

*Leave of Absence**Monday, August 20, 2007***HOUSE OF REPRESENTATIVES***Monday, August 20, 2007*

The House met at 1.30 p.m.

**PRAYERS**[MR. SPEAKER *in the Chair*]**LEAVE OF ABSENCE**

**Mr. Speaker:** Hon. Members, I have received communication from the hon. Kelvin Ramnath, Member of Parliament for Couva South, requesting leave of absence for the period August 20, 2007 to September 10, 2007. The leave which the Member seeks is granted.

**PAPERS LAID**

1. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Trinidad and Tobago Unit Trust Corporation for the year ended December 31, 2006. [*The Minister of Trade and Industry and Minister in the Ministry of Finance (Hon. Kenneth Valley)*]  
*To be referred to the Public Accounts Committee.*
2. Draft Estimates of Expenditure for the financial year 2008. [*Hon. K. Valley*]
3. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2008. [*Hon. K. Valley*]
4. Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the financial year 2008. [*Hon. K. Valley*]
5. Draft Estimates of Development Programme for the financial year 2008. [*Hon. K. Valley*]
6. Draft Estimates of Revenue for the financial year 2008. [*Hon. K. Valley*]
7. Social Sector Investment Programme—2008. [*Hon. K. Valley*]
8. Public Sector Investment Programme—2008. [*Hon. K. Valley*]
9. Public Sector Investment Programme Tobago—2008. [*Hon. K. Valley*]
10. Supplementary Public Sector Investment Programme—2008. [*Hon. K. Valley*]

11. Government at your Service: Highlights of Achievements—2008. [*Hon. K. Valley*]
12. Review of the Economy—2007. [*Hon. K. Valley*]
13. The Vision 2020 Operational Plan 2007—2010 Transformation in Progress—2007 Report. [*Hon. K. Valley*]

**APPROPRIATION BILL  
(BUDGET)**

Bill to provide for the Service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2008 [*The Prime Minister and Minister of Finance*]; read the first time.

**The Prime Minister and Minister of Finance (Hon. Patrick Manning):**  
Mr. Speaker, I beg to move,

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending September 30, 2008, be now read a second time.

This is the sixth budget of this People's National Movement administration and it is being delivered against the backdrop of a vibrant and growing economy. I am pleased to have the opportunity to present to this honourable House and indeed to the national community, a comprehensive account of our stewardship over the past five years, outlining our many successes and the challenges that we have faced.

Mr. Speaker, as we intend to be in Government for the next five years, [*Desk thumping*] I also propose to couch the budget for fiscal year 2008 in the context of a longer term plan, which in essence represents yet another phase in our journey towards Vision 2020. It is against this background that the theme of this year's budget presentation is: "Vision 2020: Determined to Reach our Goal".

Hon. Members, the completion of the documents laid in this honourable House today could not have been possible without the commitment, enthusiasm and hard work and sacrifice of the many public officers, especially those in the Ministry of Finance, who have worked long and tirelessly on preparing these documents. I want to let them know that their efforts are greatly appreciated and I would like to thank also my Cabinet colleagues, and all the individuals and organizations who have contributed to the process which resulted in the preparation of these documents. And you will forgive me, Mr. Speaker, if I specially thank, Sen. The Hon. Conrad Enill, Minister in the Ministry of Finance,

Sen. The Hon. Christine Sahadoo, Minister in the Ministry of Finance and the Hon. Kenneth Valley, Minister in the Ministry of Finance, for their efforts. [*Desk thumping*]

Mr. Speaker, in order to put our record of performance into its proper perspective we must remind our citizens of the Government's vision for Trinidad and Tobago and the strategy that will get us there.

When this PNM administration assumed office in 2001—December 24, 2001—we began work on the transformation of this country into a developed nation in the shortest possible time but certainly by the year 2020. The driving force behind this transformation is our enduring passion and desire to bring sustained prosperity and the requisite higher quality of life to every individual, family and community across the country. The vision that emerged—Vision 2020—was founded on five developmental pillars: Developing Innovative People; Nurturing a Caring Society; Enabling Competitive Business; Investing in Sound Infrastructure and the Environment; and Promoting Effective Government.

Vision 2020 acknowledges that Trinidad and Tobago is in a situation of unprecedented opportunity and challenge. It recognizes, however, that economic prosperity does not depend solely on physical endowments or proximity to markets. Rather, Mr. Speaker, it is based on the full awareness that in today's global environment, the most successful countries are those that have succeeded in harnessing and nurturing the creativity, ingenuity and inventiveness of their people, something to which we aspire.

In that sense, Mr. Speaker, ours is more than an economic vision. In particular, it incorporates the nurturing of a caring society; it envisages that the foundation of our society is based on the creation of strong families with high moral and ethical values; that all our citizens have access to adequate and affordable housing and the first class health care that enable them to live healthy lifestyles; and that we put in place new systems to support the most vulnerable in our society. Over the last six years we have worked hard in pursuit of this vision and we have had many notable successes. I would now like to share with you some of our major accomplishments, Mr. Speaker.

Over the period 2002—2006, our economy grew at a high rate and real GDP of 9.7 per cent per year, a growth performance which ranks among the highest in the world. [*Desk thumping*] This rapid rate of growth led to a doubling of the economy over the past five years from \$55 billion in 2001 to \$114.5 billion in 2006 and an increase in per capita income from US \$7,100 in 2002 to US \$14,790

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in 2006. It more than doubled, Mr. Speaker. And while the energy sector was the main driver of the economic expansion, the non-energy sector surpassed expectations, increasing at an average annual rate of 6 per cent over the period.

As a result of the boom in economic activity, an average of approximately 14,400 new jobs were created annually, resulting in a reduction in the unemployment rate from 11.7 per cent in 2001 to 5 per cent at the end of 2006, the lowest in our nation's history. [*Desk thumping*] Mr. Speaker, this has resulted in labour shortages in several sectors and private sector industries now satisfy some of their requirements by importing labour supported by Government's new immigration policy. Anyone who needs a job today can find one, a situation totally different to six short years ago. It is therefore no wonder then that the official data shows a halving of the poverty rate from 35 per cent in 1990 to 16.7 per cent by 2006. Several other macro-economic indicators point to solid macro-economic management.

Mr. Speaker, Trinidad and Tobago has been the recipient of significant amounts of foreign direct investment, amounting to close to \$6 billion over the past five years. We have maintained overall fiscal surpluses and in so doing we have reduced both our public and external debt. Public debt has been lowered from over 60 per cent of GDP to 28 per cent of GDP currently, while external debt which was 17 per cent of GDP in 2001 is now at 5 per cent of GDP. We have done quite well on that, Mr. Speaker.

Our financial system remains robust and resilient and has emerged as the leader in the region; with oil and gas prices remaining buoyant for most of the period we have been able to maintain stability in the exchange rate and increase our foreign exchange reserves to approximately US \$6.5 billion, excluding the Heritage and Stabilisation Fund, which is a lot of money again.

We recognize that we must plan for future uncertainties and therefore we have formalized the Heritage and Stabilisation Fund into law. We have, and in the five-year period put aside substantial savings for our children's future such that at the end of August this year the fund will be at \$10.9 billion, compared with \$1.015 billion when we took office in 2001. However, hon. Members, our achievements are demonstrated not only in the macro-economic indicators but in the improvement in the quality of lives of our citizens. Let me provide some examples.

When we assumed office, corporation tax was 35 per cent while individual tax ranged from 28 per cent to 35 per cent. Today, Mr. Speaker, we have unified corporation and individual taxes at a flat rate of 25 per cent and raised the level of personal allowances from \$25,000 to \$60,000 per annum. This latter measure removed an additional 300,000 individuals from the income tax net.

Over the past five years, one of our most successful interventions has been in the area of education. We are in an advanced stage of developing and implementing a world class system of seamless education, stretching from Early Childhood Care and Education through to tertiary level; and it is all free of charge. Our early childhood education programmes is now on full steam, so far seven early childhood centres have been completed and it is expected that by the end of December 2007, 23 of these high quality centres will be operational.

**1.45 p.m.**

At the tertiary level, the crowning achievement of this Government was the establishment of the University of Trinidad and Tobago in 2004. Since then, UTT has been expanded to incorporate several affiliated tertiary and post-secondary institutions.

Currently, UTT's mandate is, among other things, to help address the country's need for scientists, technicians and researchers, while the affiliated institutions are to provide tertiary training in areas, such as nursing, health sciences, foreign languages and the performing and creative arts.

Mr. Speaker, we introduced free tertiary education at the undergraduate level in 2005. This is applicable not only at the University of the West Indies and the University of Trinidad and Tobago and their affiliates, but to all accredited private institutions in this country including the University of the Southern Caribbean, the new one. Post graduate students are eligible for up to 50 per cent tuition costs, as well as for concessionary loans under the Higher Education Loan Programme (HELP). As a result of the increased availability and greater financial support, enrolment in post-secondary and tertiary institutions increased from 15,000 in 2001 to 45,000 at present—big increase.

Mr. Speaker, our programme for the computerization of all primary schools is in full train. So far, 340 schools are at different stages of completion. We have de-shifted 13 junior secondary schools and converted them to full day secondary schools. Concomitantly, we have converted all associated senior secondary schools to seven-year secondary schools. The upshot of this, Mr. Speaker, is that an additional 11,050 secondary school students now enjoy full-day schooling.

We have paid careful attention to the provision of special education. In this fiscal year alone, the Government upgraded the physical facilities of nine public special schools. We have also agreed to the payment of school fees for students of six registered private special schools.

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Over the six-year period, the Government has spent approximately \$615 million on the construction of schools, 42 have been completed including seven early childhood care and education centres and about 30, including 16 early childhood care and education centres, are in progress. In the six-year period, the Government also undertook some 1,000 school repair projects at a cost of \$380 million.

Mr. Speaker, this honourable House would recall that for many years access to quality, affordable housing was identified as a priority issue for national development. The Government has responded with great urgency and with innovative approaches to meet this critical need. In the past six years, the Government has constructed 26,000 single- and multi-family units on greenfield sites and on vacant sites in existing housing estates. Today, an individual earning \$1,440 per month can access a mortgage loan with 100 per cent financing for 25 years at a 2 per cent interest rate. This was not available just six short years ago.

In government housing programmes, persons 50 years and over can now get long-term mortgage, since the liability could be transferred to their estate in the event of their death—transferability of mortgage. For individuals who are financially unable to service a mortgage, there is a rent-to-own programme in which, over time, part of the rental payments could be applied as a deposit towards the purchase of the property. Grant subsidiary programmes are also available to qualified homeowners to help meet the cost of repairs.

Mr. Speaker, we also regularized several squatting settlements and our squatter relocation programme is well under way in Sangre Grande and San Fernando. A major goal of the Government is to eliminate the incidence of squatting completely—that is developed country status for us.

Mr. Speaker, in health, we have made significant strides towards the building of a client-centered system with a focus on primary health care. The centrepiece of our strategy is the Chronic Disease Assistance Programme (CDAP) through which citizens are provided medical drugs free of charge to treat several common ailments, including diabetes, hypertension, cardiac disease, depression, arthritis, glaucoma, asthma and enlarged prostate.

Mr. Speaker, on a regular basis, some 300,000 of our citizens are benefiting from the programme which is being administered through 250 pharmacies located throughout the country.

We have significantly reduced the waiting list for most surgeries and have succeeded in reducing deaths caused by HIV/AIDS by about half.

We have built and refurbished several primary health care facilities and have installed new technology and equipment throughout the health system.

Mr. Speaker, when this administration entered office, there was a significant backlog and long waiting times for elective surgeries in the public sector. There were some 15,000 persons waiting for surgeries, in some instances for as many as 10 years. To date, we have completed over 12,000 surgical procedures, achieving a significant reduction in the various waiting lists. This represents 12,000 persons whose lives have been dramatically improved. We have increased the number of cardiac by-pass surgeries from 10 procedures every month to 20 procedures per month. The entire public health sector is now doing 30,000 surgical procedures annually. That is more than 15,000 more than when we came into office—a creditable performance indeed. [*Desk thumping*]

Mr. Speaker, reflecting our strong conviction that a highly-skilled labour force is the key to our economic transformation and to the provision of high-quality sustainable jobs, my Government has allocated significant resources to training. Consequently, there is now greater access to technical and vocational education than ever before.

Over 6,000 persons have benefited from the Help Youth Prepare for Employment Programme which is HYPE; close to 31,000 in the Youth Training and Employment Partnership Programme (YTEPP); over 37,000 in the On-the-Job Training programme (OJT); over 7,000 in the Youth Apprenticeship Programme in Agriculture (YAPA) and almost 12,000 in the Multi-skills Sector Training programme (MuST). Some 6,000 individuals including 80 prison inmates have benefited from retraining programme. [*Desk thumping*]

The Laventille Technology and Continuing Education Centre established in November 2004, has graduated over 3,000 persons with marketable skills. A similar centre in Pleasantville which will service San Fernando and surrounding areas is to be opened shortly. Centres are also earmarked for Chaguanas, Point Fortin, Mayaro and Diego Martin.

In 2002, the minimum old age pension now called the Senior Citizens Grant was \$800 per month. Today, the minimum Senior Citizens Grant is \$1,350 per month. In addition, senior citizens have access to free medical care and drugs, free bus passes and housing assistance.

A Smart Card has been introduced to help our needy citizens cope with the worldwide phenomenon of high food prices. This arrangement provides a grant of \$300, \$400 or \$500 for relevant vulnerable families of three, four or five and over persons.

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In 2001, the national minimum wage was \$7 per hour. This was increased to \$8 as of January 16, 2003. On March 31, 2005, this rate was again increased to \$9 per hour. I will say more about the minimum wage later.

Mr. Speaker, we have taken steps to strengthen our capacity to address our worrisome crime and security situation on a sustainable basis. There have been early successes, but the full impact of our comprehensive methodical approach would be seen over time. In this context, the Government has:

- introduced legislation to improve the management of the police service and law enforcement generally;
- enhanced detection and forensic capabilities;
- provided greater mobility and modern communication facilities;
- established constant radar surveillance of our entire coastline. This will considerably strengthen our hand in dealing with the illegal drug trade which produces the majority of violent crimes in this country;
- upgraded and constructed 65 police stations;
- provided the opportunity for involvement of the citizenry in the battle against crime through the 555 Anti-crime initiative;
- reorganized the Anti-Kidnapping Unit;
- established the Special Anti-crime Unit of Trinidad and Tobago (SAUTT), which involved the recruitment of officers from the United Kingdom—which was perhaps one of the most significant interventions that we have made; and
- established an Aerial Surveillance System, properly known as the Blimp.

Mr. Speaker, I hear voices in the wilderness. [*Desk thumping*]

Mr. Speaker, in infrastructure we doubled the fleet of the Public Transport Service Corporation, wound up the loss-making BWIA and introduced a streamlined Caribbean Airlines on more viable routes. We also implemented a most reliable service on the sea bridge to Tobago which has greatly facilitated and expanded travel between the islands. Final consideration of the airbridge is not yet complete.

We implemented the National Highways Programme which in the last six years rehabilitated approximately 110 kilometres of our road network and commenced the upgrade and extension of several of our major highways and main roads.



The Street Lighting Programme which started in September 2005, has resulted in the illumination of 80 kilometres of main roads and highways. At the end of July this year, 111,320 street lamps have been installed either as new installation or as an upgrade of existing facilities.

Mr. Speaker, a more comprehensive breakdown of the performance of the Government since assuming office is presented in a document laid in this honourable House as part of the Budget package entitled, *Government at Your Service: Highlights of Achievement, 2002 to 2007* and I refer you to that document for a comprehensive review. Mr. Speaker, did I hear someone say, performance beats “ole talk” every time? [*Desk thumping*]

Mr. Speaker, as part of the accounting for our stewardship, permit me to give a brief summary of the Government's revenue and expenditure developments over the last six years. I would like to focus on how we spent the resources entrusted to us. In the process, I would also respond to the many voices that accused the Government of overspending and of the injudicious use of taxpayers' money.

In the six-year period ending this fiscal year 2007, the Government collected revenues amounting to \$162.7 billion, of which \$69.7 billion was derived from the energy sector and \$93 billion came from the rest of the economy. The high level of energy tax collections reflected buoyant oil and gas prices and the Government's successful effort at oil and gas tax reform, which increased the country's tax take from any windfall revenues received by the companies .

### **2.00 p.m.**

Mr. Speaker, the revenue loss from the energy tax reform measures was more than offset by the revenue impact from rapid economic growth and major improvements in tax administration; this demonstrated the correctness of this bold policy initiative. Over the six-year period, recurrent expenditure amounted to \$125 billion, of which the main items: wages and salaries, including two rounds of salary adjustments to bring the salaries of civil servants more in line with the private sector and to encourage higher productivity, amounted to \$29.2 million. Goods and services like medicines, school books, materials and supplies, amounted \$17.1 billion.

Interest payments on local and foreign debt were \$14.9 billion. Subsidies amounted to \$6.1 billion; these covered subsidies on petroleum products to keep down the cost of gasoline; that amounted to \$3.9 billion, and the subsidization of the sea and air bridge to Tobago, which cost us \$1 billion.

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Transfers to educational institutions, including the University of the West Indies, the University of Trinidad and Tobago, government secondary schools and GATE, amounted to \$5.3 billion. Transfers to households, including public officers' pensions, social security grants, social assistance and disability grants, amounted to \$15.5 billion.

Current transfers to state enterprises and statutory bodies amounted to \$18.8 billion. The largest recipients were BWIA and Caroni, in respect of state enterprises, and the Water and Sewerage Authority, local government bodies and the Airports Authority in respect of statutory bodies. Current transfers to the Tobago House of Assembly amounted to \$5 billion. The Unemployment Relief Programme utilized a total of \$1.5 billion and the Community-based Environmental Protection and Enhancement Programme (CEPEP), \$1 billion. [*Interruption*]

On the capital account, the three major expenditure items were transfers to the Heritage and Stabilization Fund, \$9.5 billion, that is savings—and I ask hon. Members opposite to take careful note of this figure—which, in effect, is an increase in savings; the Public Sector Investment Programme, \$12.9 billion, and the Infrastructure Development Fund, \$6.9 billion. There was also an increase in Government's deposits at the Central Bank of \$7 billion. [*Desk thumping*]

Hon. Members would recall that in 2005 in the face of bureaucratic bottlenecks that hampered the implementation of the Public Sector Investment Programme, the Government established a number of special purpose companies to manage a number of public sector projects to be executed by private contractors. While there were initial delays in operationalizing some of these companies, the new modality has resulted in a significant increase in the implementation rate of the Public Sector Investment Programme. The funding for the projects implemented by the special purpose companies is channelled through the Infrastructure Development Fund.

Mr. Speaker, if you disaggregate our spending you would see that out of total recurrent expenditure of approximately \$125 billion, \$17.5 billion, about 14 per cent of our revenues, was spent on poverty alleviation programmes, including the Unemployment Relief Programme (URP). Some of our friends on the opposite side would want us to abandon these programmes because they allege that helping the downtrodden and disadvantaged contributes to the creation of a dependency syndrome. We approach this problem differently, and that is why nurturing a caring society is one of our major developmental priorities. For us, it is a "love ting". [*Interruption*]

**Mrs. Persad-Bissessar:** A what?

**Hon. P. Manning:** A love thing, my lady. It is love for people; that is what it is. [*Crosstalk*] Just for the benefit of the Member for Fyzabad, when I say love for our people, I mean all the people of Trinidad and Tobago. [*Desk thumping*]

Our philosophy is that the able-bodied would be required to work or prepare for work in exchange for temporary income support. However, outright support would be provided to those among the poor who are incapacitated, sick or those unable to work, such as the elderly, the differently abled and the destitute.

This is in summary how the revenues were spent to meet our statutory commitments, to provide subsidies to keep cost of certain basic goods and services down, to meet operating deficits of some loss-making enterprises and to finance infrastructural investments, and a significant part was saved in the Heritage and Stabilization Fund.

Mr. Speaker, several commentators, some well-meaning, have sought to chastise the Government for its spending. Part of the problem is that while they measure Government spending against theoretical benchmarks and theoretical indicators of absorptive capacity, we tend to give equal or greater weight to the impact of the spending on peoples' lives. For this Government, the object of our expenditure programme is to improve the quality of life of all the citizens of Trinidad and Tobago. Thus, for example, when we spent \$650 million to electrify all areas of the country through our street lighting programme, it is not that we like to engage in large areas of expenditure, as some would say, nor is it solely a question of electricity. It is that we wish to provide a higher level of security for citizens so that they enjoy a better quality of life.

When the Government embarks on the construction of high rise buildings in Port of Spain, it is not that we see development only in terms of large buildings, as our detractors are wont to say; it is that we are providing better office accommodation for the public sector, so that public sector employees will work in some of the best conditions the country can offer, so as to encourage higher levels of productivity; that is the reason. This will, of course, result in better service to the public and a better quality of life for those persons who receive the services. Mr. Speaker, I cannot overemphasize that it is about people and improving their standard of living.

Hon. Members, I would like to concede that we have faced some challenges in the implementation of our programmes. Some of these challenges are the inevitable result of our rapid rate of growth. We have also had problems resulting

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from the infrastructural bottlenecks from shortages of skilled manpower, including managerial deficiencies, but we have been addressing these problems with increasing degrees of success.

For example, in the face of rapid growth and the climbing spare capacity, inflation rose to 10 per cent in October 2006. As a result of tighter demand policies and supply side interventions, the rate has been reduced to 7.3 per cent as at June 2007. The target announced in the 2007 Budget was to reduce inflation to 7 per cent by the end of 2007 and to 5 per cent thereafter.

Mr. Speaker, crime has also posed a major challenge, affecting the security of families and the quality of life. The Government has introduced a whole range of measures to deal with the crime upsurge and they are beginning to have effect as indicated in the significant decline in the number of kidnappings for ransom and a 22.2 per cent fall in the number of murders over last year's figure. However, the level of crime is still unacceptably high and the Government is committed to intensify efforts to eliminate this scourge from our society.

Some of the other challenges that we are currently addressing include the transportation bottlenecks, expanding the road network, port congestion, the resuscitation of the domestic agricultural sector and the provision of water for all our citizens. Each of these areas will be addressed when the plans for fiscal year 2008 and beyond are outlined. My colleagues will have much to say on these matters in the budget debate.

Mr. Speaker, our considerable achievements over the past five years provide a solid forum from which we can accelerate our march towards Vision 2020. We are determined to learn from experience; to persevere with the approaches that have served us well and to find innovative solutions to the bottlenecks and obstacles that we have faced. As we intend to be in government for many years to come, [*Interruption*] our budget for fiscal year 2008 is couched within a medium term framework that represents the second five-year span on our longer term journey. It is certainly not an election budget, as some of our critics anticipate. It is a structured plan to achieve an objective before the year 2020. [*Crosstalk*]

If my hon. friends opposite are grumbling, it is merely because they feel a little uncomfortable over the fact that they did not have the foresight to enunciate a vision as far-reaching and farsighted. [*Desk thumping*] [*Laughter*] [*Crosstalk*]

Mr. Speaker, I wish to reiterate that the welfare of the citizens of Trinidad and Tobago is too important to be left to the vagaries of electoral politics; rather, the measures and policies that are being proposed in the budget are consistent with

and are all designed to bring us closer to our Vision 2020 goal. Big difference between us and them: We have a clear vision of the future. Neither the UNC A team nor the UNC B team has enunciated any such vision, or the C team for that matter. [*Crosstalk*]

I never agreed with the Member for Princes Town before, but I want to agree with him now. I will be extremely surprised indeed. [*Desk thumping*]

**Mr. Panday:** You just wait!

**Hon. P. Manning:** The main priorities that we have set ourselves for fiscal 2008 are to continue our efforts to combat crime and to provide a high level of security for all our citizens; deepen and accelerate the ongoing educational reform by upgrading, modernizing and expanding the system of primary and secondary schools and expanding our web of training opportunities; enhance capacity and improve service delivery in the health sector; continue to increase the availability and improve the affordability of housing for our citizens; accelerate efforts to diversify the economy by stimulating investment in the non-energy sectors; initiating a virtual revolution in commercial agriculture and small scale farming; initiate urgent measures to improve the delivery of water to the entire population; to ease transportation and other infrastructural bottlenecks and to continue to uplift the living standard of our senior citizens, public service pensioners, the physically challenged and all those who face social exclusion.

In addition, the Government will take specific steps to encourage greater citizen participation in local government, thereby allowing more persons a say in controlling their lives in the day-to-day running of their communities; emphasize harmony and racial understanding; greater sensitivity to ethnic religious and other diversity and the formation of a more coherent society and better management of the environment.

Mr. Speaker, as is customary in our budget presentation, I will like to review the Government's plans and policies for the main productive sectors. [*Interruption*] I wish to begin with energy.

It is no secret that the energy sector has been the main engine of growth in the Trinidad and Tobago economy. Since the early 1990s, the expansion and diversification of the energy sector has propelled the overall growth and increased the resilience of our economy. The current state and international recognition afforded our energy sector is the result of the foresight of successive PNM administrations and the initiatives we have pursued to achieve the development of our oil and gas resources.

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The energy sector has experienced a fundamental shift towards a predominance of natural gas instead of oil. Natural gas is the major raw material spawning a number of downstream industries and making Trinidad and Tobago a major world exporter of gas-based chemicals. Government's energy policies include the diversification of the sector by promoting the downstream industries that maximize the multiplier effect and value added through the creation of linkages between the energy sector and the rest of the economy.

I remind this honourable House that Trinidad and Tobago is the number one exporter of ammonia and methanol in the world. We are the number one exporter of liquefied natural gas in the Western Hemisphere and a major exporter of direct reduced iron.

**2.15 p.m.**

I would like to reassure this honourable House and the national community that Trinidad and Tobago's energy fortunes and prospects continue to be very bright and that you could expect the energy sector to continue to be the driver of the economy and our transformation efforts for many years to come.

Mr. Speaker, there has been tremendous confusion and deliberate misinformation arising out of the Ryder Scott natural gas audit which this Government commissioned with the expressed purpose of informing our energy sector policy. [*Interruption*] Mr. Speaker, the Member for Caroni still would not understand it anyway.

Mr. Speaker, let me remind this honourable House that the first Ryder Scott Report in 1974 gave a reserves to production ratio of eight years. [*Desk thumping*] The way they argue it, if that is so the oil should have run out in 1982. [*Interruption*]

Mr. Speaker, there are none so blind as those who would not see. They just would not see it. Mr. Speaker, 33 years later we are now having a reserves to production ratio of 12 years. The reserves to production ratio is an industry indicator that was never designed to determine how long oil and gas resources will last. It cannot do that, it was never intended to do that and does not now do that and this position was underscored by the many experts who spoke at a recent energy conference. Expert after expert underscored that position.

The reserves to production ratio indicator was designed as a signal to the relevant authorities of the need to increase exploration activity and the timing of governmental measures to achieve this. That was what the indicator was designed to do. [*Desk thumping*]

Mr. Speaker, the situation revealed by the latest Ryder Scott Report was known to the Government for sometime now as a result of which in the year 2005 appropriate adjustments were made to the income tax regime to stimulate exploration activity in the various provinces existing in Trinidad and Tobago. As a result, a lot of exploration is now taking place both on land and in the marine areas.

Four rigs are now engaged in exploratory drilling and 16 wells are carded to be drilled in the last quarter of 2007 and in 2008. That is a lot of exploration activity, Mr. Speaker. Earlier this year BP, and I think EOG drilled a deep exploration well—Ibis Deep to 19,000 feet at a cost of US \$80 million or some TT \$500 million which did not discover any new reserves; it was a dry hole. That is the nature of the industry.

This is the nature of exploration activity and we have no doubt that as the programme progresses new discoveries would be made. The exploration effort over the next three years anticipates an expenditure of some TT \$3,530 million.

What is needed now is a new fiscal regime of incentives to stimulate further drilling in the deep marine areas of the East Coast, marginal fields, heavy oil and farm in and farm out arrangements. We propose to introduce this new regime in fiscal 2008. By these new arrangements we confidently expect, as had happened in the past, new discoveries of oil and gas, and the preservation of Trinidad and Tobago's position as an industrial centre in the region. If they do not understand it, Mr. Speaker, we understand it extremely well indeed.

Mr. Speaker, the Ryder Scott audit information does not affect in any way the priority projects which are set to come on stream in the short term. These include the five large gas-based projects: the Aluminium Smelter at Union Estate in La Brea, Alutrint, Essar Steel Complex, the Methanol Holdings AUM Complex at Point Lisas, the Gas-to-Liquids plant at the Pointe-a-Pierre refinery, Petrotrin's Gasoline Optimization Programme which is the first phase of the refinery upgrade, and the Methanol/Propylene/Polypropylene Project manufacture of a basic building block of a plastic industry. It is the manufacture of polypropylene which is a basic building block of a plastic industry.

In respect of the latter project, Mr. Speaker, the Cabinet has now taken a decision to proceed to development of new industry and this complex which would be built at a cost of US \$1.5 billion and is expected to come on stream in the year 2011, which means construction should start next year. Actually, it is expected to start in the fourth quarter of 2008.

The upgrade of the Pointe-a-Pierre Refinery in Petrotrin's Gasolene Optimization Programme is proceeding at a cost of US \$850 million and the industrial estate at Pointe-a-Pierre is now being cleared of old plants to make way for a brand new state-of-the-art refinery which we are seeking to attract.

Mr. Speaker, given the ongoing expansion of the downstream petrochemical sector and numerous proposals for new energy-based projects, the Government is taking steps to establish new industrial estates to accommodate energy-based industries. We are developing new industrial estates at La Brea, Point Lisas South and East and we have now identified Cap-de-Ville and the Oropouche Bank for further studies to determine their suitability as industrial estates. In addition, the Government also proposes to develop industrial port facilities at Brighton and Galeota.

Mr. Speaker, the gas-based heavy industries include, among others, 10 large scale ammonia plants, world scale, 7 large scale methanol plants, 3 direct reduced iron modules; one Hot Briquetted Iron Plant and a gas processing plant in addition to a steel smelter. A new 5000 tonne per day methanol plant, Atlas Methanol; a 2,000 tonne per day ammonia plant N2000, were commissioned in the year 2004. There are also five gas-based projects which are due to come on stream in the short term. They are:

- The Essar Steel Complex which involves the establishment of an integrated steel complex producing flat hot rolled coil as well as hot briquette iron and slabs. Construction has already begun on this project, Mr. Speaker.
- The methanol, which is gas to methanol, propylene and polypropylene. Discussions on project details between Lurgi and the Government are ongoing. Basell, a joint venture between BASF and Shell is proposing a 160,000 tonne per annum plant at a capital cost of TT \$9.5 billion.
- The Methanol Holdings' AUM Complex with a proposed capacity of the plant of 1.5 million tonnes per annum of urea ammonium nitrate and 60,000 tonnes per annum of melanin, the capital cost is TT \$10.1 billion.
- World GTL Trinidad Limited Gas-to-Liquids plant which is a joint venture between World GTL Inc. New York and Petrotrin. World GTL-Trinidad Limited will own and operate the 2,250 barrel per day gas to liquids plant which will produce incidentally, a very high quality diesel as blending stock to upgrade the general quality of the diesel pool of Petrotrin.



- the Alutrint Smelter Complex: the capital cost is TT \$1.65 billion and will produce 125,000 metric tons per annum all of which will be used for downstream industries. It is a whole complex. I think it is also appropriate to say that we are moving to have a second pot line installed at that complex at La Brea.

Mr. Speaker, in 2005/2006, the Government received proposals to construct two aluminium smelters, one by Alcoa and the other by Alutrint. An agreement in principle was prepared by Alcoa in November 2005 to conduct feasibility studies to explore the establishment of an aluminium facility at Chatham/Cap-de-Ville. A decision in principle to relocate the proposed site of the plant has delayed this project.

Mr. Speaker, in April 2005, the Government agreed in principle to the development of a 125,000 metric tonne per annum aluminium transformation facility. Part of this will reside in Union Estate, La Brea as an integrated aluminium complex, the remainder of the facility will comprise additional downstream industries which would be located at the Tamana InTech Park at Wallerfield. We plan to establish an energy park on 250 acres in San Fernando—this is next to the Brian Lara Complex, Mr. Speaker. [*Desk thumping*]

**Mr. Panday:** The best arable lands in south, look what you are doing.

**Hon. P. Manning:** Mr. Speaker, on that energy park we expect the head offices of all major oil and gas companies in the country will be located and it includes the National Gas Company and all the other energy companies. We call it the “San Fernando Ener-Tech Park.”

Mr. Speaker, the agricultural sector has been earmarked for intensive focus in 2008 and in the coming years. The entire world is currently experiencing a period of unprecedented increases in food prices. According to the International Monetary Fund, global food prices have risen by 23 per cent in the past 18 months. In the Organization for Economic Cooperation and Development countries, the OECD countries, a food component of the consumer price index has accelerated to 12-year highs. In the United Kingdom, food inflation is more than double the rate in the consumer price index, the highest rate of increase in six years.

According to the experts, the rise in global food prices reflects the growing demand for food in emerging markets, most notably in China and India. In addition, rising purchasing power, climatic changes and the increased global demand for ethanol and biofuels in response to higher oil prices are reducing the

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amount of arable land for food cultivation. The current world situation has given new urgency to the Government's push to expand agricultural production to help reduce food prices and begin the move to agricultural self-sufficiency.

Mr. Speaker, on the 15<sup>th</sup> and 16<sup>th</sup> of this month the Government hosted a Public Consultation on Food Prices. The objective of the forum was to share with the public the initiatives undertaken by the Government and to solicit ideas and suggestions from industry experts and the public in general on the best ways in which the country can use its available resources to increase the supply of food and control the level of food prices. The Government acknowledged the concerns that emanated from the consultation, but I wish to reiterate that food prices in Trinidad and Tobago remain among the lowest anywhere in the English-speaking Caribbean. [*Desk thumping*]

Mr. Speaker, while the Central Bank is applying various monetary policy instruments to control liquidity and influence the overall price level, the Government is implementing measures aimed at impacting the availability and marketing of food supplies which are critical factors behind the rise in food prices. One such measure is the establishment of Farmers' Markets at Macoya, Debe and Diego Martin. Additional markets are planned for Arima, Chaguanas, Marabella, Rio Claro, San Fernando and Sangre Grande.

These Farmers Markets have had an immediate impact on the level of food crop prices. In addition, we have imported basic food items from non-traditional sources including Latin America and have removed VAT and the common external tariff on a number of food items.

Mr. Speaker, emanating from the Public Consultation on Food Prices, the Government will be implementing a number of actionable interim measures designed to expand the supply of food and ensure that the momentum with respect to the reduction in food prices and inflation is maintained.

**2.30 p.m.**

These actionable items include:

- The establishment of a Prices Council chaired by Dr. Sharon Hutchinson with a mandate to address comprehensively, from a supply side perspective, the level of prices in the economy;
- The establishment of a Consumer Advisory Board chaired by Mr. Brian Moore to advise the Minister of Consumer Affairs on all matters relating to prices and consumerism and to monitor prices;

- Accelerating the setting up of a Competition Commission;
- The establishment of an Agricultural Development Commission comprised of representatives of a wide cross section of stakeholders in the sector, to advise the Minister of Agriculture, Land and Marine Resources on the development of agriculture in the country;
- A review of the entire package of incentives related to small and large farms, organic farming and agro-processing;
- As part of a CARICOM effort, continue discussions with the Government of Guyana to make lands available for agriculture since Guyana has the resources, especially land space, for large scale agricultural production. This combined with the possibility of expanding the domestic sea-bridge, involving initially, the countries of the southern Caribbean, will assist in reducing potential food shortages in this country;
- The establishment of a Special Regime of incentives for new farms;
- Putting in place new arrangements outside the Police Service to address praedial larceny in hot spots by the end of the first quarter of 2008;
- The use of Cuban farming expertise to provide technical assistance to small farmers, including former Caroni workers;
- The reallocation of 417 acres of land at Mon Jaloux to be allocated to the Small Ruminants Society for their use subject to the submission of a viable business plan;

What is the comment this time?

**Hon. Member:** We fed up of the same thing.

**Mrs. Persad-Bissessar:** Same-o, same-o.

**Hon. P. Manning:** I continue:

- The injection of \$75 million into the Agricultural Development Bank in the new fiscal year and we propose an additional \$25 million should it become necessary.

Last year our allocation to the ADB was \$30 million.

- The design and implementation of a three-year plan to review the development of agricultural access roads, irrigation and other infrastructure by the end of the first quarter of 2008;

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- The expansion of the Youth Apprenticeship Programme in Agriculture (YAPA) as a programme for the development of new farmers;
- Providing up to 100 acres each to the three ammonia manufacturers in the country to create demonstration farms.

We also agreed at the consultation to discuss with these ammonia manufacturers, a new pricing arrangement for fertilizers for the domestic market in the context of their acknowledged social responsibility. [*Desk thumping*]

- Plans are already under way for the establishment of one such farm of which I just spoke, which I will address later in the presentation;
- Negotiating with the fertilizer manufacturers to produce as far as possible all fertilizers used in the country with new pricing arrangements for the domestic market as part of their social responsibility;

I mentioned it a few minutes ago.

- Introduce in the short term a system for making agricultural lands readily available to farmers;
- Proposals from the Tobago House of Assembly (THA) on how agriculture production can be expanded on the sister isle. In the meantime the Government will expand the cold storage and warehousing capacity in Tobago;
- The implementation of a new arrangement of contract farming with appropriate marketing arrangement for select commodities developed in collaboration with the National Agricultural Marketing and Development Corporation (NAMDEVCO) and the Trinidad and Tobago Agricultural Business Association (TABA);
- The restructuring of the National Agricultural Marketing and Development Corporation (NAMDEVCO) to allow the Corporation to play a more proactive role in the development and expansion of the agricultural sector, including using a venture capitalist approach in the development of innovative projects;
- A review of the restrictions on the importation of food items from low-priced Latin American countries subject to the observation of all health requirements.

Let me reiterate that these are interim measures and more long-term measures will be announced as the new fiscal year progresses.

In 2003, the Government took the bold and courageous decision to restructure an unviable Caroni (1975) Limited. In the process of restructuring Caroni (1975) Limited, we freed up prime agricultural land to be used for diversified crop production in both the primary market and the agro-processing industry. We have created over 7,000 potential new farmers from the former workers of Caroni (1975) Limited, each with 2-acre plots to produce food for this country.

A significant portion of the former Caroni lands will also be utilized to establish large commercial farms through joint venture arrangements with the private sector. We are also improving the infrastructure of these lands through an enhanced system of access roads and bridges and are moving towards better water management and supply, including retention dams. All the support systems will be provided for the thousands of our smaller farmers who will continue to play their very important role in providing for the nation.

As announced in the last budget statement, under our National Agribusiness Development Programme, the Government will be creating 16 large scale farms of a minimum of 100 acres each, all utilizing modern techniques and management for the large scale production of food. These estates will be operated along commercial lines and will involve participation by the private sector, including established international companies in the field. The Rural Development Company is presently seeking proposals from domestic and international investors.

Work is now proceeding apace for the establishment of a large farm to be located in Tucker Valley, Chaguaramas. What is special about this farm is that it is to be operated jointly by the Governments of Trinidad and Tobago and Cuba. The farms will be utilized for root crops, vegetable crops, mixed farming livestock and integrated farming, using the most modern farming methods. The large farms will be focused mainly on those commodities that have export value and the potential to develop into major food industries. Their major output will be largely directed into processing, thereby fuelling the growth of the agro industry. As much of the output will be earmarked to be exported the large farms will not be in competition with the smaller farmers for the domestic primary market—no undue competition.

By putting all of these structures in place, the Government is laying the foundations for high volume, quality food production at a reasonable cost to consumers. It is not the intention of the Government to promote large farms at the

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expense of small farms. What we envisage is a new mix in the farming community of large and small farms. [*Desk thumping*]

The Government is also proposing to partner with PCS Nitrogen Limited in establishing a Model Farm, Resource Centre and Greenhouse in Central Trinidad to provide the local farming community with free access to state-of-the-art training facilities, technical assistance and technology which are currently unavailable in Trinidad and Tobago. The project will introduce the farming community of Trinidad and Tobago to revolutionary crop production and management techniques. It will provide scientific expertise by making use of available PCS Nitrogen resources, including agronomists, the International Plant Nutrition Institute and fertilizer.

The Government is pursuing a multi-pronged industrial strategy in order to accelerate the economic diversification of the country. One important aspect of this strategy is the provision of assistance and incentives to the manufacturing sector to allow the sector to expand and to introduce new innovative technologies to be able to compete in the global marketplace.

Through a Business Expansion and Industrial Re-engineering Programme (BEIRP), the Government will assist domestic firms to be re-engineered with greater state-of-the-art technologies and processes and to expand their capacity to innovate and produce more sophisticated, value-added products for the international marketplace. This is critical as we engage new markets in Central America in the expanded Caricom/Costa Rica trade agreement and in Europe under the Economic Partnership Agreement.

Another major element of the strategy is the implementation of the strategic plans of the seven industries, which have been targeted for special focus by the Government because of their tremendous developmental potential. These industries—music and entertainment, printing and packaging, merchant marine, film, fish and fish processing, yachting, food and beverage—are being proposed as areas of investment for the private sector, with special Government support. These are in addition to our ongoing focus on tourism, energy services and a renewed emphasis on agriculture and agro-processing.

Moreover, when the new initiatives in financial services, especially the implementation of our plans for an International Financial Centre and our efforts in information technology at Eteck are taken into account, one sees clearly that the diversification agenda is well in train. The intention is that industrial development will leverage a cluster of technology industries, which are being established in Tamana

InTech Park, a nexus for knowledge-based manufacturing, research and development and training, strategically linked to the University of Trinidad and Tobago.

The Business Expansion and Industrial Re-engineering Programme (BEIRP) is designed to assist the manufacturing sector to address four major issues: the expansion of existing plant capacity through an increase in the accelerated depreciation facility; and the introduction of new technology; marketing; quality and production management; and human resource development and training.

Accordingly, the Government will consider the following initiatives to complete the package of incentives of the Business Expansion Industrial Re-engineering Programme:

- an Innovation Facility;
- a Marketing Facility;
- a Quality Management/Production Management Facility; and
- a Human Resource Management Programme.

All of these are under consideration now and we should take decision on these matters very shortly.

These measures will be supported by an education system which produces the skills required, the provision of a facilitating business environment and the legal system that supports Intellectual Property.

We are beginning to see a burgeoning of the small and micro-enterprise sector, thanks to Nedco and the Business Development Corporation (BDC). More than the establishment of small and medium-sized business, Nedco has been having considerable success in promoting an entrepreneurial culture among the small man; Nedco has been uncovering the small man's potential for entrepreneurship. The hard fact is that the small man, whatever his potential for entrepreneurship, has traditionally been denied access to funding because of his lack of collateral. This is so not only in Trinidad and Tobago; it is so all over the world in both developed and developing countries.

Against this background, the philosophy behind Nedco is to provide funding, but in conjunction with education and training. We are convinced that this is an excellent way of empowering people; of providing wealth-producing options for the common man; of getting some people out of poverty and on to the road of financial independence. This approach is displaying remarkable success.

The ownership and management of small or micro enterprises are more and more being pursued as a preferred career path by many who previously would

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have thought it unthinkable or impossible. In the past five years, Nedco has helped to establish over 7,600 small and micro enterprises. Going forward, we will target a significant increase in the number of small and micro enterprises per year.

Nedco's lending portfolio is complemented by the Entrepreneurial Training and Incubation Centre (ETIC), which conducts business and management training programmes, provides advisory services and business incubation facilities for small and micro enterprises.

In November last year, the Government implemented the Fair Share Programme (FSP), which reserves 10 per cent of all contracts awarded by the Government up to \$1 million for qualifying small businesses. To access the Fair Share Programme businesses must be independently owned and owner-managed, with up to 25 employees and assets of up to \$1.5 million, excluding land and building.

Permit me now to turn to the tourism sector. Tourism is now well recognized as an important earner of foreign exchange, as a strong generator of sustainable jobs, as a meaningful contributor to the economic growth and diversification and as a platform for social and economic progress. We, in Trinidad and Tobago, have only now begun to exploit fully our considerable tourism potential which exists on both islands.

There are significant developments taking place in the tourism sector, starting with the expansion of our upscale hotel room stock. With the construction of the Waterfront Project almost completed, the Hyatt Regency Hotel is carded to open its doors for business in the first quarter of 2008, affording the industry 428 new first-class rooms and an addition of 50,000 square feet of meeting and conference space.

**2.45 p.m.**

The Government has already won the bids to host two major tourism conferences at the Hyatt in 2008; the Caribbean Hotels Investment Conference in May and the Florida-Caribbean Cruise Conference in October. Trinidad and Tobago is also scheduled to host the 34<sup>th</sup> Country Summit of the Americas and the 54<sup>th</sup> Country Commonwealth Heads of Government meeting in 2009.

Additionally, following the recent opening of the 80-room Holiday Inn Express in Trincity, 530 more rooms will come on stream in 2008 with the opening of the Cara Suites Piarco Hotel, the Piarco International Hotel, the Carlton Savannah Hotel in St. Ann's and the refurbishment of the Trinidad Hilton and Conference Centre.



Other hotel investments are under active consideration in Port of Spain, Chaguanas, South Trinidad, and Tobago. We are currently reviewing our tourism legislation with a view to facilitating even further investment in the accommodation and ancillary services subsector.

Along with the expansion of hotel capacity we are also securing an expansion of airlift arrangements into the country.

We are positioning Trinidad and Tobago as the Meeting and Conference Centre as well as the events capital of the Caribbean, and to achieve this goal, adequate accommodation and airlift are critical.

British Airways has served Tobago from Gatwick admirably, and just recently, the airline reintroduced its service from Port of Spain. In addition, there are now new air links with Atlanta, Houston, Panama City and Curacao and links will be established with Fort Lauderdale and Holland shortly.

Having brought the visitors to our shores, we need to provide them with a unique experience.

Accordingly, we are taking steps to enhance our customer service standards on all fronts; to build awareness among our population about the importance and benefits of tourism; to market effectively our islands, internationally as well as locally; and to build our tourism product.

Plans for the re-design of the Maracas beach facility are well under way with the master plan, conceptual designs and stakeholder consultations completed.

The objective of this project is to transform Maracas Beach and its facilities into a modern, safe, clean, well-managed and environmentally-sustainable attraction of the highest international standard. Work is expected to begin on this project upon the completion of the Environmental Impact Assessment.

With the leave of hon. Members, I now wish to outline our strategies for the major areas of policy intervention—first, education.

Trinidad and Tobago is well on the way to truly revolutionizing its education system—a seamless education system that would underpin the country's thrust to sustainable economic development; an education system designed to strengthen the social fabric; deepen our democracy and give our citizens the tool for success in today's world.

Now that the foundation has been laid, we need to focus on broadening accessibility, ensuring curriculum relevance even as we recognize the diversity of

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talent; infusion of technology for improved teaching and learning, mandatory teacher training for more effective delivery of the syllabus and de-centralized management for more efficient decision-making and greater community involvement.

The Government has developed a policy of Early Childhood Care and Education, has established standards for the establishment of the centres, curriculum guidelines and has embarked on a massive training programme for centre administrators and teachers.

During fiscal year 2008 we plan to construct 33 Early Childhood Care and Education Centres (ECCE) and to train about 300 Early Childhood Care and Education teachers and administrators. By the end of 2008 we expect to have a population of 2,550 three and four year olds in these early childhood care and education centres.

Our emphasis at the primary and secondary levels is complete modernization—modernization in terms of the infrastructure, curriculum, administration, teacher education planning and having the schools as learning organizations.

As regards primary education the aim should be zero per cent of students scoring less than 30 per cent. At the secondary school level, our goal is to ensure that 80 per cent of secondary school leavers exit the fifth form level with appropriate certification.

Our construction programme in respect of primary schools will continue in 2008. We are well aware that in some schools the situation is dire, demanding immediate redress. As an interim measure, therefore, temporary pre-engineered classrooms will be provided as a means of alleviating acute accommodation problems at some primary and secondary schools.

In the new fiscal year the remaining six junior secondary schools will be deshifed and converted to secondary schools. [*Interruption*] Matter for the Presbyterian Board. You understand, Mr. Speaker. Just misinformation. It is a denominational school, but it is not a matter for the Denomination Board of Education. There they go again.

In 2008, the junior secondary school system will be a thing of the past and so would be my good friend for Nariva. [*Desk thumping*]

The National Open School of Trinidad and Tobago (NOSTT) was established in 2006 in response to the challenges of delivering primary and secondary education to the out-of-school population.

To date, the initial five National Open School Centres have been identified and once established will cater for 250 students and will offer tuition in five key subject areas—Mathematics, English, Science, Social Studies and Spanish.

**Mr. Panday:** Take a tablet. Yuh bun. Yuh cyar go again.

**Dr. Khan:** I am here.

**Hon. P. Manning:** Mr. Speaker, for the benefit of the Member for Princes Town, I would like him to know that these days my friends are calling me the energizer bunny—going and going and going.

**Mr. Panday:** And gone.

**Hon. P. Manning:** By June of next year the national open school system will become fully operational with a total of 20 schools with trained tutors and a target population of 4,500 students.

One of the Government's major focuses is the infusion of information and communications technology (ICT) in the curriculum of our schools. The main objective of this programme is to prepare students to live in a knowledge-based society.

Under the Primary Schools Computerization Programme infrastructural work on computer labs has been completed at 340 primary schools and 11 special schools and before the end of this fiscal year the majority of these schools will boast modern, fully equipped computer labs.

Phase I of the ICT in the Secondary Schools Programme commenced with the provision of computers and network and security systems. Free Internet access is now available at 180 primary and secondary schools.

In the new fiscal year, we intend to complete the computerization of 193 primary schools, and 11 special schools.

In addition, computers and networking will be provided for 133 secondary schools throughout the country.

Phase II of the Secondary Schools ICT Project, which includes purchase of teaching software and provision of classroom collaborative solutions, will also be completed during the coming fiscal period.

A part of the proud legacy of this Government will be that a high quality tertiary education is no longer a privilege of the rich and influential.

In 2001 enrolment in tertiary education was around 15,300 or about 11 per cent of the age category 17—25 years. Over the last six years enrolment has

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increased to about 45,000 or about 33 percent of this age cohort. We have gone from 11 percent to about 33 percent. [*Desk thumping*]

This is no easy accomplishment for any government in a developing country. We plan to increase the enrollment to 60 percent of this age cohort by the year 2015.

**Mr. Partap:** You have no money.

**Hon. P. Manning:** It is a question of money alone. Is it? You understand, Mr. Speaker? Complete misunderstanding. It could never be a question of money alone. It takes more than that to do it.

We have made tertiary education affordable through the Government Assistance for Tuition Expenses (GATE) and the Higher Education Loan Programme (HELP).

We have supported more than 66,000 students through the GATE Programme alone.

We are establishing the University of Trinidad and Tobago campuses all over the country for students to access tertiary education opportunities, including through distance learning. Additionally, our policy is one which caters for flexible admissions for students at all levels in the system as we embrace lifelong learning.

We are ensuring that our tertiary education is industry-relevant. Accordingly, both students and graduates will have to access workplace engagements.

This is seen in the range of learning centres that we are establishing from the National Academy of the Performing Arts to the Natural Gas Institute of the Americas.

Having a competitive workforce and improved quality of life can only be achieved through quality tertiary education. We are therefore committed to the highest standards of excellence at the tertiary level and have established a national system for quality assurance and accreditation being driven by the Accreditation Council of Trinidad and Tobago.

The construction of the main campus of the University of Trinidad and Tobago at the Tamana Intech Park in Wallerfield will continue in the new fiscal year. The establishment of the main campus will allow the university to:

Increase the number of students who can afford university-level training in science, engineering and technology;

Widen further the scope of teaching and research programmes beyond the traditional areas now offered by the University of the West Indies;

- Facilitate rationalization of the university's support services;
- Establish more lecture rooms and laboratories; and
- Create a positive economic effect on the community areas near the university.

The University of Trinidad and Tobago will also upgrade its infrastructure in the following:

- Construction of the University of Trinidad and Tobago Centre for Sports;
- Establishment of the Academies for the Performing Arts;
- Expansion and upgrade of the facilities at Valsayn and Corinth Teachers' Colleges and
- Upgrade of the library facilities at the University of Trinidad and Tobago campuses.

The mandate of the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) has been changed from its original broad orientation to one focusing on certificate, diploma and associate degree programmes in critical areas of nursing and health sciences, humanities, foreign languages and the performing and creative arts.

In line with this mandate, legislation is being prepared to convert COSTAATT into a community college preparing students for professions in the specified fields and also serving as a transition to university education. The college will construct three campuses located in North and South Trinidad and Tobago.

### **3.00 p.m.**

The University of the Southern Caribbean is currently seeking to expand its facilities to accommodate and facilitate greater enrolment and the upgrading of the university's residence halls and faculty buildings. The university has requested assistance from the Government.

Given Government's interest in expanding access to tertiary education among the wider population, we have agreed to provide some financing towards this project under a specific protocol with the university.

The Government is considering providing financing of approximately—in fact, we have taken the decision now to provide financing of approximately \$97 million over the next four years to the University of the Southern Caribbean. The benefits that would accrue to the Government from this agreement are currently being worked out. We have given them a commitment that we would assist in the upgrade, and we will honour our part of the bargain.

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Mr. Speaker, let me focus now on the health sector. During the coming year, we intend to quicken the pace of upgrading all health facilities, infrastructure, human and other resources as we seek to provide our citizens with the ability to live longer, healthier and more productive lives.

The incidence of so-called lifestyle diseases is giving the Government much cause for concern. An area of critical concern to this Government is the number of persons suffering from diabetes mellitus. On the CDAP alone, the statistics show that there are 145 persons accessing medication—[*Interruption*]

**Hon. Members:** It is 145,000.

**Dr. Rowley:** They are awake.

**Hon. P. Manning:** I am just testing. [*Laughter*] On the CDAP alone, the statistics show that there are 145,000 persons accessing medication with approximately 5,000 of that number being insulin dependent. We view the promotion of healthy lifestyles as a key strategy for effecting behavioural changes that will ensure not only a healthy, but a health-conscious nation as well. We will continue to emphasize good nutritional habits and exercise.

The computerization of CDAP is now 90 per cent complete. To date, 210 pharmacies have been supplied with terminals in readiness for the CDAP Smart Card which was launched last month. The remaining 30 pharmacies will be computerized during 2008.

**Mr. Panday:** What about the strips?

**Hon. P. Manning:** What about the strips? Do you want them on CDAP?

**Mr. Panday:** We want the strips now. [*Interruption*] We want them now. [*Laughter*]

**Hon. P. Manning:** Mr. Speaker, what they are advocating is what we call policy on the hoof. We do not do that in the PNM; we do not do that on this side. [*Interruption*] The Chronic Disease Assistance Programme will be expanded further, with effect from January 01, 2008 to include diabetic testing strips—[*Laughter*]—which will be available at no cost to these insulin dependent patients through the Chronic Disease Assistance Programme. [*Desk thumping*]

Mr. Speaker, as part of the Government's commitment to providing quality health services to the population, work has begun on the establishment of the National Oncology Centre. The centre which is expected to be in operation in two years' will offer cutting-edge cancer treatment for our citizens. It is also expected

that the centre will provide an agreed level of service to Caricom nationals under a Government-to-Government arrangement.

Trinidad and Tobago is also providing First World medical care in other areas. Since the inception of the programme in January 2006, the National Organ Transplant Unit has completed 18 transplants compared with 36 similar procedures performed in this country over a 17-year period. In addition, 42 donors have been screened and a campaign for the sensitization of public and medical personnel was launched.

Mr. Speaker, the framework for an Eye Bank has been developed, and in the new fiscal year we expect to have a functional Eye Bank for the supply of corneas for transplants.

I am also happy to report that the refurbishment of the Intensive Care Unit at the Mount Hope Women's Hospital has been completed. The unit contains a wide range of specialized equipment including incubators, ventilators, warmers, intravenous pumps, monitoring equipment and phototherapy equipment.

**Dr. Rafeeq:** They should close down that hospital.

**Hon. P. Manning:** With the acquisition of these state-of-the-art pieces of equipment, the survival rate for newborn and premature babies is expected to increase markedly.

Mr. Speaker, in keeping with the Government's overall objective to reform the health sector and improve the delivery of health care to the citizens of Trinidad and Tobago, we have taken the initial steps toward the establishment of a National Health System (NHS). Under the National Health System, the State will maintain financial responsibility for the provision of an essential basket of services to all citizens of Trinidad and Tobago. Every citizen will be able to exercise choice of provider.

A steering committee has been appointed to prepare a design proposal for the National Health System. Over the next fiscal year, the committee will engage the national community in dialogue on the proposed National Health System. *[Interruption]* It is more than insurance, it is a whole system. It includes the insurance.

Mr. Speaker, significant progress has been made in addressing the incidence of HIV/AIDS over the last five years, particularly as the antiretroviral treatment has been made more accessible to the population as a whole. At the same time, there has been a 69 per cent decline in the number of HIV/AIDS cases reported. Between

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2001 and 2006, the Government has spent more than \$30 million on providing comprehensive treatment to more than 4,000 people living with HIV.

Despite this encouraging development, AIDS remains the leading cause of death in the 15 to 44 age group. The Government, therefore, will continue to remain vigilant as it seeks to further develop and consolidate a comprehensive and collaborative approach for treating with HIV/AIDS.

The priority areas include prevention, treatment, care and support, advocacy and human rights, surveillance and research, programme management, coordination and evaluation. The Government is also reviewing a draft national workplace policy on HIV/AIDS in an attempt to curb discrimination on the job.

Over the next fiscal year, we will extend the free HIV/AIDS treatments to six major centres. In addition, there will be improvements in both the procurement and distribution of drugs to treat HIV/AIDS, as well as institutional strengthening laboratories.

Mr. Speaker, permit me to turn now to the housing sector. Hon. Members will no doubt agree that a secure home is fundamental to family and personal well-being. Many of the households with affordability challenges include low-wage workers, the elderly and differently-abled citizens. These are the people whom our national housing policy targeted.

Since 2002 we have constructed approximately 26,000 housing units while more than 8,245 are currently under construction. [*Desk thumping*] This is opposed to what was done by hon. Members opposite while in government over a six-year period. They constructed 461 units in five years. No wonder when they hear our statistics of 26,000 units in five years and 8,225 units under construction they applaud. [*Desk thumping*]

The Government recognizes that there is still more to be done in ensuring that every citizen has access to a basic human need, the need for shelter, and we intend to keep affordable and quality housing at the top of our list of priorities. To this end, in terms of housing finance, one of the major changes in the housing sector implemented by the Government has been the reduction of mortgage interest rates.

Prior to 2002, interest rates varied from 8 per cent to 12 per cent for the Approved Mortgage Companies Programme, and since then has hovered between 6 and 8 per cent.



In 2007 the Government introduced a subsidized interest rate of 2 per cent for beneficiaries with income of up to \$8,000 per month for a house costing a maximum of \$450,000. Additionally, prior to 2002, the required down payment for mortgages was 10 per cent. It was subsequently reduced to 5 percent, and in the last fiscal year the Government eliminated the downpayment altogether. [*Desk thumping*]

Further, persons who qualified for a mortgage are also eligible for a further loan of \$15,000 toward the purchase of household appliances, and this further loan is to be incorporated into the mortgage arrangement. That means to say amortized over 25 years. Hon. Members opposite have had nothing even closely resembling these far-reaching policies when they were in government a few years ago.

**Mr. Partap:** Except they are mortgaging the unborn child there.

**Hon. P. Manning:** Other measures implemented by the Government aimed at making housing more affordable include the increase in the ceiling for the exemption of stamp duty for residential properties from \$350,000 to \$450,000; transferable mortgages; and a Rent to Own Programme.

Mr. Speaker, the Government's housing policy also focuses on making houses more affordable by indirectly subsidizing the cost of these houses. Beneficiaries of government housing will only be required to pay for the cost of the raw land, while the Government will meet the infrastructural cost for the development. Impressed?

In addition, the Government also provides through the Beneficiary Owned Land Subsidy an upfront subsidy to be given to beneficiaries in possession of land who wish to construct a home and who satisfy the relevant criteria.

Mr. Speaker, we are now developing 22,023 residential plots, including the service plots provided to the former employees of Caroni (1975) Limited. It is 22,023 in central Trinidad. The infrastructure work is almost completed on most of the 27 sites. These will result in modern communities with all utilities underground—electric wires, telephone wires, cable, including drainage. [*Interruption*] It is there. If you go to the service lots right now in central Trinidad you are going to see it. If you go to Tardeau Gardens in Tarouba South you are going to see it—these are squatter relocation houses. All the utilities are underground. In fact, I invite you to join me on a tour. Let us go. Join me in due course.

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These will result in modern communities with all the utilities underground. The price of these lots includes substantial subsidy on both the infrastructure cost and cost of the land. These lots are priced at \$4, \$5 and \$6 per square foot, that is to say \$20,000, \$25,000 or \$30,000 for a lot. Imagine those prices in today's market!

The designs of five model houses would also be available to these homeowners. You do not have to go and design a house. You pick one of the designs and you ask the construction agency to build it for you, and they will build it at a predetermined price. In addition, these designs already have Town and Country Planning approval and local health approval and, therefore, they would need no further approvals. You just have to pick a design and build the house. This is what a forward-looking government does for its people.

Mr. Speaker, in an effort to maintain the existing housing stock, the housing policy also provides home improvement grants and home improvement subsidies to assist persons in undertaking repairs and making improvements to their homes.

The Land Settlement Agency, through its mandate, is undertaking the Squatter Regularization and Containment Programme. This programme is intended to regularize the security of tenure for families living in squatter settlements, and to improve the overall living conditions of squatters by providing basic services, communal facilities and formal land tenure to families. A major goal of the Government is to eliminate the incidence of squatting completely.

### **3.15 p.m.**

I should note that our housing model implies more than building houses; it envisages the development of sustainable communities, which include the provision of public amenities such as playgrounds, community centres, schools, open spaces, clinics and other facilities. A major component of providing accessible housing in sustainable communities involves developing sustainable housing on greenfield sites through the creation of new towns.

In this respect, the Government has commenced the development of a new town in East Trinidad. Actually, the centre of that town will be Sangre Grande; a recent decision taken, but it is a new town built all around the Sangre Grande area. Four more new town developments have been earmarked. Three more new town developments have been earmarked for La Brea, Princes Town and Chaguanas. [*Desk thumping*] If I may say so at this time, Mr. Speaker, our proposal for Princes Town will be really dazzling; comprehensive development; construction in a very short time, but we will discuss it with the representative for Princes Town for the time being.

**Mr. Panday:** I thought you are sending her Princes Town.

**Hon. P. Manning:** I am sorry?

**Mr. Panday:** I thought you are sending her Princes Town.

**Hon. P. Manning:** Yes, Princes Town is included. [*Interruption*] Mr. Speaker, when I said I would discuss it with the Member of Parliament for Princes Town, I really meant the incoming Member of Parliament.

I turn now to the social sector. While the Government have no immediate plans to introduce new social programmes, we will continue to foster social development and integration on multiple fronts, including the provision of a network of integrated, effective and accessible social programmes and services. We have put so much in place in the last five years that we are now concentrating on streamlining them and removing the areas of duplication.

The Government recognizes and commends the selfless and dedicated service of civil society organizations in the many aspects of social service delivery. Indeed, we view these organizations as full partners in this work. In the next fiscal year, we will establish, through policy and programme initiatives, a structured approach to the provisional social services by civil society organizations and the private sector.

The Government will also partner with international agencies, where appropriate, with a view to crafting a more effective and efficient delivery of services, to inform decision-making and to enable and empower research-based policy and programming. The poor and marginalized are not a homogeneous entity; a sustained effort must be made to gather information pertaining to each group on a continuous basis.

As we craft a more relevant and targeted response to the needs of the poor and vulnerable among us, the Government will conduct research and needs assessment pertaining to vulnerable and at-risk groups including persons addicted to drugs and other substances; persons with disabilities; older persons; socially displaced persons and at-risk children.

The family, as the principal teacher and transmitter of ethical, social, spiritual and religious values is indisputably the core of social fabric. It is no surprise, therefore, that many of the social ills that now imperil our society can be directly traced to the disintegration of the family unit. It is possible that the major contributory factor to this disintegration of the family is the disadvantaged economic situation of low-income and single-parent families, especially households headed by a single female.

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As a response, the Government will continue the implementation of the National Family Policy, which we have adopted as our blueprint for creating and promoting a family friendly society and for mainstreaming family issues into every aspect of policy making. The National Family Policy will focus on a wide variety of issues relevant to the proper functioning of the family unit including employment practices, health care, housing, education and training, social services and recreation.

The Government will also implement a national parenting programme to educate young people on the role of parents and the ideals of good parenting. [*Desk thumping*] Other programmes in support of the family include:

- The National Counselling Programme;
- Establishment of a Children's Authority; and
- Implementation of the second national plan of action for children.

In 2008, we will advance the poverty reduction strategy through the implementation of a structured approach to the regular measurement of poverty. This approach will enable proper targeting of programmes and assessment of progress and will foster social integration and inclusion of traditionally marginalized, vulnerable and at-risk groups.

Mr. Speaker, I turn now to the issue of national security. The 2007 fiscal year represented a major turning point in this country's fight against crime. While we are by no means satisfied with the current level of crime, we are confident that the collaborative and coordinated efforts of our law enforcement agencies and other support agencies are leading to reduction in certain categories of serious crime, especially homicides and kidnapping for ransom. This Government's major focus continues to be the safety and security of all citizens and residents of Trinidad and Tobago.

During the 2007 fiscal year, there were several critical legislative accomplishments. The reform package essentially sought to improve the management system in the Police Service by giving more autonomy to the Police Service Commissioner and to the Police Service Commission. To further strengthen the legal and regulatory framework, the Government will pursue passage of several pieces of legislation, the most critical being:

- The DNA Bill;
- The Proceeds of Crime (Amdt.) Bill;

- A Bill to establish the Special Anti-Crime Unit of Trinidad and Tobago;
- Amendment to the Defence Act;
- Protective Services Compensation Act;
- The Immigration (Advance Passenger Information) Act, which incidentally has come out as a legacy of World Cup Cricket, 2007; and
- Prison Service Rules under the Prisons Act.

To enable the Police Service to achieve its mandate, the Government has embarked on a number of initiatives to provide the organization with the resources it requires in terms of infrastructure and human resource. A refurbishment programme involving 56 police stations is currently in progress across the country. Five police stations are also under construction and will be completed by October 2007.

**Mr. Partap:** Manzanilla?

**Hon. P. Manning:** Just one. The Police Training Academy at the St. James Barracks is receiving a major upgrade and completion is scheduled for the end of September this year.

In the new fiscal year, 18 new police stations will be constructed, along with the completion of the Police Training College.

To improve police visibility and response times, 315 purpose-built police vehicles will be procured. Delivery of these vehicles will commence in November of this year.

Mr. Speaker, consequent on the enactment of the Police Service Act, 600 civilians will be recruited to provide administrative and managerial support to the Police Service. Additionally, 750 constables are scheduled to be recruited during fiscal 2008. In the 2007 fiscal year, 2,700 police officers have been the beneficiaries of training courses in leadership skills, motivation techniques, employee counselling, management and customer service, crime scene investigation, courtroom skills, interview techniques and surveillance. The intention is to train an additional 2,500 officers in the upcoming fiscal year.

As hon. Members are aware, an essential part of our strategy relates to our ability to protect our maritime borders. The first phase in the strategic upgrade of the response platforms of our maritime forces began in April this year, when the Government executed a number of contracts.

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VT Shipbuilding International is designing and constructing three offshore patrol vessels, the prices of which total \$1,455 million. The first offshore patrol vessel will be delivered in March of 2009; the second in October 2009 and the third in August 2010.

In the interim, and given the urgency with which the Government requires an additional maritime capacity, we have acquired two vessels, which are now being appropriately modified to discharge the mandate of the Trinidad and Tobago Coast Guard. The price of these two vessels is \$132 million.

Mr. Speaker, the effectiveness and efficiency of the three vessels will be ensured through the establishment of two associated arrangements, a maintenance support programme, which will continue for five years after the receipt of the third vessel and a crew training programme. These naval assets are being provided through a Government-to-Government arrangement. To this end, the government of the United Kingdom would provide us with independent advice on the design and construction of the vessels, as well as on the vessel acceptance process.

We have now initiated the second phase in the strategic expansion of our maritime forces. We have identified through a competitive tendering process, a highly-regarded manufacturer to provide six medium-sized fast patrol craft, which would fill the operational gap between the offshore patrol vessels and a variety of small craft. The contract was actually won by an Australian company and discussions are now being initiated with them to finalize it.

Appropriate maintenance and training support packages will ensure the efficiency and effectiveness of those craft. It is envisaged that the first fast patrol craft will be delivered in the first quarter of 2009.

The third phase in the strategic upgrade of our maritime capability involves the procurement of six interceptors and four helicopters. Both sets of assets will be capable of launching and recovery by the offshore patrol vessels. Procurement of these naval assets is in process.

Mr. Speaker, between April 18 and May 18, we held seven consultations on crime throughout Trinidad and Tobago. As I have done before, I wish to again thank the thousands of citizens who participated in the consultations and made numerous recommendations on the way forward. The objectives of the consultations were realized with the attendance and response of the public exceeding all expectations. This was truly an exercise in participatory democracy, which provided a unique opportunity for face-to-face dialogue between the Government and the people.

Five key initiatives have been approved to give effect to the suggestions from the public:

- (i) the establishment of a non-partisan crime and justice commission headed by retired Mr. Justice Lionel Jones to evaluate those recommendations relating to law enforcement and the justice system and to recommend to the Cabinet the appropriate legal framework for implementation, where relevant. The Commission will seek to devise specific mechanisms to improve public confidence in the law enforcement and justice system;
- (ii) the establishment of a national fingerprint database, with the capacity to store fingerprint records of each citizen from birth; a procedure adopted in a number of developed societies;
- (iii) the establishment of a structured mentoring programme, which utilizes trained professionals to provide one-on-one mentoring for youth at risk;
- (iv) the referral to the Ministry of Education of those matters related to education for appropriate action; and
- (v) the launch of a sustained national campaign to educate and inculcate sound family values and positive attitudes, utilizing all appropriate institutions and channels of communication.

### **3.30 p.m.**

Mr. Speaker, the participation of the community in the fight against crime received a new impetus with the introduction of the 555 anti-crime initiative in May of last year. Active participation by the community is already in evidence. Numerous community meetings have been held and over 150,000 calls received at the call centre.

Mr. Speaker, another initiative involving our citizens in the fight against crime is the Citizen Security Programme, which is jointly funded by the Inter-American Development Bank and the Government. The programme represents a pro-social approach to crime and focuses on providing at-risk youth with alternative programmes and activities.

Mr. Speaker, the recently concluded Cricket World Cup 2007 provided the region with the best example of regional integration as we move to the operation of a single market and economy. Locally, the safety and security arrangements for the venues in Trinidad were coordinated by the working group of the Local Security Committee operating out of police headquarters. This country also

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assigned some 62 police officers and 118 members of the defence force to a task force that was deployed throughout the region. Immigration officers, police officers and intelligence officers were also assigned to the Joint Regional Communication Centre (JRCC) in Barbados and the Regional Intelligence Fusion Centre (RIFC) in Port of Spain. Very significant developments, Mr. Speaker. These two institutions played a pivotal role in supporting the Advance Passenger Information System which will forever remain a legacy to this country and the region.

Mr. Speaker, I will now turn to the issue of the country's infrastructure. Rapid economic growth has put strains on our existing infrastructure which must now be expanded and upgraded to meet the increasing demands of the future. Accordingly, in the context of our Vision 2020 the Government is in the process of establishing a modern transportation network; cost-effective and universal utility services; and an efficient and affordable broadband information infrastructure that promotes connectivity.

Mr. Speaker, traffic congestion along the main East-West and North-South Corridors in Trinidad is an ongoing and growing problem, principally due to the ever-increasing number of cars on the roads in Trinidad, which is a direct result of the country's prosperity. The records confirm that over 30,000 new and/or foreign-used cars are now imported into Trinidad and Tobago on an annual basis. Our roads were not designed to deal with this massive influx of vehicles, and against this backdrop, the Government understands the urgent need to expand our road network to alleviate traffic congestion, among other solutions. During the past year we have made significant progress towards addressing this very important issue. [*Interruption*]

Mr. Speaker, over the last 12 months, as an immediate solution we have moved swiftly to expand our public transportation system, and in furtherance of this objective, the Public Transport Service Corporation has more than doubled its fleet of available buses over the last five years.

**Hon. Member:** Harry make some money.

**Hon. P. Manning:** Indeed, we have managed to increase the pool of available buses from just about 80 buses when we came in 2002 to almost 200 buses in 2007. The fleet will be expanded further by the acquisition of 112 additional buses during the new fiscal year, bringing us up to 300 buses, which was the fleet level in the early 1990s prior to the advent of the previous administration—hon. Members opposite.



**Mr. Singh:** Nonsense! [*Crosstalk*]

**Hon. P. Manning:** We are also in the process of improving and modernizing the passenger facilities at Arima, Sangre Grande, Port of Spain, Chaguanas and Point Fortin, among other population centres. Tobago is also due to receive its fair share of attention with respect to this PTSC initiative. [*Interruption*]

**Mr. Speaker:** Order!

**Hon. Member:** Harry Ragoonanan.

**Mr. Panday:** Money for Harry, not Partap.

**Hon. P. Manning:** [*Whispers to Sen. The Hon. C. Enill and Dr. The Hon. K. Rowley*] [*Laughter*]

**Mr. Panday:** And what has happened to the monorail? [*Crosstalk*]

**Hon. P. Manning:** Mr. Speaker, you know [*Interruption*] there is an old saying—

**Hon. Member:** Hold your fire.

**Hon. P. Manning:**—which I was reminded of when the Member for Princes Town was giving so much trouble in the Parliament this afternoon. It is: “Cow that is going to slaughter ain't care where they dung.” So let him enjoy his— [*Laughter*]

**Mr. Panday:** I am not the Member for Diego Martin West, La Brea—[*Inaudible*] Tunapuna, Laventille West, Tobago East, Ortoire/Mayaro, Arouca North.

**Hon. Member:** Cool it now, calm down. [*Laughter*]

**Hon. P. Manning:** We are also in the process of improving and modernizing the passenger facilities at Arima, Sangre Grande, Port of Spain, Chaguanas and Point Fortin—[*Interruption*] [*Laughter*] among other population centres. Tobago is also due to receive its fair share of attention with respect to this PTSC initiative.

Increasing the capacity of our highway network to handle the increasing volume of traffic more efficiently is also an urgent priority. In this context, the recent widening of Wrightson Road is already having a positive effect on traffic flows into Port of Spain and commuters have reported savings in travel time of up to 20 minutes per trip into the city as a result of this initiative. Consistent with this objective of freeing up the flow of traffic on our roads, the construction of the Interchange at the intersection of the Uriah Butler and Churchill Roosevelt Highways is also well underway. [*Interruption*] Construction of road diversions is

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in progress in order to allow the project to proceed with minimal impact on commuters, and pile driving has commenced for the main abutments for the elevated bridge structure which will allow traffic to flow from west to south without conflicting with traffic from east to west. This project is on time and within budget and it is scheduled to be completed in the fourth quarter of 2008.

At the same time, Mr. Speaker, consistent with all of the recommendations of the various transportation studies over the years, the Government is also proceeding with plans to convert the East-West Corridor from Port of Spain to St. Joseph and the North-South Corridor from Port of Spain to San Fernando into an international standard freeway, without any traffic lights or other obstructions. To achieve this, in addition to the Interchange Project and overpass that is to be constructed at Bamboo Village to eliminate the traffic lights at that location, the traffic lights at El Socorro and Aranguez will be replaced with overpasses. Tenders for these two projects on a design-build basis will be invited within the next month.

When this initiative is complete, motorists will be able to drive from Port of Spain to San Fernando and vice versa without any hindrance, which will greatly assist the flow of traffic between north and south. Additional lanes are also being constructed on both the Churchill Roosevelt and Uriah Butler Highways as part of this initiative, and removal of the traffic lights on the Churchill Roosevelt Highway at Valsayn, Curepe, UWI, Tunapuna, Macoya, Trincity, Orange Grove and Piarco, among other locations, is also on the cards.

The Government also understand and appreciate the need for new highways, and we have taken the decision to construct a national grid comprising existing highways and new highways. The highway system that we have planned includes a new network of highways from San Fernando to La Brea and Point Fortin; from San Fernando to Mayaro; from Arima to Manzanilla and from Sangre Grande to Toco; also, to the north coast and either a highway or causeway to Chaguaramas. *[Interruption]*

A new north-south freeway is also being planned from Curepe to Princes Town to link with the San Fernando to Mayaro highway. Mr. Speaker, it is envisaged that state-of-the-art technology will be utilized in this effort. *[Interruption]* Wait until you see the manifesto. These new highways are being planned *[Interruption]* on a concessionaire basis, whereby the successful bidders will design, finance, construct, operate and maintain the new roads. It is expected that with this new approach, the road system in Trinidad can be transformed within a five-year period.

With respect to sea transport, the acquisition of two modern state-of-the-art fast ferries by Government has brought tremendous relief to the travelling public on the inter-island sea bridge. With the new ferries, the *T&T Express* and the *T&T Spirit*, the inter-island ferry service now has the capacity to transport over 3,500 passengers and 400 cars on a daily basis and the journey time to and from Tobago has been cut from five hours to two and a half hours. [*Desk thumping*] We have also introduced a dedicated cargo vessel, the *Warrior Spirit*, which has more than enough capacity to serve all of Tobago's cargo requirements, now and in the foreseeable future. [*Desk thumping*]

Mr. Speaker, a new Port of Spain port will soon be constructed along the waterfront at Sea Lots, southeast of the NP complex. A development manager for the new port will be selected shortly, and requests for proposals for the design and construction of the new port will be invited in the first quarter of 2008. Construction of the new port is scheduled to commence by the third quarter of next year and will be a new state-of-the-art containerized port facility. It is expected to be fully operational by the third quarter of 2010.

Mr. Speaker, the physical infrastructure for the operation of the water taxis from Point Fortin to Port of Spain is close to completion. Dredging for the approach and turning basin in San Fernando for this project is in progress and the identification of suitable vessels for the service is almost complete. The Minister of Works and Transport will give further details on this matter in his contribution to the budget debate, but I am advised that the first phase of the water taxi service, from San Fernando to Port of Spain, is expected to commence operations in the first quarter of the new fiscal year. [*Interruption*]

Over the longer term, to reduce traffic delays and plan for the future growth in the number of vehicles using the road network, the Trinidad Rapid Rail project is being actively pursued and developed to facilitate fast and frequent service along the East-West and North-South Corridors. The project is to be implemented through the National Infrastructure Development Company (NIDCO) and will be developed through a design build operate maintain contract. The first phase of the project will commence in the new fiscal year and will be completed in five to six years. The total project will be completed in five to six years.

I wish to emphasize, Mr. Speaker, that in selecting the preferred contractor for this project, the Government has been at pains to establish the highest standards of transparency and integrity in the procurement process in order to ensure that Trinidad and Tobago gets the best value for money. Accordingly, because of the magnitude and complexity of this mega project, in similar fashion to the recent

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procurement of offshore patrol vessels, the Cabinet established a ministerial committee to oversee the procurement process for the Rapid Rail Project, supported by a technical team comprised of senior public servants and technocrats. The technical team was further supported by specialists and experts in railway systems, including the firms of Marshal Macklin Monaghan, Toronto-based international consulting engineers and White and Case, London-based international attorneys, both highly recognized in their respective fields.

As you may recall, Mr. Speaker, after an exhaustive process of registration, pre-tender clarification and prequalification over a period of almost one year, we had narrowed down the selection to two remaining international consortiums; Trinitrain led by Bouygues Travaux Publics and the T3 Group led by Vinci Construction Grands Rapids Projects, both from France. One Bouygues, one Vinci. Both of these consortiums had demonstrated their capability to execute the project, and final negotiations were required in order to establish which group was prepared to offer the most attractive proposal in terms of the overall benefit and value to Trinidad and Tobago, with the least risk.

Mr. Speaker, after a thorough examination by NIDCO and the technical team of all relevant contract factors, including technical considerations, price and contractual terms, and review by the ministerial committee, the Government has accepted NIDCO's recommendation that the Trinitrain consortium be deemed to be the preferred tenderer for the design, construction, operation and maintenance of the Trinidad Rapid Rail Project. A decision has been taken.

**3.45 p.m.**

Mr. Speaker, suffice it to say that the rapid rail system will provide unparalleled mobility and will be the backbone of Trinidad's transportation system when completed. Commuters will be able to travel at high speed in air-conditioned comfort from Diego Martin in the west to Sangre Grande in the east and from San Fernando in the south to anywhere along the East-West Corridor. Part of phase one of that project involves a determination of whether that line should extend further south into Penal. There is a suspicion that the traffic warrants such an extension of the programme.

Mr. Speaker, the strategic intent of the Programme for Upgrading Road Efficiency (PURE) is the improvement of all primary and secondary roads in order to reduce travel time and congestion, vehicle operating costs, as well as to increase travel safety. Under this far-reaching programme, over 1,000 kilometres of roads has been upgraded within the last two years and it is the Government's

intention to utilize this programme to upgrade and rehabilitate every single road in the country so that no community or area is left out.

The expansion of PURE into local roads or neighbourhood roads as they are also called, is the first phase into the establishment of a National Roads Authority, whereby every single road in the country will be the responsibility of one agency, which will also put an end to the current confusion where citizens experience tremendous difficulty and frustration in determining exactly which agency is responsible for which road.

Mr. Speaker, drainage. One of the most pressing issues affecting our citizens is the question of proper drainage which has a direct effect on productivity and the quality of life. In Trinidad and Tobago, we experience both flash flooding and more serious flooding caused by extreme and prolonged rainfall usually associated with the perennial tropical storms. The Government is of the view that piecemeal solutions to drainage and flood mitigation just do not work. Therefore, proposals have been invited from local and international experts for a comprehensive national drainage plan, similar in scope to our national transportation plan. It will examine all aspects of flooding in North, Central and South Trinidad, and Tobago and devise long-term and sustainable solutions to this problem. The plan is expected to take 12 to 15 months to complete and implementation will commence by the end of 2008.

In the interim, while the plan is being developed, the Ministry of Works and Transport will continue with its major river cleaning programme; its de-silting programme; its drainage development programme; and its drainage infrastructure and flood mitigation programme, all of which are ongoing.

Under these programmes, major works are in progress, including walling, paving and upgrade of main watercourses and drainage channels in the Caroni River Basin, the Oropouche Lagoon, the Caparo River Basin, and all the main rivers along the East-West Corridor, such as the Diego Martin River, Maraval River, St. Ann's River and San Juan River, among others, as well as the main rivers in South Trinidad, such as the Ciperio River, Marabella River and Vistabella River. An international firm of consultants has also done significant work towards the development of comprehensive drainage solutions for Port of Spain.

Mr. Speaker, the scope and extent of this project stretches from the Maraval River in the west to the St. Ann's River in the east and from the Queen's Park Savannah in the north to the Port of Spain waterfront in the south—this is a very important project. The project involves an upgrade of the St. Ann's and Maraval

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river channels, including diversion works, construction of the retention basins, and installation of sluice gates and pumps, and other high-order drainage solutions, consistent with first-world solutions utilized to resolve drainage challenges in cities affected by tidal influences.

Reconstruction and expansion of the underground drainage systems in Port of Spain is also part of this programme, as well as relocation—and I ask you to take note—of all utility lines underground and a general upgrade of the physical environment in the capital city. It is a comprehensive programme to change the face of our capital city, from the Maraval River to the St. Ann's River, from the waterfront to the Savannah. Mr. Speaker, we intend to tackle the problem of flooding in Trinidad and Tobago head-on, using the best available advice from international and local experts.

Mr. Speaker, our programme to provide water for the entire nation, to which the Government is resolutely committed, has faced several challenges, including sharply increasing demands emanating from industrial expansion, climatic changes and the proliferation of new housing communities. The management and organizational challenges facing the Water and Sewerage Authority (WASA) have also added to these problems.

The Government insists that WASA must develop the capacity to ensure an adequate supply and distribution of potable water to the population; to process waste water consistent with international standards, and to promote prudent and cost-effective management and conservation of natural water resources.

Consequently, Mr. Speaker, in May this year the Government contracted a reputable international consultant to develop the Water and Waste water Master Plan, the aim of which is to transform WASA into an efficient and viable business entity providing reliable water and waste water services. They will also determine the country's future demand for water and waste water services, and provide alternatives for the rehabilitation and upgrading of existing water and waste water facilities and the construction of new facilities. This master plan, Mr. Speaker, will ensure that Trinidad and Tobago will have a nationwide, 24 hours, seven days a week water supply and standards and regulations for industrial waste water treatment and discharge.

With global warming expected to have a significant impact on weather patterns in our region, the Government has taken the decision to reduce the country's dependence on surface water, that is, the water from our dams. We have no choice. Accordingly, the Government intends to explore the desalination option in providing the service to

various parts of the country. In fact, it has gone further than that. It has gone further that; it has gone much further than that.

Mr. Speaker, we also intend to build two more waste water treatment plants around Chaguanas and San Fernando. The one built at Beetham Estate has worked very well indeed and we intend to build two more. My good friend from Caroni East is taking responsibility for it; I graciously acknowledge. Perhaps the best thing in his entire political career. [*Laughter*] Accordingly, the Government intends to explore the desalination option—as I said, we are doing that and in fact, we have looked at it in some detail. We also intend to build two more water treatment plants—in Chaguanas and in San Fernando.

Power Generation. Faced with the rapidly increasing demand for electricity, the Trinidad and Tobago Electricity Commission (T&TEC) has embarked on a programme to expand its generation and transmission facilities to satisfy the national demand for electricity through the year 2016 and beyond. In the meanwhile, Mr. Speaker, to ensure adequate electricity supplies in the short run, the Government will soon enter into negotiations with Alutech Limited for the supply of approximately 720 megawatts of generation capacity to the nation. This forms part of a larger block of power earmarked for Union Estate which will supply the new aluminium smelter. As I indicated previously, the construction of a 64 megawatt dual-fuel power station at Cove Estate in Tobago is another project carded for 2008.

Further, Mr. Speaker, the Government will be pursuing a strategy for the conversion from gas turbine and steam plants to combined cycle generating units which will result in more efficient natural gas consumption. To accommodate this strategy, a number of initiatives will be undertaken including the retirement of the Port of Spain Power Station by the end of the year 2011 and the establishment of a new combined cycle power station with a capacity of at least 450 megawatts at Sea Lots.

Brechin Castle, Couva, is earmarked for the installation of a new 450 megawatts combine, cycle power station and is expected to commence operations in the year 2010. All new power generation in Trinidad will use the combine cycle process approach thereby optimizing the use of natural gas.

Mr. Speaker, in the new fiscal year, the Government will also be placing emphasis on the legal framework which governs the operation of T&TEC. The T&TEC Act will be revisited with a view to, among other things, making amendments which will allow one Government agency to be responsible for the payment of street lighting bills and not the local authorities as obtains at present.

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The proposed amendments will also allow the Commission to engage in other types of business activities, for instance, the leasing of spare capacity on its expanded and upgraded communication network, as it seeks to improve its financial performance.

Mr. Speaker, in respect of telecommunications, the Government is committed to the development of a modern and competitive Information and Communication Technology (ICT) Sector to ensure that all citizens have access to efficient and affordable telecommunications.

The Government's goal is to promote ICT acculturation among all citizens through: expanding the use of ICT to modernize the operations of the public sector; increasing the availability of online government information and services; promoting the development of competitive ICT-based businesses; encouraging greater use of ICT in business operations and market transactions; and expanding high speed Internet connectivity to all schools, libraries and community centres.

In this context, Mr. Speaker, the National Broadband Action Plan includes: facilitating the establishment of International Carrier Shared Landing Stations; implementing a public sensitization programme for broadband in Trinidad and Tobago; facilitating the implementation of a National Internet Exchange Point (IXP); and facilitating the development of a domestic hosting industry. These initiatives will help to ensure a sound ICT infrastructure in Trinidad and Tobago, thereby facilitating our transition towards a knowledge-based society, using the technology to improve our economic, social and cultural development.

I turn now to the environment. While the Government are ensuring that the country grows and develops economically, we are also ensuring that our environment is well taken care of for our generation and for the future generations. The Government is strengthening the legislative framework and ensuring compliance with environmental laws and regulations for a healthy environment for all. We are also continuing our thrust at sensitizing and educating the people of Trinidad and Tobago on environmental issues and best practice.

The Green Fund Regulations are now law and in the new fiscal year the fund is expected to become operational so that grants can be made to community groups and organizations for activities related to the remediation, reforestation and conservation of the environment. The Government is also in the process of completing the Draft Air Pollution Rules and Air Pollution Regulations.

In addition, Mr. Speaker, in April this year, a contract was signed with the Caribbean Natural Resources Institute (CANARI) for consultancy services for the



revision of the 1942 Forestry Policy and the 1982 Policy for the Establishment and Management of a National Parks System in Trinidad and Tobago.

In the new fiscal year work will continue towards the designation of Environmentally Sensitive Areas (ESA) and Environmentally Sensitive Species (ESS). And with respect to the former, the Main Ridge in Tobago, and the Caroni Swamp are priority areas.

**4.00 p.m.**

Mr. Speaker, work will commence shortly on the implementation of a system to improve municipal waste collection in Trinidad and Tobago. Further, tenders will be reopened for the consultancy for new cost effective solid waste disposal facilities for the environmentally sound management of waste. The Ministers concerned will give details on all these proposals during the debate. With this consultancy, the closure and rehabilitation of the Beetham Landfill will be priority.

The scope of the two community-based environmental projects, the Community-based Environmental Protection and Enhancement Programme (CEPEP) and the National Reforestation and Watershed Rehabilitation Programme will be revised with a view to the programmes making a greater contribution with respect to environmental issues. The Community-based Environmental Protection and Enhancement Programme is very often maligned and, in my view, unjustifiably so. [*Crosstalk*]

**Mr. Panday:** Not the workers, the contractors! [*Interruption*]

**Mr. Partap:** Our concern is the contractors!

**Hon. P. Manning:** So the workers are doing a good job, but the contractors are not? What are you saying?

**Mr. Partap:** We will tell you in the debate.

**Mr. Panday:** We will respond in the debate.

**Hon. P. Manning:** Mr. Speaker, CEPEP has done a commendable job in upgrading—[*Desk thumping*—]and improving environment conditions throughout the country. I do not think anybody could dispute that. Mr. Speaker, CEPEP now employs 6,000 persons; to a very large extent, women, many of them heads of households with children to educate. CEPEP is a productive programme that gives its workers a sense of pride and self-esteem in their ability to make a contribution to society. In its original conception, CEPEP was always meant to have a strong training component. However, this began to be formally implemented only recently. In fact, the first graduation of CEPEP workers in a Government-sponsored training programme took place in May of this year.

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The programme now has a structured training component as an integral element. CEPEP workers will be expected to enroll and actively participate in one of the Government-sponsored programmes as a condition of their continued employment. The idea is that as workers develop their skill sets they will be eligible to be transferred out of the programme to fill positions in both the public and private sectors.

Since its inception in 2002, CEPEP workers have not received wage increases, while there have been upward adjustments in the minimum wage and increases in the whole structure of wages in the economy. Under these circumstances, given the envisaged changes in the minimum wage, which I will return to later, we are taking steps to increase accountability in the programme and we propose an increase in the wages of CEPEP workers.

**Mr. Panday:** After \$1 billion, now you are doing that! [*Crosstalk*]

**Hon. P. Manning:** The Government is committed to the highest principles of good governance which we see to be the bedrock of our democracy. We have a responsibility to set the example for good governance in this country. We want our young people to inherit a land where integrity reigns in all public places and where transparency and accountability are seen as accepted modes of behaviour. We must set the standards and example for our youth. The Government also has a deep commitment to the development of solid democratic institutions, the promotion of ethical conduct in both the public and private sectors, respect for human rights and the even-handed enforcement of the rule of law.

Mr. Speaker, the Government fully supports constitutional reform as part of the process of strengthening the governance system. Such reform should aim to provide for improved functioning of the Executive, Legislature and Judiciary, more effective representation of the people's interest and an enhanced role for local government bodies.

Mr. Speaker, a major objective of local government reform is the implementation of power-sharing arrangements to ensure that all sectors of the national community feel part of the governance process. A national consultation on the draft White Paper on Local Government Reform was held during this fiscal year; some major recommendations coming out of these consultations which are currently under review include the establishment of property taxation and house rate collection units and systems in the regional corporations and the modernization of the municipal corporations—I will say something about that in a minute—establishment and expansion of the municipal police service; review of the local government

boundaries; review of the bye-laws and regulations of the municipal corporations and the inclusion of the executive council system in the municipal corporations.

Government is actively considering these recommendations. Indeed, a consultant has now been brought on board who is looking closely at the new role for local government and he is doing so in the context of what exists in the region and elsewhere, what works and what does not work. Most important is that he is a Jamaican consultant with tremendous experience in these areas.

Public service reform is a key element of our vision to move Trinidad and Tobago to the status of a developed nation by the year 2020. Developing a culture of excellence in the public service is at the heart of our ongoing process of public service reform. We believe that our public service employees are capable of sustained excellence and that given the right tooling, training, technology, systems and conditions they could become one of the most efficient and productive public sectors in the world. The Government is placing unprecedented emphasis on training and the development of the human resources of the public sector and is encouraging our public sector employees to seize every opportunity for self-improvement.

The Government is committed to the introduction of a pension regime for daily paid workers. I want to repeat that: Government is committed to the introduction of a pension regime for daily paid workers. The union representing these workers has put forward a proposal for a possible scheme. The proposal, which has many far-reaching implications, is currently being studied by the Government's actuaries.

Financial reform and the international financial sector. Mr. Speaker, there is no doubt that Trinidad and Tobago has evolved as the economic centre of the Caribbean and the gateway to the Americas and beyond. We intend to leverage this success and take full advantage of our geographical location to enhance Trinidad and Tobago's international connectivity and transform Port of Spain into a regional hub and an international financial centre.

We have hired international consultants who have completed the first phase of a feasibility study which identified the strengths which must be leveraged in establishing such a centre, as well as the gaps that need to be addressed. In this context, we are close to finalizing several pieces of financial sector legislation which are needed to bring our financial infrastructure in line with international standards. [*Crosstalk*]

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Mr. Speaker, the Government views culture as more than a marketable commodity. It has value in its own right. It is the base on which we build national character, national unity and a greater sense of national pride. A nation is the sum total of its culture or its people's expression in the areas of religion, music, dance, the visual arts and similar activities. Each group brings to the national pool its own way of doing things, which, when put together, constitute the uniqueness of a nation.

We should promote our culture as a means of understanding national development. We will soon begin construction of the National Carnival and Entertainment Centre to provide a state-of-the-art facility for Carnival and other cultural presentations. [*Crosstalk*] Also earmarked for construction during the next year are two state-of-the-art academies for the performing arts; one in Port of Spain, in respect of which construction has already started, and the other in San Fernando. Construction has also started on the one in San Fernando. May I add that as part of the recent arrangements in respect of Tobago, an arm of the Academy for the Performing Arts is to be constructed in Tobago.

Recently, the country celebrated a most important development when a new steel pan, the "G" Pan was unveiled after several years of Government-sponsored research headed by Dr. Brian Copeland at the University of the West Indies. The Government will continue the development and protection of the pan, not only as the national musical instrument, but also as a symbol of our cultural identity. We will also move to have the National Symphony Orchestra fully established and outfitted with the new "G" pans. They are being manufactured right now.

In addition, in collaboration with Pan Trinbago, we will establish the steel pan museum highlighting the history of the steel pan and which will have among its exhibits the first collection of "G" pans. Mr. Speaker, the Government is committed to providing financial support to all aspects, including cultural events and the overall development of our culture. The provision of financial assistance to over 1,000 cultural organizations annually and drafting of a national cultural policy are aimed at developing and promoting our national culture.

I turn now to sport and youth affairs. The Government would like to actively encourage the entire population to become involved in some area of sporting activity. It has tremendous health and stress reduction benefits. To facilitate this, the Sports Company of Trinidad and Tobago will continue to develop recreation grounds, lighted jogging tracks and hard courts in communities throughout the country, namely, Diego Martin, Toco, Point Fortin, Pleasantville, Santa Cruz, Princes Town, Couva, Chaguanas, Siparia and Tacarigua. The Sports Company

will also continue to upgrade and refurbish the indoor sporting arenas, community swimming pools and the multi-purpose stadia to provide safe and modern facilities for upcoming athletes. [*Interruption*]

**Dr. Moonilal:** The basketball league is well ahead. [*Laughter*] It is proceeding ahead. [*Laughter*]

**Hon. P. Manning:** What is he saying? I am not hearing him. [*Crosstalk*]

In addition, as part of the thrust to provide first-class facilities for training and international competition, we will complete the construction of the Brian Lara cricket Academy in 2008 and construct national facilities in the disciplines of swimming, cycling and tennis, at that location. We will also continue to support the development programmes of the national sporting organizations, which will see the country participating in world-class competitions such as the Olympic Games in 2008 and the FIFA World Cup in 2010.

The Government sees the country's youth as the source of energy, creativity and dynamism of the society and the medium through which change will be engendered and new directions charted. The National Youth Policy launched in September 2006 envisions empowered young people who are able to make informed choices, so that they lead meaningful lives and contribute to the sustainable development of Trinidad and Tobago.

The soon to be established National Youth Council will serve as an umbrella body for youth at the district and national levels and will also function as liaison for accessing funding and other resources to engage youth activity. We will also commence the process towards the establishment of a National Youth Institute so that professional youth work will be brought into the mainstream with a focus on social science disciplines.

Mr. Speaker, I wish now to turn to Tobago. Tobago has made significant developmental strides over the past six years. I repeat; Tobago has made significant developmental strides over the past six years and the Central government is pleased to have partnered with the Assembly in building the new developmental momentum on the island. Clear testimony of Tobago's success is demonstrated in the low and declining rates of inflation and unemployment prevailing on the island, the significant increases in the inter-island air and sea passenger and cargo traffic, the construction boom on the island, the rapid rate of business expansion and the rising economic welfare of the majority of Tobagonians.

We are well aware, however, that the tremendous successes that the Tobago House of Assembly has been able to achieve did not come painlessly. What is

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comforting is the professional way in which these challenges have been approached. I am happy to report that the problems which have beset the construction of the Scarborough Hospital are now virtually behind us and construction activity is about to resume. Let me also add that with the recent purchase of the *TT Spirit* and the *T&T Express* we have now found a permanent solution to the problems formerly experienced on the sea bridge, with the new vessels transporting over 40,000 passengers in the first month of operations alone.

Just as with the sea bridge, we are now working with the Assembly to find permanent solutions to the problems experienced on the air bridge. We are also pleased to report that the construction problems at the Scarborough Library, the financial complex and the Shaw Park Cultural Complex, are being resolved. I am also pleased to report that coming out of the recent Cabinet meeting held in Tobago, mechanisms for the construction and financing of these projects have been put in place to facilitate their speedy completion.

Looking ahead, we are encouraged by the budgetary proposals emanating from Tobago for the next fiscal year. These proposals, which focus on enriching the human resource, improving the physical infrastructure, enhancing the island's social sector delivery and support systems, deepening economic transformation and diversification, and reforming constitutional and governance arrangements, are all fully congruent with national priorities. They demonstrate further that Tobago is moving in step with the rest of the nation, as the country as a whole strives for developed country status by 2020.

#### **4.15 p.m.**

Mr. Speaker, in order to build on the current momentum in Tobago, this year's budget makes provisions for:

- Completion of the Shaw Park Cultural Complex;
- Completion of the Scarborough Library;
- Completion of the Financial Complex;
- Airlift support for the Airbridge;
- Completion of the Les Coteaux/Mason Hall Road;
- The development of the Cove Eco-Industrial and Business Park;
- A Tobago House of Assembly sponsored commercial fishing fleet;
- Intensification of the road rehabilitation and resurfacing programme throughout Tobago;

- An expansive car park in Scarborough to ease traffic congestion that accompanied the island's economic growth;
- A CARICOM Jetty at the Scarborough Fish Port;
- Extension and upgrade of the Charlotteville Jetty;
- Construction of the Roxborough District Health Facility;
- Construction of a Technical Vocational Centre for disabled persons;
- Completion of the Charlotteville and Scarborough Health Centres; and
- Construction of the Moriah Health Centre and Moriah Recreation Complex. [*Desk thumping*]

Mr. Speaker, the Government remains resolutely committed to ensuring that the Tobago House of Assembly has adequate resources to continue the current pace of development on the island.

Over the years, because of our clear understanding of Tobago's needs, as reflected in the positions taken by the people of Tobago and by the Assembly, the Government has been able to respond to Tobago's development agenda in our annual budgets and even outside the formal budget exercise.

Indeed it is this special relationship between the Central Government and the Tobago House of Assembly that accounted for the introduction of the fast ferry service, the purchase of Courland Estate and Pigeon Point, the Tourism Rolling Plan and other initiatives that have served the people of Tobago particularly, and the people of Trinidad and Tobago as a whole.

As we look to the next fiscal year, the Government stands ready to provide the Assembly with all the support it needs to continue the important developmental work being undertaken on the island.

Accordingly, in the next fiscal year, the people of Tobago will have access to budgetary resources in the order of \$2,238 million, comprising an allocation of \$1,398 million to facilitate the current expenditure of the Assembly; \$362 million for development programme expenditure; and a further \$478 million to be provided for under other Heads of Recurrent and Capital Expenditure for expenditures in Tobago.

Mr. Speaker, let us now turn to the arithmetic of the budget. Having taken this honourable House through our development philosophy and economic strategy, I should now like to turn to the arithmetic of the budget.

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Mr. Speaker, I know that some of my friends on the opposite side see the budget and fiscal policy solely in terms of numbers, oblivious of, or disinterested in what these numbers mean for the lives of real people, and particularly what they mean for the poor and the disadvantaged. But we must look at the numbers and, having enlightened them about our policies, we will now show them the numbers.

Mr. Speaker, when this Government presented the Supplementary Appropriation Bill in June of this year, notwithstanding our explanations, the Opposition chided the Government for increasing the budget envelope by the size of the supplementary appropriation. In recent days, the naysayers have gone even further advising the public to expect an “election budget” with profligate and irresponsible spending.

Mr. Speaker, in presenting the estimated budget out-turn for 2007 and the statement of fiscal operations for 2008, we will prove them wrong on both counts. [*Desk thumping*]

Firstly, the out-turn for fiscal 2007. This House will recall Mr. Speaker, that in October 2006, Parliament approved the 2007 Appropriation Act authorizing expenditure of \$31,492.9 million; when added to the direct charge to the Consolidated Fund of \$6,141.8 million, largely debt servicing, it implied total budget expenditure of \$37,634.6 million.

In June 2007, the Government returned to Parliament and received authorization to spend a further \$3,121.4 million, raising the total authorization to \$40,756.1 million.

I am pleased to report, Mr. Speaker, that the expenditure out-turn projected for 2007 is \$39,275.1 million, some \$1.5 billion below the total amount authorized. We are spending considerably less than the authority we received from Parliament, Mr. Speaker. [*Desk thumping*] [*Interruption*]

Moreover, Mr. Speaker, the projected out-turn figure includes transfers to the Heritage and Stabilisation Fund—and I want hon. Members to listen very carefully to this figure. The projected out-turn figure includes transfers to the Heritage and Stabilisation Fund of \$2,030.2 million, which in fact is not expenditure but savings. This implies, Mr. Speaker, that in a real sense, total expenditure in 2007 was \$37,244.9 million.

Mr. Speaker, in terms of the standard presentation, the fiscal out-turn for 2007 is as follows:

- Total revenue of \$40,543.8 million against



- Total expenditure net of debt repayment and sinking funds \$39,275.1 million yielding an
- Overall surplus of \$1,268.7 million which is \$1.269 billion.

**Hon. Member:** “Stick with the billions nah.”

**Hon. P. Manning:** Okay. You see it is not easily understood by the population, that is why I spell out the thousand million.

**Mr. Panday:** You do it conveniently.

**Hon. P. Manning:** If you need some classes is politics, let me—

Mr. Speaker, in addition to the transfer of \$2 billion to be made in a few days’ time, the Government’s intention is to transfer the entire surplus to the Heritage and Stabilisation Fund, once the accounts have been finalized. In other words, you are looking at transfers this year to the Heritage and Stabilisation Fund of approximately \$3.3 billion. [*Desk thumping*] Contrary to the allegation of profligate spending, that constitutes responsible savings, Mr. Speaker. [*Desk thumping*]

Mr. Speaker, the budget for 2008 is couched in the context of projected real GDP growth of 7 per cent and an average inflation rate of 6 per cent in 2008—a 12-month rate of 5 per cent as at December 2008.

As is our custom, the budget is predicated on very conservative oil and gas price assumptions of US \$50 per barrel for oil compared with an average realized price of US \$61.57 in 2007 and a gas price of US \$3.55 per MMBtu. Incidentally, that US \$50 per barrel is an average oil price, a price for the Trinidad and Tobago basket. The equivalent in international prices is \$55 for West Texas intermediate.

Based on these assumptions, total revenue is forecast at \$40,381.2 million, comprising energy sector revenue of \$15,363.6 million and non-energy tax collections of \$18,654.6 million.

On the expenditure side, we intend to appropriate \$36,477.2 million from the Consolidated Fund while we estimate \$5,783.7 million as the direct charges on the Consolidated Fund and other special funds. This makes budgeted total expenditure in 2008 at \$42,260.9 million, \$42.261 billion. This compares with the actual out-turn in 2007 of \$39,275.1 million.

Mr. Speaker, the allocation of resources in the budget reflects the sectoral priorities as discussed earlier.

Of the total expenditure:

- Education and training will receive \$7.6 billion

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- National Security has been allocated \$4.4 billion
- Health, \$3.7 billion
- Housing, \$2.6 billion
- Works and Transport, \$2.6 billion
- Agriculture, \$1.2 billion

Mr. Speaker, in the period 2001—2007 allocation to agriculture averaged \$600 million a year. This means that in 2008 allocations to the agricultural sector will be double the average allocation for the period 2002—2006, and more than 50 per cent larger than the allocation for 2007.

In terms of our customary analytical presentation, Mr. Speaker, you have:

Total Revenue                   \$40,381.2 million

Total Expenditure               \$40,292.0 million

(Net of capital repayments and  
Sinking Funds)

Surplus/Deficit                   89.2 million

That is the surplus on the budget for fiscal year 2008.

Mr. Speaker, last year, at the Budget presentation, our forecast was for a surplus of \$28.5 million.

I now turn to the specific fiscal measures underpinning this year's budget. In February 2006, the National Insurance Board of Trinidad and Tobago engaged the International Labour Organization (ILO) to conduct the 7<sup>th</sup> Actuarial Review of the National Insurance System as at June 30, 2005. The 6<sup>th</sup> Actuarial Review was completed in 2003 to cover the period as at June 30, 2000.

The 7<sup>th</sup> Actuarial Review assists in ensuring the long-term financial, fiscal and economic viability of the National Insurance System.

In light of the results of the evaluation, the Government proposes to implement the following:

- A minimum retirement pension of \$2,000 per month from January 01, 2008; [*Desk thumping*]
- An increase in the maximum level of earnings on which contributions and pensions will be calculated from \$4,377 to \$8,300; and

- A slow and gradual increase in the NIS contribution rate from its current level of 9.9 per cent to 10.5 per cent in 2008, with further increases to 10.8 per cent and 11.4 per cent in 2010 and 2012 respectively.

The increase in the NIS benefits will come into effect from January 01, 2008 and would be effected by amendments to the National Insurance Act and its Regulations.

Mr. Speaker, approximately 60,000 retirees will benefit from the increase in the minimum retirement pension. [*Desk thumping*]

Mr. Speaker, with effect from October 01, 2006, the maximum old age pension was increased from \$1,000 per month to \$1,350 per month and was renamed the Senior Citizens Grant. The Government has reviewed the distribution of this grant and proposes the following amendments:

- An increase in the income qualifying ceiling from an average monthly income of \$2, 150 to \$2,500 per month. The effect of that is to widen the net considerably;
- An increase in the Senior Citizens Grant from \$1,350 to \$1,650 per month; [*Desk thumping*]
- An increase in the Senior Citizens Grant for an individual whose monthly income is \$100 or less by \$300 from \$1,350 to \$1,650.
- And an increase in the Senior Citizens Grant for an individual whose monthly income is greater than \$100 but does not exceed \$1,000 from \$1,250 to \$1,550.

#### **4.30 p.m.**

For instance, an individual who is in receipt of total income of \$100 or less and who previously received a grant of \$1,350 will now receive \$1,650, an increase of \$300. An individual who is in receipt of a total average monthly income greater than \$100 but not more than \$1,000 and who previously received a grant of \$1,250 will now receive \$1,550, an increase of \$300. We will maintain a prorated mechanism whereby an individual who receives a monthly income exceeding \$1,000 but not exceeding \$2,500, will now receive a monthly Senior Citizens' Grant of the difference between \$2,500 and the income of the individual. We will top it up to that. It is a prorated arrangement.

The estimated additional cost is \$215 million annually and will benefit approximately 80,000 persons aged 65 and over. [*Desk thumping*] This measure will take effect

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from October 01, 2007 and will require amendments to the Senior Citizens' Grant Act. [*Desk thumping*]

Public Service Pension.

The Government has acknowledged that notwithstanding prudent fiscal and monetary policies, rising inflation levels continue to pose a challenge to the disposable incomes of our citizens, especially pensioners. It is proposed, therefore, to implement a minimum pension payable to retired public officers at \$1,650 per month.

In addition, given that it is proposed to commence the new NIS monthly payment in January 2008, every retired public servant in Trinidad and Tobago will receive a lump sum payment of \$3,000 to compensate for the months of October, November and December of this year until the new NIS payments are implemented. [*Desk thumping*] This measure will put more money in the pockets of 26,742 of our citizens.

Disabled Persons/Handicapped Persons Grant.

The disability grant was increased with effect from October 01, 2006 to \$900. It is now proposed to increase the disability grant to \$1,100 and increase the ceiling income for receipt of this grant from \$3,600 per annum to \$12,000 per annum. [*Desk thumping*] The additional collective cost of these measures is estimated at \$59.4 million. This measure will take effect from October 01, 2007 and will require amendments to the Public Assistance Act. This measure will benefit 17,000 of our citizens.

Public Assistance Grants.

To provide for the economically disadvantaged, it is proposed that the public assistance grants based on the number of dependents per household be increased as follows:

Existing Grants	Proposed Grants
1 person	from \$470 to \$650
2 persons	from \$710 to \$900
3 persons	from \$920 to \$1,100
4 persons and above	from \$1,090 to \$1,250

This measure is expected to cost an additional \$38 million and will take effect from October 01, 2007. It will have a positive effect on more than 21,000 of our most vulnerable citizens. [*Desk thumping*]

**Minimum Wage.**

The minimum wage level has remained unchanged despite increases in wages in most sectors of the economy. It is therefore proposed to put into motion machinery for increasing the minimum wage from \$9 to \$10 per hour. The procedure to be followed in varying the minimum wage is provided for in the Minimum Wages Act. There is procedure to do that. We could afford to signal immediately that it is our intention to go beyond the \$10 as soon as possible. I am just signalling it.

The Unemployment Relief Programme (URP) is meant to provide short-term employment relief while enhancing the skills of individuals in the community and undertaking sustainable development initiatives. The effective decentralization of the programme to 12 regions throughout the country, sought to provide a more equitable distribution of the programme's resources. The programme was also expanded to include both maintenance and construction projects to facilitate its expansion.

The Government has upgraded the Unemployment Relief Programme to ensure greater efficiency and effectiveness in its operation. We have also included a training component in the programme in which participants are trained in the skills which would increase their ability to be employed in other sectors of the economy. To further support the programme, it is now proposed to increase the wages applicable to the Unemployment Relief Programme by a one time 15 per cent increase across the board effective January 01, 2007.

The Community-based Environmental Protection and Enhancement Programme (CEPEP) commenced in May 2002. It is designed to facilitate social transformation in the national community through empowering communities to improve their living standards by increasing employment opportunities; enhancing and improving the environment; and developing a cadre of entrepreneurs. The programme has a significant training component in which individuals are expected to develop skills sets which will help to transfer them out of the programme into companies in the private and public sectors.

We also expect that the training will allow individuals to form their own companies and vie for contracts under the programme. CEPEP currently employs 5,640 contract employees in Trinidad and Tobago and its scope will be expanded in the new fiscal year. To support the expanded mandate of the programme, it is proposed to increase the wages of all categories of workers in Trinidad and Tobago by 15 per cent effective January 01, 2007.

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Just permit me also to advise hon. Members that the third such similar programme, the Re-forestation Programme, will be given a similar treatment—15 per cent increase in salary across the board, with effect from January 01, 2007. [*Desk thumping*]

The promotion of savings is a key factor in prudent fiscal and monetary management. It is therefore proposed that the aggregate deduction that may be claimed for pensions and annuity plans should be increased from its current ceiling of \$12,000 to \$25,000. The expected cost of this measure is \$57 million and will require amendments to the Income Tax Act. This measure will reduce the burden on the State by encouraging individuals to prepare for their retirement.

Since the establishment of the Deposit Insurance Corporation (DIC) in 1986, the coverage limit has remained unchanged at \$50,000 notwithstanding the developments within the economy. The coverage limit is the amount a depositor can claim from the DIC in the event of the failure of a financial institution. This limit determines the potential liabilities under the Deposit Insurance scheme and also influences the extent to which depositors' confidence in the banking system can be promoted. The time appears opportune to examine the relevance and sufficiency of the coverage limit for deposit holders. The wealth effect experienced by the population has filtered into the banking sector. However, although deposit holders in the banking sector may have increased their deposit holdings, the level of protection has declined.

It is proposed that with effect from the coming into operation of the ensuing Finance Act, the coverage limit be increased from \$50,000 to \$75,000 without an increase in the premium level, and further possible upward adjustments being subject to review. We will have to do the actuarial study before we go beyond that.

#### Compensation for Victims of Uninsured Drivers.

The Government has identified the issue of road safety as one of its priorities as existing road networks are expanded. It is proposed, therefore, to use the proceeds of the Insurance Premium Tax to establish a fund to compensate victims of uninsured drivers. The Central Bank, in collaboration with the Ministry of Finance and the Association of Trinidad and Tobago Insurance Companies (ATTIC) will establish a proposed structure for the establishment of the fund with a view to having it operationalized in the new fiscal year.

In light of the need to reduce the quantum of road accidents and the overall carnage on our roadways, it is proposed to introduce legislation to make it an

offence to use cellular phones and other similar electronic devices while driving. [*Desk thumping*] It is also proposed to introduce legislation to ban the use of television-type monitors in the front seat of vehicles. [*Desk thumping*] These measures will involve amendments to the Motor Vehicles and Road Traffic Act.

We turn now to the manufacturing sector. In 2002, the First Schedule of the Income Tax (In Aid of Industry) Act was expanded to include all manufacturing activities and the initial allowance relating to plant and machinery under the Act, was increased from 50 per cent to 60 per cent. Given the Government of Trinidad and Tobago's objective of stimulating economic growth in the manufacturing sector, it is now proposed to increase the initial allowance relating to plant and machinery under the Act, from 60 per cent to 75 per cent. [*Desk thumping*]

When combined with the applicable 25 per cent wear and tear allowance in the subsequent years of asset utilization, this measure will provide an additional benefit to the manufacturer by reducing the individual's chargeable income and tax liability. This measure will take effect from January 01, 2008 and will require amendments to the Income Tax (In Aid of Industry) Act.

The maintenance of the family is recognized by the Government as being critical to the development of the domestic social sector. It is proposed, therefore, that companies that provide day care facilities and/or homework centres at their workplace for the children of their employees, be provided with an accelerated wear and tear allowance up to a maximum of \$500,000 in the year in which the expenditure was incurred. [*Desk thumping*] The normal wear and tear allowance can be claimed by an employer on the residue remaining on the capital cost incurred in setting up these facilities. This measure will be closely monitored to prevent abuse by the companies and will take effect on January 01, 2008 and will require amendments to the taxing legislation. The Government will soon implement a policy in which homework centres will be established in all Government buildings, where appropriate, and we encourage the private sector to follow suit.

Returning nationals who have resided abroad for a continuous period of at least five years immediately prior to the individual's return to Trinidad and Tobago, are entitled to claim relief from customs duties and motor vehicle tax. This arrangement has been reviewed and it is now proposed that the period be reduced to two years. This measure will require amendments to the Customs Act and the Motor Vehicles and Road Traffic Tax Act.

It is also proposed that there be an amnesty for tax penalties and interest on late filing of income and corporation tax returns. This amnesty is proposed because the Government believes that the tax liability to be collected far

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outweighs the penalties and it will also encourage taxpayer compliance. This amnesty will apply to returns on taxes due for years of income up to 2006. All individuals who have outstanding tax returns or outstanding tax liabilities and associated interest charges will have these waived if they comply by April 30, 2008.

It is proposed to repeal the airport departure tax which currently stands at \$100. It is proposed that the tax be replaced with a passenger service charge imposed by the Airports Authority of Trinidad and Tobago, on each individual travel ticket with the exception of tickets issued to those individuals who are exempt from the payment of the airport departure tax under the existing laws. This measure will take effect from the coming into operation of the new Finance Act and will require an amendment to the Miscellaneous Taxes Act.

With this budget, we continue our determination to transform Trinidad and Tobago into a developed nation. The people fully support this seminal project as they witness and benefit from the abundant positive developments in all areas of national life. Except for a handful of predictable, professional objectors, very visible from this distance, the citizens and Government are in step, as we travel this historic road together.

This budget will strengthen that unity of purpose, much to the further confusion and desperation of the obvious mischief-makers.

**4.45 p.m.**

The citizens have supreme confidence in their strongest economy ever, with its new investments, industrialization and diversification, inflation control, national savings, huge foreign reserves and full employment. They recognize the full importance of our developments in education and training, housing, and improvement in health services; they know we are succeeding and will eventually triumph in the struggle against crime; they know the worth of our work in small business development, social intervention, poverty alleviation, and cultural and community development; they know that revolutionary infrastructural development is moving apace; they are inspired by the transformational vision now being implemented in agriculture; they are most pleased with the phenomenal progress in Tobago; and they see and approve all the other positives, including urban renewal and rural development, the reform programme, and so much more. And in their hearts, they are very satisfied. They know it is all for them and their children.

The people also know that it is all being done with integrity, transparency and accountability. They recognize that, with a very clear vision and the courage and will to take action, this Government has been employing the nation's resources to



bring light into every area of national endeavour; hope in every heart; and progress to everyone and to every nook and cranny of Trinidad and Tobago.

They have developed the trust in the good governance of this administration and know that this budget, like all others before, in our administration is not to advance partisan political interests, but for the elevation of the citizens of our beloved Trinidad and Tobago.

In contrast, Mr. Speaker, the people also remember the horrible years of a previous administration, when this nation was plagued with a level of dishonesty, drift, divisiveness and downright decadence that would have destroyed the national fabric had it been allowed to continue. [*Desk thumping*]

And they know all who were involved, every single one of them, including those who now seek an artificial and unconvincing distance from the unscrupulousness, selfishness, greed and patent amorality of that period. And the country will not be fooled again.

And so, with this budget, as with everything else we have done, we invite the judgment of the people. This administration is not afraid of judgment, either here or in the hereafter. We on this side are not here for ourselves, our private pockets and bank accounts. This Government and this political party, have proved to all and sundry, including our severest critics, that we have zero tolerance for misdemeanour in public life.

Our main concern as servants of God and the people, is the interest of the present and future generations of Trinidad and Tobago. This budget is further evidence of that unshakeable resolve. And we know that notwithstanding the contortions, fabrications and exaggerations that will be produced by some in the coming days in this honourable House, this budget and this Government will find great favour with the people. And for that, Mr. Speaker, let Almighty God be praised; and let the people decide.

I beg to move.

*Motion made and question proposed*, That this House do now adjourn to Friday, August 24, 2007 at 10.00 a.m. [*Hon. K. Valley*]

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 4.50 p.m.*