strangers for these proceedings. The television cameras should also be off.

House resolved into Finance Committee.

5.55 p.m.

House resumed.

Bill reported without amendment.

Question put, That the Bill be now read the third time.

House divided: Ayes 17 Noes 10

AYES

Singh, Hon. G.

Persad-Bissessar, Hon. K.

Lasse, Dr. The Hon. V.

Griffith, Dr. The Hon. R.

Humphrey, Hon. J.

Sudama, Hon. T.

Maraj, Hon. R.

Rafeeq, Dr. The Hon. H.

Assam, Hon. M.

Job, Dr. The Hon. M.

Nanan, Dr. The Hon. A.

Partap, Hon. H.

Mohammed, Dr. The Hon. R.

Ramsaran, Hon. M.

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Sharma, C.

Singh, Hon. D.

Ali, R.
NOES

Valley, K.

Manning, P.

Narine, J.

Hart, E.

James, Mrs. E.

Bereaux, H.

Joseph, M.

Boynes, R.

Hinds, F.

Williams, E.

Question agreed to.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Public Utilities (Hon. Ganga Singh): Mr. Deputy Speaker, I beg to move that the House do now adjourn to Friday, October 23, 1998 at 1.30 p.m. at which time we would deal with the Provisional Collection of Taxes Order.

Question put and agreed to.

House adjourned accordingly.

Adjourned at 6.00 p.m.