

*Leave of Absence**Friday, January 18, 2008***HOUSE OF REPRESENTATIVES***Friday, January 18, 2008*

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. Member for Caroni Central asking for leave of absence from today's sitting of the House. The leave the Member seeks is granted.

PAPERS LAID

1. Report of the Government Seventh Actuarial Review of the National Insurance System as of June 30, 2005. [*The Minister of Works and Transport (Hon. Colm Imbert)*]
2. The National Insurance Board of Trinidad and Tobago Annual Report 2007. [*Hon. C. Imbert*]
[*Papers 1 and 2 to be referred to the Public Accounts Committee*]
3. A policy framework for the expanded role of the nurse—the establishment of advance practice nurses in Trinidad and Tobago. [*The Minister of Health Hon. C. Imbert*]

FINANCE COMMITTEE REPORT**(PRESENTATION)**

The Minister of Finance (Hon. Karen Nunez-Tesheira): Mr. Speaker, I wish to present the First Report (2007/2008) Session of the Finance Committee of the House of Representatives of the Republic of Trinidad and Tobago on proposals for the supplementation of the 2007 Appropriation.

ORAL ANSWERS TO QUESTIONS**Preysal Government Primary School****(Reconstruction of)**

2. **Mr. Harry Partap** (*Cumuto/Manzanilla*) on behalf of Dr. Hamza Rafeeq (*Caroni Central*) asked the hon. Minister of Education:

Could the hon. Minister state whether the Preysal Government Primary School, which is over fifty years old, will be reconstructed, and if so, when?

The Minister of Education (Hon. Esther Le Gendre): Mr. Speaker, the genesis of the Ministry of Education's school construction programme lies in Government's Vision 2020, which has as one of its main pillars, creating innovative people. This calls for educational equity and quality and requires a modernized education system with a relevant curriculum and adequate educational facilities.

In addition to expansions of its curriculum and many other measures to support the goals and visions of 2020, the Ministry has embarked on a programme of construction to, firstly, rebuild and upgrade schools, so as to cater for a modernized and extended curriculum, which now includes visual and performing arts, physical education and information technology.

The programme also provides additional spaces to facilitate the de-shifting of schools and thereby provide all students with full day's school. The programme also improves the physical conditions of schools, many of which are over 50 years old and are in need of substantial repairs. Given the extensive programme identified above and subject to an approved budget, the Ministry has established a priority list for the construction of primary schools as part of the first phase of the construction programme to be undertaken by the Education Facilities Company Limited (EFCL).

The Preysal Government Primary School was not identified in the first phase as issues regarding the availability of a site for construction had to be addressed. A site adjacent to and south of the Preysal High School was originally earmarked for the rebuilding of the Preysal Government Primary School, however, after careful consideration, the Ministry of Education decided to reserve that site for the expansion of the Preysal High School to cater for the expanded secondary school curriculum of which we spoke earlier.

Subsequently, in 2006, the Ministry made an application to Caroni (1975) Limited for several parcels of land, upon which to construct and extend schools including the Preysal Government Primary School. A new site was then identified for the construction of the school. However, by June 01, 2006, all Caroni lands were vested in the State and the Commissioner of State Lands assumed responsibility for their ownership and administration.

The Ministry of Education was then informed that the site it identified for the construction of the Preysal Government Primary School had been assigned by Cabinet for other purposes. Further, in December 2007, the Ministry was advised to apply to the Commissioner of State Lands for lands west of the Preysal High

School for the rebuilding of the Preysal Government Primary School. This request has been submitted to the Commissioner of State Lands, and should the site be released, the Ministry would include the Preysal Government School in the school construction programme.

The Education Facilities Management Company, which was established to undertake the Ministry's construction programme, has identified that the first phase of construction would be completed in the year 2012. This first phase includes the construction of 110 early childhood care centres, 50 secondary schools, 23 primary schools and 6 education district offices. Construction of the Preysal Government Primary School will therefore be included in the second phase, which is due to begin in the year 2013.

While the Preysal Government Primary School is over 50 years old, it is still quite serviceable so that priority attention is being given at this time to 23 other primary schools. In the interim, the Ministry would continue to support the maintenance and repairs of the school to ensure that it remains in a safe and satisfactory condition for continued occupancy.

Thank you, Mr. Speaker.

Swaha Hindu College

(Status of)

3. Mr. Harry Partap (*Cumuto/Manzanilla*) asked the hon. Minister of Education:

With regard to the Swaha Hindu College in Coalmine, could the Minister state:

- a) why after six years it is still under construction;
- b) when the school building would be ready to receive students; and
- c) how much money was spent so far on the construction of the building and how much more is still required for completion?

The Minister of Education (Hon. Esther Le Gendre): Mr. Speaker, with regard to part (a), I wish to remind this honourable House that the Minister of Education by law has a responsibility to ensure the promotion of the education of the people of Trinidad and Tobago and the establishment of institutions devoted to that purpose. In order to realize this, all schools must be of a certain standard to allow for the effective delivery of the curriculum. It is in this context that the

Ministry continues to engage the denominational boards and to provide financial support for the operations of their schools, including the areas of maintenance, repair and construction.

With respect to the Swaha Hindu College, construction started on September 03, 2002, with an expected completion date of September 02, 2003. Under the existing arrangement with denominational boards, the Swaha board was responsible for the construction of the school with financial support from the Government.

In respect of secondary schools, Government's contribution at that time was $66\frac{2}{3}$ per cent of the cost and board's contribution was $33\frac{1}{3}$ per cent. The board, therefore, entered into a contract with their own contractors—Swaha Construction Limited—for the required construction. The Government paid its full share, which amounted to \$14,083,307. The Swaha board was unable to complete the construction of the school reportedly because of problems associated with measurements, the costing of works to be done and project management; all of which are the responsibility of the Swaha board. Further details are no doubt available from the board itself.

In 2007, the Ministry developed a new contract to outline the respective responsibilities of denominational boards and the Ministry in respect of the construction and repairs of schools. On October 05, 2007, the Swaha board entered into an agreement with the Ministry of Education, which among other provisions entails full Government funding of school construction and repairs on the basis of agreement and accountability.

With respect to part (b), given that the board was not able to complete the construction of the school, the Ministry held various meetings with the board to discuss the way forward. Based on these meetings, the board was required to and submitted documents dated June 08, 2007, indicating that an additional cost to completion was \$14,803,300.07. The Ministry's Assistant Quantity Surveyor reviewed the document submitted and site visits were also made to ascertain the required works to be undertaken and the reasonableness of the additional cost. Based on this, the board was asked to further review the estimates.

Subsequently, documents dated August 28, 2007 were submitted, indicating revised estimates of \$16,006,354. The estimates still were not complete, in that they lacked details of major areas such as electrical cost, external works and specifications for a wheelchair lift. The final revised cost was therefore to be submitted at a meeting held on December 18, 2007. They were not submitted.

Further promises were made for submission by December 21; the Ministry is still awaiting this information. When the information is submitted and finally agreed, the Ministry will consider what action is required to have the school completed in the shortest time possible.

Mr. Speaker, at the start of construction in September 2002, the cost was \$21,093,279, inclusive of Value Added Tax (VAT). Government's contribution of 66 2/3 per cent was \$14,062,186, and this has been paid to the board in full. The final cost to completion is to be submitted by the Swaha board as indicated previously.

Thank you.

1.45 p.m.

Mr. S. Panday: Thank you, Mr. Speaker. Hon. Minister, when moneys are disbursed to boards, do you disburse it in a block and have no work done or do you disburse as the work progresses?

Hon. E. Le Gendre: Mr. Speaker, that can be taken as an additional question if the Member so wishes. [*Laughter*]

Mr. Partap: Madam Minister, after hearing your explanation, are you aware that the conditions under which the students and teachers now operate in the temporary school are both inadequate and very inconvenient? Have you any plans to re-house the classes which are now at the Swaha Temple?

Hon. E. Le Gendre: Mr. Speaker, to the Member for Cumuto/Manzanilla, I am not aware of that but if he wishes again to place an additional question I will be happy to look into it.

Swaha Tulsi Maanus Early Childhood Centre

(Status of)

4. Mr. Harry Partap asked to the hon. Minister of Education:

With regard to the Swaha Tulsi Maanus Early Childhood Centre at Coalmine, Sangre Grande, could the Minister state:

- a) why was construction of this centre recently stopped and subsequently abandoned;
- b) how much money was spent on the project at the point when it was abandoned and how was the material on the site at the time disposed of; and
- c) whether the project would be re-started and how early?

The Minister of Education (Hon. Esther Le Gendre): Mr. Speaker, again I wish to take this opportunity to advise this honourable House that this Government had a vision to provide early childhood care and education for all three- and four-year-old-children by 2010 with the emphasis on quality assurance. Our standards framework is the basis of this quality thrust which guides the design and construction of our ECCE centres as well as the development of the curriculum and the management of these centres.

In addition, the ministry has identified the need to construct and replace 600 ECCE centres, 50 of which are targeted for the first phase of construction. To date, 11 centres have been completed and handed over to the ministry. It is to be noted that a minimum of 20 centres are targeted for construction in disadvantaged communities.

Mr. Speaker, in response to Part (a) of the question, the construction of the SWAHA Tulsi Maanus ECCE centre was included in the first phase of the construction programme and commenced on August 10, 2006 under the project management of the Education Facilities Company Limited (EFCL). The EFCL entered in a fixed price contract with Triple B Company Limited (TBC). The contractual date for completion was set for November 09, 2007. However, works were suspended by TBC on April 26, 2007 when the contractor encountered unforeseen sub-service conditions. The EFCL and the TBC failed to agree on revised construction rates in respect of the existing fixed price contract.

At the date of suspension of the works the total disbursement made on the project was \$502,090.12, exclusive of VAT; out of a contract sum of 2,209,205.04, exclusive of VAT. This disbursement was in respect of the 10 per cent advance payment for the portion of the retaining structure which had been completed and payment for the materials on site. At the time of suspension the estimated value of materials on site was \$70,388.50; and the materials were secured by the contractor. In the event of continuation of the project, unsound materials are to be replaced at the contractor's expense in accordance with the conditions of contract between the EFCL and the contractor.

Tenders will be invited for the continuation of this project in January—that is this month—and the construction is expected to start in February 2008. The original contractor for the project, Triple B Company Limited, will be invited, amongst others, to tender for this job.

**St. Augustine and Environs
(Unprecedented flooding)**

6. Mr. Vasant Bharath (*St. Augustine*) asked the hon. Minister of Works and Transport:

Could the Minister state:

- a) the reasons for the recent unprecedented flooding in the constituency of St. Augustine and environs; and
- b) the steps he intends to take during the current dry season to prevent a recurrence of this situation?

The Minister of Works and Transport (Hon. Colm Imbert): Thank you, Mr. Speaker. There are areas within St. Augustine and Curepe which have experienced flooding in recent times. Flooding in the Curepe area is mainly due to overtopping of the Blackman Ravine and backwater effect at the outfall to the Guayabal River whenever the Caroni River overflows into the Freeman Road area. This area has been designated as a detention basin for the Caroni River.

Additionally, due to the increased residential and commercial development within the Blackman Ravine catchment basin the capacity of the Blackman Ravine is inadequate to convey the present discharges. To alleviate the problems experienced in this area a contract has been awarded for the walling and paving of the Blackman Ravine from the Abdul Circular Trace to the outfall on the Guayabal River. Site surveys have already commenced and actual construction work is scheduled to commence in this month, January 2008, and is expected to be substantially completed by the end of 2008. This work would significantly improve the hydraulics of the channel thus allowing a faster run-off. In addition, at the confluence of the Guayabal River and the Blackman Ravine a controlled structure is scheduled to be constructed in 2008 to prevent the backwater effect as well as a mobile pump to drain the Blackman Ravine in periods of extreme rainfall when the gates are closed.

Studies are also being conducted at present to place a detention system in the upper reaches of the Blackman Ravine north of the Eastern Main Road. Construction is expected to commence in June 2008. The result of this other project is to allow a controlled volume of run-off, thereby avoiding overspilling of the Blackman Ravine. Flooding in the Freeman area is due to spillage from the Caroni River. This area of the Caroni basin is a natural detention area.

To eliminate the distress to the travelling public the carriageway of the Southern Main Road from the Caroni Bridge to the Guayabal River has been

elevated. A contract has also been awarded for improvement works on the Caroni River which will increase the capacity of the waterway and also remove unwanted obstructions. Work on this contract is expected to commence in January 2008.

Further, a contract for consultancy services on the Caroni River Basin to mitigate against flooding and to develop final design and contract documents is scheduled to be awarded in this year 2008. Further, contract documents for walling and paving of the St. Joseph River between the Churchill Roosevelt Highway and the Priority Bus Route have been completed. The contract is expected to be awarded shortly and actual construction work on this project is expected to commence by June 2008. Studies are also being conducted to place a detention system in the upper reaches of the St. Joseph River, north of the Eastern Main Road in the vicinity of Pool side. Construction work on this project is expected to commence in June 2008 which will allow a controlled volume of run-off, thereby avoiding overspilling of the St. Joseph River.

Escalating Cost of Living
(Measures taken)

7. Mr. Vasant Bharath asked the hon. Minister of Legal Affairs:

Could the Minister:

- a) indicate the measures his Ministry has taken to ensure that all consumers benefit from Government measures taken to alleviate the impact of the escalating cost of living, example, the removal of value added taxes, duties and tariffs on food prices; and
- b) inform this House of the measures his Government has taken and intends to take to combat profiteering by unscrupulous businessmen?

The Minister of Legal Affairs (Hon. Peter Taylor): Thank you, Mr. Speaker. I wish to thank the hon. Member for St. Augustine for what is indeed a timely question. The hon. Member for St. Augustine is quite correct in indicating that this Government, of which I am proud to be a part, has effected and continues to effect a series of measures to soften the impact of the escalating cost of living on consumers in Trinidad and Tobago. [*Desk thumping*]

But, Mr. Speaker, to appreciate fully the significance and importance of the Government's role in providing a buffer between the consumer and the escalating rise in food prices, it is imperative that I locate the realities facing the national economy within an international context.

The world food situation is currently being rapidly redefined by new driving forces, namely, climate change, high energy prices, income growth, globalization and bio-fuel production to name but a few. The influence of the private sector in the world food system, especially in the leverage of food retailers upon consumers, is also rapidly increasing and it is a matter that is engaging the fullest attention of the Consumer Affairs Division for reasons that I will elaborate upon.

Many countries in the developing world, particularly, India and China have experienced high economic growth within recent times. Real GDP growth in developing Asia, for instance, has increased by 9 per cent per annum between 2004 and 2006. Sub-Saharan Africa also experienced rapid growth of some 6 per cent during the same period. This hitherto unprecedented growth of some of the world's most populous countries, including China with a population of some 1.25 billion and India with approximately 1.4 billion people is a central force of change on the demand side of the world food equation. High income growth in low income countries really translates into increased consumption of food.

Mr. Speaker, the increased demand for grains has unfortunately not been met with an equivalent increase in supply. In fact, there have been insignificant shortfalls in the production of grains, particularly wheat, coarse grains, maize and sorghum on the world market due to adverse weather conditions. For instance, between 2004 and 2006 wheat and maize production in the European Union decreased by some 12 per cent to 16 per cent. In 2006 global cereal stocks which were at their lowest levels since the 1980s continued to decline. Stocks in China which constitute some 40 per cent of total stocks declined significantly between 2000 and 2004 and are yet to recover. Climate change risk will continue to have adverse impact on food production for the foreseeable future.

Mr. Speaker, in addition, diet globalization which has seen a marked increase in consumption of wheat and wheat-based products in these emerging economies has conspired to ensure that elevated world prices continue. Further, the use of corn as the principal feedstock in the production of ethanol has seen the price of corn rise astronomically within the last three years. Corn which is the principal ingredient that goes into the feed for the poultry industry continues to maintain its powerful upward trend supported by sharply higher wheat and soya bean meal prices.

Mr. Speaker, the above-mentioned changes on the supply and demand side of the world food equation have led to imbalances and drastic price changes, the effects of which are being felt in Trinidad and Tobago. It is against this backdrop that the Government of Trinidad and Tobago is cognizant of these international

realities facing our twin island republic. This Government has from as early as 2002 embarked on a series of measures to insulate the public from the harsher impact of this international price phenomenon. Among the measures undertaken between 2002 and 2007 were as follows:

1. Removal of VAT on a range of basic food items;
2. the removal or reduction of a common external tariff (CET) on a range of basic food items;
3. the removal of the surcharge on imported chicken;
4. the convening of a national consultation on food prices on August 15 and 16, 2007 from which a plan of action was approved by Cabinet that includes inter alia:
 - (a) the establishment of a prices council to address comprehensively from a supply side perspective the level of prices in the economy;
 - (b) the establishment of a Consumer Advisory Board to monitor prices and advise the Minister with responsibility for consumer affairs on all matters relating to consumerism.

2.00 p.m.

With specific reference to the removal of VAT and the removal or reduction of the CET, the Ministry of Legal Affairs pursued a three-pronged approach to ensuring maximization of the benefits afforded to all citizens.

Firstly, the Ministry ensured that a list of the items, from which the VAT and the CET were removed or reduced, was published in the media. This allowed for business persons and the general public to acquaint themselves with the items to which these measures applied and to ensure that these changes were reflected in their individual transactions.

Secondly, the Ministry also proceeded to monitor the price movement of the particular items to determine the impact of the measures taken so as to guide future policy decisions and actions.

Thirdly, the Ministry incorporated into its public education programme the publication of comparative prices of a range of basic food items. The Ministry therefore issued three weekly publications in the daily newspapers and one monthly publication as follows:

1. Weekly poultry prices.

The weekly poultry prices publication details the price per pound and the pluck and gut fee at a sample of about 49 pluck shops across Trinidad. The publication also indicates the average per pound paid for fresh or live chicken.

2. Weekly fruits and vegetable prices.

Fruits and vegetable prices spanning regions across Trinidad are collected and published weekly. A total of eight markets and 31 supermarkets comprise the sample survey, but an average of one market and the supermarkets in its environs are surveyed weekly for publication. The Consumer Affairs Division is currently in its third phase of publication. The first phase began on November 25, 2006. Since the start of these publications, although the prices at the supermarkets continue to be higher than what obtains at the market, there has been a narrowing of the gap as supermarkets move their prices closer to the market prices due in no small measure to the efforts of the Consumer Affairs Division and the consequent change in buying habits that has come about as a result of better educated and better informed consumers.

3. The weekly publication of selected food items.

On July 05, 2007, the Consumer Affairs Division commenced the publishing of prices of 16 selected food items by regions across Trinidad. To date, 29 supermarkets have been surveyed.

4. Monthly hardware prices.

The Consumer Affairs Division began publishing the prices of selected hardware items in June 2007. To date, 21 hardware stores have been surveyed in 13 areas.

This strategy has had the effect of exposing the business community to rigorous scrutiny, in addition to encouraging comparison shopping by consumers. The Central Bank in its monthly media releases has alluded to this phenomenon of comparison shopping and its attendant benefits to all concerned.

In addition, I wish to inform this honourable House and by extension the national community, that all our publications have been made available on the Ministry's website, that is, www.legalaffairs.gov.tt. I commend this website to my friends on the other side and indeed to all of Trinidad and Tobago. I also wish to urge the entire population to avail themselves of the information provided and to use that information to assist in making informed purchasing choices.

Mr. Speaker, might I also add that officers of the Consumer Affairs Division participate regularly in radio and television shows where they seek to enlighten the public about comparison shopping and about the data collected by the Consumer Affairs Division and printed in the newspapers. There is also a unit in the Ministry of Legal Affairs that specifically handles consumer complaints. In this regard, consumers have been made aware of the consumer hotline which is 800-4CPS.

The Consumer Protection Services Unit has received approximately 734 complaints in 2007 and 1,403 enquiries, with 1,029 consumers visiting the Port of Spain office; 330 cases were closed with the remainder being at different stages of investigation and negotiation. But there is no gainsaying the fact that the Government of Trinidad and Tobago, notwithstanding the international economic trends, remains committed to its mandate to increase food production over the short, medium and long term.

The Government is already committed in principle to the following initiatives:

1. a review of a package of incentives in respect of small, large and organic farms of agro-processing;
2. the continuation of discussions with the Government of Guyana to secure Trinidad and Tobago's involvement in the establishment of large farms in Guyana;
3. the introduction in the short term of a new system for making land available to farmers for agricultural purposes;
4. the development and commencement of implementation by the end of the first quarter of 2008 of a three-year plan for infrastructural development involving agricultural access roads, irrigation, drainage and a reliable water supply;
5. the initiation of discussions with all ammonia manufacturers in the country, regarding the establishment of a demonstration farm of up to 100 acres which land is to be provided by the Government of Trinidad and Tobago.

Mr. Speaker, with respect to the second part of the hon. Member for St. Augustine's question which has to do with profiteering by unscrupulous businessmen, the Ministry of Legal Affairs is not oblivious to the fact that there are those who will seek to exploit the unsuspecting consumer for the sake of making abnormal profits. Nowhere was this more evident than during the recent

Christmas season when some businessmen were found to be illegally selling toys that had been recalled by the manufacturer because of the dangerously high lead content.

This discovery led to an immediate joint initiative, involving the Consumer Affairs Division, the Trinidad and Tobago Bureau of Standards and the Chemistry Food and Drugs Division to immediately cease these unlawful sales. The Ministry of Legal Affairs did not hesitate to inform the errant businessmen that all measures would be taken under the relevant section of the Consumer Protection Act to prosecute them for their unconscionable actions.

Mr. Speaker, for the year 2008, the Consumer Affairs Division will actively monitor and examine all major supermarkets in this country to ascertain whether any degree of price fixing or price collusion exists. Price fixing is an agreement or collusion between business competitors to sell the same product or products at artificially higher prices, leading to abnormal profits for all the sellers. Price fixing generally includes, but is not limited to, essential items, for example, dairy products, including butter and cheese. While supermarkets have brought great benefits to shoppers, some have become dangerously close to wielding monopoly power. Such power has a great capacity for social disruption and it is inimical to the proper development of a free market economy.

Mr. Speaker, our concern comes against the backdrop of a report that was published in the *Daily Mail Newspaper* of England dated Saturday, 2007, on page 14. The report stated that:

“... £116 million fines handed down ... to Sainsbury's, Asda and a group of milk processing companies for price-fixing.”

The article went on:

“By artificially inflating the retail cost of dairy products - they added 3p to the price of a pint of milk, 15p to a 25g pack of butter and 15p to a half-pound of cheese - the conspirators cheated their customers out of a staggering £270 million in just two years.”

The article went on to note that:

“The Office of Fair Trading”—in the United Kingdom—“is pursuing similar actions against Tesco and Morrisons, with further huge fines anticipated.”

Mr. Speaker, the Ministry of Legal Affairs will be closely monitoring the almost weekly price rises of dairy products and food prices in the nation's supermarkets.

Mr. Speaker: Before you continue, may I advise all Members and strangers to take off their cellphones because if I hear a cellphone ring again in this Chamber, I will have to ask either a Member or a stranger to demit the House. So, please strangers, take off your cellphones and Members please take off your cellphones. Hon Minister, how longer do you have?

Hon. P. Taylor: Mr. Speaker, within about three minutes, I presume, or less.

Mr. Speaker: Yes, please, hurry it up.

Hon. P. Taylor: Thank you, Mr. Speaker. Mr. Speaker, vehicle spare parts, car batteries, and a host of other randomly selected goods will also be closely monitored to examine whether there is any justifiable correlation between the price hikes and the cost of shipping and other freight costs incurred by the sellers. The Ministry of Legal Affairs will therefore be doing very stringent monitoring of these prices in the new year, and manufacturers and businesses will be called upon to account for the continuous increases in the final prices to consumers.

The Ministry is also committed to engaging the business community in discussions to ensure that the population is provided with a steady supply of basic goods at stable and fair prices. To this end, we have already met with stakeholders from the poultry and supermarket industries and this has resulted in the “e-pack” initiative. It is our intention to deepen these discussions with the poultry sector as well as to extend such discussions to other sectors of the business community.

Further, the Ministry is in the process of updating the existing consumer protection legislation. This will allow for the enactment of appropriate modern legislative solutions to the full range of the negative business practices. A draft White Paper is currently being finalized. In the meantime, the Ministry is actively examining ways to more vigorously utilize the provision of existing legislation to achieve enhanced consumer protection. This will include active collaboration between all state agencies with a consumer protection function. The recent joint action involving the Consumer Affairs Division, the Trinidad and Tobago Bureau of Standards and the Chemistry Food and Drugs Division, to stem the local sale of toys (which were implicated in the international recall of toys suspected of lead contamination,) clearly demonstrates Government's commitment to foil unscrupulous vendors and to continuously educate consumers in Trinidad and Tobago about their rights and responsibilities.

On that note, Mr. Speaker, I wish to close by reminding one and all of the slogan of the Consumer Affairs Division, that is to say, "The Power is Yours". All

consumers by judiciously exercising their rights and responsibilities have the power to ensure:

1. that they derive maximum benefit from the measures that Government has introduced for the benefit of consumers;
2. that as knowledgeable and informed consumers they assist in the fight against unscrupulous business owners by reporting illegal practices and most importantly by refusing to patronize such business establishments.

2.15 p.m.

Mr. Bharath: I am almost afraid to ask a supplemental question, but I must. [Laughter] Could the hon. Minister tell this House what has become of the project that was coined last year between National Flour Mills and NAMDEVCO which was going to be used to bring the cost of food items down in Trinidad and Tobago? Could you give us the status of that currently, please? [Crosstalk]

Hon. P. Taylor: Mr. Speaker, the detailed nature of my friend's question would merit some proper research, and in that regard I suggest that it be put as an additional question. [Desk thumping]

Mr. Speaker: Hon. Members, questions that have not been answered at today's sitting must be answered in accordance with Standing Order 19(7), that is to say, Members must circulate their answers in writing to the Clerk; unless the Member asks for it to be deferred.

Mr. Maharaj SC: Mr. Speaker, we did indicate through you to the Clerk that we prefer it in oral answer.

Mr. Speaker: Yes, this will be all the remaining questions?

Mr. Maharaj SC: Yes.

Mr. Speaker: Hon. Ministers, the Chief Whip has indicated to the Clerk that questions which have not been answered today will be deferred to the next sitting.

The following questions stood on the Order Paper:

Local Food Production

(Measures taken)

8. Could the hon. Minister of Agriculture, Land and Marine Resources inform this House of:

- a) the measures which his Government has taken to increase local food production including dairy and poultry farming; and

- b) the estimated time within which these measures are expected to impact on the cost of living? [*Mr. V. Bharath*]

**Chaguanas Magistrates' Court
(Redevelopment of)**

9. Could the hon. Attorney General state:
- a) what are the plans of the Government for the redevelopment of the Chaguanas Magistrates' Court; and
 - b) whether the Government is at this time paying rent for any facility on Ramsaran Street or in any other location in Chaguanas as an alternative Magistrates' Court? [*Mr. J. Warner*]

**Lange Park Regional Facility
(Allocations made)**

10. Could the hon. Minister of Sport and Youth Affairs state what has become of the allocations that were made for the development of the Lange Park Regional Facility after extensive discussion and consensus was reached between the Chairman of the Sports Company, the Chaguanas Borough Corporation as well as the Lange Park Residents Association and the Lange Park Security and Management Company? [*Mr. J. Warner*]

**Status of the "Eye in the Sky"
(Busy Corner in Chaguanas)**

11. Could the hon. Minister of National Security indicate the status of the "Eye in the Sky" at the Busy Corner in Chaguanas and when last was it used? [*Mr. J. Warner*]

Firearms Interdiction Unit

17. Could the hon. Minister of National Security state:
- a) the date the Firearms Interdiction Unit which was headed by Superintendent Chandraban Maharaj was established;
 - b) the number of firearms and the amount of ammunition retrieved and/or confiscated by the said unit;
 - c) the areas in Trinidad and Tobago where the above arms and ammunition were retrieved and/or confiscated; and the date the said unit was suspended? [*Mr. S. Panday*]

**Transportation of Prisoners
(Organization contracted)**

18. Could the hon. Minister of National Security state:

- a) the name of the organization and or company which the State has contracted to transport prisoners to and from the courts; and
- b) the sums paid by the State to this company for the years 2006 and 2007 for that purpose? [*Mr. S. Panday*]

**Blimps and/or Sky Ships
(Details of)**

19. Could the hon. Minister of National Security, with regard to the blimps and/or sky ships, state:

- a) the costs to rent and/or to acquire or to lease each blimp and/or sky ship;
- b) the dates on which each was acquired;
- c) the annual cost of repairs and/or maintenance; and
- d) whether they have assisted in solving any of the murders so far for this year; and if so, which murders? [*Mr. S. Panday*]

**Minister of National Security
(Statement made)**

25. Could the hon. Minister of National Security state:

- a) whether at any time during his tenure in office as Minister of National Security he made a public statement that there were in Trinidad and Tobago 66 criminal gangs with about 300 criminals and that he proposed to take steps to bring them to justice;
- b) if the Minister made that statement or stated words to that effect could the Minister state what steps, if any, he took to have them brought to justice; and
- c) if the answer is in the negative, could the Minister say whether he took steps to identify the criminals gangs in Trinidad and Tobago. If he did, could he state the result of the exercise and state what action (if any) was taken by him in respect of his findings? [*Mr. R. L. Maharaj SC*]

**Witness Protection Programme
(Details of)**

26. Could the hon. Minister of National Security state:

- a) whether there exists a Witness Protection Programme in Trinidad and Tobago;
- b) if the answer to (a) is yes, whether the Witness Protection Programme comprised witnesses who abandoned the programme. If the answer is yes, could the Minister give the number of persons who comprised the programme for each of the years from 2003 to 2007 and could the Minister state for each year the number of persons (if any) who abandoned the programme; and
- c) the reasons, if any, given by them for abandoning the programme? [*Mr. R. L. Maharaj SC*]

**DNA Act
(Implementation of)**

27. Could the hon. Minister of National Security state:

- a) whether government has started to implement the DNA Act;
- b) if the answer to (a) is in the affirmative, could the Minister state:
 - i. the implementing stages which have been completed;
 - ii. progress (if any) made in establishing a DNA Bank to obtain and store the DNA records of individuals;
 - iii. whether the government is at present causing the use of DNA by the police to detect crimes;
- c) if the answer to b(iii) above is in the affirmative, could the Minister state whether the use of DNA assisted in detecting any crimes giving the nature of the crimes detected; and
- d) if the answer to b(iii) above is in the negative, could the hon. Minister state whether the government intends to use the DNA to detect crimes, and if so, to give the time frame in which DNA will be used for the detection of crimes? [*Mr. R. L. Maharaj SC*]

Occupational Safety and Health Agency

(Death of Finbar Adonis)

- 30.** Could the hon. Minister of Labour and Small and Micro Enterprise Development:
- A. indicate whether the Occupational Health and Safety Agency has conducted and/or received a report on the death of contract worker Finbar Adonis in December 2007?
 - B. Could the Minister indicate the findings of such a Report? [*Dr. R. Moonilal*]

Cuchawan Trace West Roadway

(Reason for delay)

- 31.** Could the hon. Minister of Works and Transport state:
- A. The reasons for the inordinate delay in the commencement of rehabilitation work by his Ministry on the Cuchawan Trace West roadway, which was due to be undertaken in March 2007?
 - B. Will the Minister indicate to the House the new date for commencing work on the Cuchawan Trace West landslip and the repairs and paving of the said road? [*Dr. R. Moonilal*]

Debe Health Centre

(Status of)

- 32.** Could the hon. Minister of Health:
- A. Inform the House of the revised completion date for the Debe Health Centre?
 - B. Can the Minister indicate the revised cost for the Debe Health Centre and the reasons for the cost overruns? [*Dr. R. Moonilal*]

Questions, by leave, deferred.

DEFINITE URGENT MATTER

Private Security Guards

(Equal Public Use of)

Mr. Ramesh Lawrence Maharaj SC (*Tabaquite*): Mr. Speaker, the application as amended by the Speaker reads:

“In accordance with Standing Order 12 of the House of Representatives, I hereby seek your leave to move the adjournment of the House for the purpose

Definite Urgent Matter
[MR. R. L. MAHARAJ SC]

Friday, January 18, 2008

of discussing the following matter as a definite matter of urgent public importance, namely, the immediate need for the Prime Minister and the Government to provide equal or similar treatment which the Prime Minister receives, to protect his life and the security of his person from private security guards and the protective services.”

The matter is definite because it pertains to a specific matter, namely the Prime Minister receiving from the Government protection for his life and the security of his person from private security guards.

The matter is urgent because the Government, in addition to providing the Prime Minister with State security has also recently contracted private security to guard the Prime Minister.

The matter is of public importance since it adversely affects the life and security of everyone in our nation. [*Crosstalk*]

Mr. Speaker: It is not a question of whether you will answer it if I do not allow it.

Hon. Members, this Motion as moved by the hon. Member for Tabaquite does not qualify under this Standing Order. [*Crosstalk*] Order!

FINANCE (SUPPLEMENTARY APPROPRIATION) BILL

Bill to vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 2007 [*The Minister of Finance*]; read the first time.

Motion made, That the next stage be taken at a later stage of the proceedings. [*Hon. K. Nunez-Tesheira*]

Question put and agreed to.

FINANCE COMMITTEE REPORT (ADOPTION)

The Minister of Finance (Hon. Karen Nunez-Tesheira): Mr. Speaker, I beg to move the following Motion standing in my name:

Be it resolved that this House adopt the First Report 2007/2008 Session of the Finance Committee of the House of Representatives of the Republic of Trinidad and Tobago on proposals for the supplementation of the 2007 appropriation.

Mr. Speaker, the Finance Committee of the House of Representatives met on Wednesday, January 16, 2008, and agreed to a number of proposals with respect to the accounts for fiscal year 2007.

The proposals broadly encompass the supplementation of the 2007 appropriation and the write up of losses approved by Cabinet in fiscal year 2007. The committee also noted the transfer of funds between subheads of the same head of expenditure.

Mr. Speaker, the approval for the supplementation of the 2007 appropriation in the sum of \$1,124,920,000 is being sought to bring to account expenditure funded by advances from Treasury deposits, firstly, for the payment for the enhanced separation voluntary plan and buyout claims for employees of BWIA in the amount of US \$68 million or TT \$431,800,000; secondly, capitalization of Caribbean Airlines Limited at a cost of US \$46.16 million or TT \$293,120,000, and, thirdly, payment of the first instalment of \$400 million to the Central Bank pursuant to Government's decision to increase the bank's authorized share capital from \$100 million to \$800 million.

Mr. Speaker, authority is provided in the Exchequer and Audit Act, Chap. 69:01, for the Minister of Finance to temporarily utilize balances on Treasury deposits to make payments in the public interest and recover them within the 12-month period after the year in which the payment was made. Specifically, the Act states at section 17:

"Pending repayment or application to the purposes for which they were deposited, the Minister may authorise use of the balances held on deposit in respect of any special funds established by Act or otherwise or of any other deposits (other than trust funds or the balances in the Consolidated Fund) to make advances—

- (a) on behalf of, and recoverable from other Governments;
- (b) to or on account of trust funds administered by the Government, or to, or on behalf of, public bodies, institutions or individuals, where the advances are in the public interest and are recoverable within a period not exceeding twelve months after the close of the financial year in which the advances are made."

Mr. Speaker, in the case of BWIA, the Government was faced with an intractable problem of having to support an inefficient, overstaffed and unprofitable airline. It was, therefore, incumbent on the Government to stop the hemorrhage of state resources by finding a permanent solution to this problem.

After putting a new board of directors in place and engaging specialists to drive the way forward, the Government concluded that it was necessary to close

the operations of BWIA and replace it with a new airline, Caribbean Airlines Limited.

The Government has always acted responsibly and has also demonstrated a capacity to confront and deal with state companies that have presented a drain on scarce state resources. The closure of BWIA and the capitalization of Caribbean Airlines Limited represent yet another instance where a lasting solution was implemented to resolve longstanding problems with an ailing state-owned enterprise.

Hon. Members may recall that the resolution by the Board of Directors of the Central Bank of Trinidad and Tobago to increase its authorized share capital from \$100 million to \$800 million was approved by the House of Representatives on July 13, 2007, and by the Senate on August 21, 2007, and effected by Legal Notice No. 162 dated August 23, 2007.

Mr. Speaker, at its inception in 1964, the Central Bank's initial paid up capital was \$2 million, and its authorized capital was \$5 million. The bank reached its limit of \$5 million in 1966 and kept it at this level until 1985 when it was increased to \$30 million, through the enactment of the Central Bank and Financial Institutions (Non-Banking) (Amdt.) Act, No. 2 of 1986. In 1994, the authorized capital was increased to \$100 million.

In corporate finance capital is needed to reduce the risk of bankruptcy by providing protection against operating and extraordinary losses. In the case of a Central Bank, strictly speaking, the issue of bankruptcy should not arise since its principal liability currency serves as legal tender and is readily accepted. However, Central Banks in the Caribbean have been known to incur losses.

Mr. Speaker, the Central Bank of Trinidad and Tobago has always registered healthy profits. Notwithstanding the historical record, just as the Government recognizes the need to prepare for a sudden decline of oil prices and its impact on international reserves, the Central Bank should also prepare for an unexpected weakness in its balance sheet. Notwithstanding and in any event, it is the bank's view, however, that a meaningful increase is desirable to emphasize the bank's financial strength and operational independence.

Mr. Speaker, the Finance Committee also agreed to the write-off of loans on the books of the Agricultural Development Bank (ADB) amounting to \$1,398,646.22, which have been deemed uncollectible. The Agriculture Development Bank is governed by the Agricultural Development Bank Act, Chap. 79:07 and is not subject to the Financial Institutions Act. What this means is that the powers and

duties conferred on the ADB by the governing legislation, do not include the power to forgive non-repayment of loans, and no rule or regulation can confer such power.

As a consequence, the Agricultural Development Bank has found itself in an untenable position, in that, the bank does not have the power to write off loans that have been deemed uncollectible.

I wish to inform hon. Members that the bank pursued every possible avenue to recover the debts for which write-off is now being sought. All of these cases met the following criteria: judgments were registered, but could not be enforced, because clients could not be located either locally or abroad; clients had little or no means to repay or may have died; enforcement was uneconomical by virtue of the value of the judgment debt and the associated cost of enforcement.

Secondly, cases where legal action was not possible or where judgments were registered but not being paid. These cases were referred to the collectors more than two years ago and after all reasonable efforts were made by the bank and the collectors to recover these debts, legal action was pursued where possible, with such judgments being repaid while others could not be enforced.

Mr. Speaker, I now refer to the transfer of funds between sub-heads of the same Head of expenditure. With effect from August 01, 1988, Cabinet delegated its authority to approve transfers between sub-heads to the Minister of Finance when it agreed among other things as follows: Request for transfer of funds between separate sub-heads under the same head of expenditure should no longer be submitted for Cabinet, but can be decided by the Minister of Finance on the advice of the Director of Budgets.

Consequently, in fiscal year 2007, the hon. Minister of Finance approved the transfer of funds in the sum of \$1,135,883,200 between subheads under the same Head of expenditure. It should be noted that the transfers were approved by the Minister of Finance based on ministerial notes from the respective Ministers requesting the transfers.

2.30 p.m.

Mr. Speaker, it should also be noted that these transfers are requested to reflect changed circumstances in ministries and departments and a consequential reordering of priorities. I want to emphasize, they do not increase the total appropriation in any way.

Statements showing the transfers approved by the Minister of Finance and explanations for some of the more significant transfers were attached as appendices to the agenda which was provided to hon. Members of this House.

Mr. Speaker, hon. Members are also asked to note that in August 2007, at the time of the preparation of the 2008 budget, the Ministry of Finance revised the revenue projection for fiscal 2007 upwards to \$40,543.8 million. Correspondingly, expenditure was forecasted at \$39,275.1 million resulting in an anticipated surplus of \$1,268.7 million, this position was communicated to Parliament at the time of the presentation of the 2008 budget on August 20, 2007 by the hon. Minister of Finance.

Mr. Speaker, following the submission of data on actual revenue and expenditure at the end of the 2007 fiscal year by government ministries, departments, statutory authorities, other bodies and the Tobago House of Assembly, the provisional fiscal outturn for fiscal 2007 was prepared by the Ministry of Finance; based on this data overall spending was \$39,578.2 million and total revenue was \$39,649.8 million yielding a smaller fiscal surplus of \$71.6 million. This surplus is \$1,197.1 million less than that projected at the time of the preparation of the 2008 budget. Revenue fell short of the revised estimate by \$894 million while actual expenditure was \$303.1 million greater than the revised allocation.

Mrs. Persad-Bissessar: Can you give way? Can you account for the shortfall in revenue? Why was there that \$800 million shortfall in revenue? From what sources?

Hon. K. Nunez-Testeira: Member for Siparia, I am going to give that explanation right now.

Mr. Speaker, after processing data provided by government ministries, departments, statutory authorities, other bodies, and the Tobago House of Assembly, at the end of 2007 fiscal year, total revenue collected amounted to \$39,649.8 million, which was \$894 million less than revised projections prepared at the time of the preparation of the 2008 budget.

The negative variant was due mainly to lower than anticipated receipts from taxes on income and profits in the amount of \$814.1 million, secondly, taxes on goods and services to the tune of \$109.3 million, taxes on international trade of approximately \$125.9 million and unemployment levy of \$119 million. The lower than anticipated collections were primarily offset by better than projected collection of non-tax revenue of \$309.2 million. The lower levels of collections

under taxes from incomes and profits were derived from negative variances from oil companies of some \$496.7 million and individuals in the amount of \$378 million.

With respect to the oil companies, taxes were lower because of delays experienced with the coming on stream of production of the Red Mango and Cashima Fields as well as shut-ins experienced by five more platforms as a result of health and safety concerns. The negative variants in the collection of unemployment levies were affected by the same factors that negatively affected oil revenues.

In the case of taxes from individuals, collections were adversely affected by delays in the settlement of negotiations with teachers, fire officers and prison officers. The improved collection of non-tax revenues was influenced by higher than anticipated equity profit from the Central Bank consequent upon the materialization of more favourable interest rates on its international investments.

Mr. Speaker, revised expenditure for fiscal 2007 was projected at \$39,275.1 million at the time of the presentation of the 2008 budget, whereas the actual amount spent was \$39,578.2 million which reflected an increase of \$303.1 million as stated earlier.

This expansion in expenditure was influenced primarily by higher than projected transfers to state enterprises of some \$1,157.4 million which comprised in the main, the payment of the first instalment of \$400 million to the Central Bank pursuant to Government's decision to increase its authorized share capital from \$100 million to \$800 million and the payment of \$724.9 million to meet the closing cost of BWIA of \$431.8 million and the capitalization of Caribbean Airlines of \$293.1 million. Both areas of expenditure were met initially by advances from Treasury deposits.

The increase in transfers to state enterprises was partially offset by lower than anticipated expenditure under Personnel Expenditure of \$209.1 million; Other Goods and Services of \$399.9 million and Transfers to Statutory Boards and Similar Bodies of \$206.1 million.

Mr. Speaker, in the case of personnel expenditure, the shortfall in expenditure was reflective of the non-settlement of negotiations with teachers and prison officers. With respect to other goods and services, the main reasons for the shortfall in expenditure were; the low procurement rate for equipment by a number of ministries, the late payment of arrears with respect to travelling and subsistence allowances arising out of the settlement of collective agreements for

the period 2005—2007, non-submission of claims for the maintenance of vehicles by VMCOTT, administrative difficulties experienced by ministries and departments in recruiting individuals to fill contract positions, inadequate information submitted to validate invoices for the payment of fees for legal services by the Ministry of the Attorney General and non-utilization of resources for the pension reform project by the Ministry of Finance.

In respect of transfers to statutory boards and similar bodies, the major areas of expenditure were: reduced transfers to WASA which resulted from the non-settlement of negotiations with daily and monthly-paid employees and, secondly, decreased spending by local government bodies caused by the non-payment of arrears of salary allowances emanating from the settlement of collective agreements for the period 2005—2007.

Mr. Speaker, the fiscal outcome for 2007 clearly demonstrates that the Government prudently managed the nation's resources. [*Desk thumping*] Why do I say that, Mr. Speaker? Even after accommodating expenditure of \$724.9 million to capitalize Caribbean Airlines Limited and meet the closing cost of BWIA and a further \$400 million representing the first instalment of payments to increase the authorized share capital of the Central Bank, the Government was still able to register an overall surplus on the fiscal account of over \$71 million for 2007. [*Desk thumping*]

More than this, Mr. Speaker, this Government deposited approximately \$2.3 billion into the Heritage and Stabilisation Fund, thus bringing the accumulated balance of the fund as at September 30, 2007 to US \$1.66 billion, or its equivalent in TT \$11.3 billion. [*Desk thumping*] To put this into perspective, this balance is approximately 12 per cent of GDP and these savings are in excess of the entire external public sector debt, and this is for a fund that is merely eight years old.

This Government demonstrated commitment to the Heritage and Stabilisation Fund which has already yielded significant, tangible, economic benefits for Trinidad and Tobago. It had been deeply cited in a number of international reports as one of the major factors responsible for Trinidad and Tobago's steady improvements in its international ratings.

As recent as October 2007, Moody's—and I know we are all familiar with Moody's—International Investors Services stated that an important factor underpinning Trinidad and Tobago's investment grade data is the stabilisation fund as it shows Government's willingness to save part of the energy windfall.

Certainly, Mr. Speaker, our citizens can be comforted by the fact that we on this side continue to be prudent in our economic management and they can rest

assured, the people of Trinidad and Tobago and the other side, that the future is in safe hands as long as the People's National Movement Government is in office.
[*Desk thumping*]

Mr. Speaker, I beg to move.

Question proposed.

Mrs. Kamla Persad-Bissessar (*Siparia*): Thank you, Mr. Speaker. Permit me please to welcome the hon. Member for D'Abadie/O'Meara to this honourable Chamber and we certainly look forward to her contributions. The Member for San Fernando East, I am sure, was very happy to pass over the post of Minister of Finance.

Mr. Manning: Very happy.

Mrs. K. Persad-Bissessar: Very happy, because at the end of the expenditure of over \$200 billion in this country, we can see nothing for it in terms of the improvement of the lives of the people of Trinidad and Tobago. [*Desk thumping*] So now that there is a new Minister, we trust that some of the bad habits in terms of financial management and managing the economy, some of these can be eradicated. So we live in hope, and I wish the Minister well.

I say further that the hon. Minister is merely the messenger today because when all these expenditures were being incurred, when disbursements were being made for fiscal 2007, she was nowhere around. Everything falls squarely within the domain of the hon. Prime Minister, then Minister of Finance, and so my comments are not directed to the hon. Minister today, but certainly to the real Minister of Finance as we shall discover that having let go the reins, we wait to see to what extent he allows the Minister to perform on her own in that ministry.

Mr. Speaker, I begin this debate by saying once upon a time, societies were governed by kings and the kings had the source of all power; judicial, executive and legislative, but over centuries, that sort of divine rights of kings, the absolute powers of kings eroded.

2.45 p.m.

Civilized societies evolved systems wherein all these powers were divested into institutions and so we saw in democracies such as ours, the separation of powers into the Legislature, the Judiciary and the Executive. The struggles over the years between these three estates and, indeed, now with the fourth estate we also have that struggle, that challenge and the constraints, but certainly with these three estates, the change has been evolutionary at times, revolutionary at times, and so there have been clashes, constant conflicts between the various estates.

Indeed, here in Trinidad and Tobago we witnessed only recently the persecution of the head of the Judiciary and history has written persecution and prosecution of the head of the Judiciary in this country. So history writes now that the Chief Justice was able to withstand that onslaught.

Today, I am saying that when we look at the Bill before this honourable House, when we look at the report of the Finance Committee, predicated as it is upon intra-ministerial transfers, it is reminiscent of that kind of fusion of power, where the Executive and the Legislature—this rubber-stamping now that we must do. The Executive has already spent this money and, therefore, in a sense, it has trespassed upon the function of the House of Representatives. It is very clear in these parliamentary democracies, the battles that were waged, were to get that control and oversight of the purse of the Exchequer, that is to say, of public finances.

So whilst we are here today, we are being asked *ex post facto* to authorize moneys already spent; to authorize moneys already transferred under various sub-heads within a ministry, so that we are, in a sense, looking at a trespass on the key function of this House, albeit a constitutional trespass, because the law allows it. The hon. Minister mentioned the areas of the law which allow that to take place. But we fully understand that there is no place now in our democracy for the divine rights of Kings or for Emperors, and that is why the people have entrusted us, as the elected representatives, to bring the Government to account. That is why, even though Government can do that, it must come to this Parliament and account, and that is why I say that I intend to place this debate in context, to look at the parameters, as it were, of how this debate should go, so that we do not go into false constraints to prevent and to avoid getting the Government to account.

I say this because the Bill and the report of the Finance Committee dealing with the transfers are, indeed, the third and final component of Government's expenditure for fiscal 2007. Consequently, we cannot look at the Finance (Supplementary Appropriation) (2007) Bill and the report in isolation. They directly relate to Government expenditure for fiscal year 2007 and, therefore, we must treat them as such. If we look at the first component of this, plus, in fact, the Appropriation Bill, 2007, that appropriated the sum of about \$38 billion. Component too was the Finance (Supplementary Appropriation), Act 14 of 2007; increased the amount budgeted by over \$3.1 billion. And here we are, this third component, seeking approval for increases by an additional \$1.1 billion.

What this means then, is that Government has come to Parliament for fiscal '07 to have a total increase of the amounts budgeted in the tune of \$4.2 billion.

What this also means is that in fiscal '07, Government would have spent \$40 billion. This is the largest fiscal package in the history of this country. It has spent \$40 billion at the rate of \$110 million per day and the question is: What do we have to show for it? That is the question in terms of accountability. Today, a substantial number of our citizens live in poverty and destitution; Government Ministers are smiling all the way to the bank. Food prices continue to skyrocket despite all Government's bleating on schemes about lowering food prices. And if I may, I heard the very lengthy response of all the measures taken to deal with food prices and the fact is that none of those has worked because food prices continue to skyrocket.

A large portion of our workforce has been reduced to the category of working poor. The business sector has expressed lack of confidence in the local business environment. They are forced to compete on an uneven playing field. The cost of housing is prohibitive as building materials and labour costs continue to soar. The education system continues to fail our children despite the billions that have been squandered. The health sector is in crisis, and we saw only last night or the night before on the news, where people are sleeping on benches in the hospital; we have seen them sleeping on the floors in the hospital, and this is where we are talking about prudent—the Minister said—what is it—“prudently managing the nation's resources”. I cannot see that as being prudent when we have citizens in this day and age, with \$40 billion spent in fiscal '07, sleeping on the floor in a hospital. I think it has reached the point where they do not even have space on the floor for people to sleep in the hospital.

The roads are congested; it is traffic gridlock everywhere; 70 per cent of households do not have an adequate supply of water; power outages are the order of the day; flooding continues; the economy continues to be polarized; there is an increased dependence on the energy sector and a widening of the non-oil fiscal deficit. Right now that has increased. It was 11 point something per cent of GDP; it has now gone in fiscal '07 to 15 per cent of GDP. So that gap continues to widen. And here we are, over-dependent on the energy sector in a situation where we could see output shocks—and I would come back to that in terms of the Ryder Scott Report and what those revelations meant and what it would mean for us. I would pick up again, the Minister's statements about the Heritage and Stabilisation Fund which is to guard for when those days of plenty are done.

The environment is under serious threat; high inflation caused by Government's excessive spending has resulted in higher borrowing costs and, of course, creates trauma and suffering amongst the destitute, amongst those under the poverty line

and, indeed, those now in the category of the working poor. Instead of institutional strengthening in the public sector, there is destruction and institutional weakening. The administration of justice has been severely brutalized and compromised and all of this, after \$40 billion for fiscal '07; and if we go back over the past five and a half to six years, we are talking about \$200 billion spent.

I believe that the area that is of national concern and national priority is in the area of crime. What do we have to show for the safety and security of our citizens after this expenditure in fiscal '07 of \$40 billion? Our citizens continue to live in fear of being raped, robbed, murdered; the crime continues unabated in spite of the whole alphabet—the A to Z—of crime plans. They started with Anaconda to Zero Tolerance. None of it has worked; going along with limping blimps along the way. It has not worked. So crime remains the number one issue in this country.

Detection of crime and conviction rates are exceeding low. There is no disputing the fact that crime is out of control. I think every Member in this House will acknowledge that. The murder rate has doubled in the past six years—more than doubled. Detection rates have dropped; the failing prosecution rates as highlighted by Prof. Hood, suggest that a very small fraction of criminals who commit murder are ever made to pay for their crimes. The assessment was that in approximately one out of every 1,000 murders, only one will be successfully prosecuted. Do you know what that means? If there were 1,000 murders—and there are—999 out of the 1,000 murderers would walk free. That is what it means in this country now.

So it is totally ludicrous, in my view, for the hon. Prime Minister to say that he wants to have a major intervention in the fight against crime to bring legislation to deal with criminals; to bring back the death penalty and to hang them. I think the Member for Tabaquite has put it well when he said: “It is a joke, because you first have to catch the criminal, then you have to convict him before you could even reach the stage of hanging him.” We are nowhere there when it is one out of every 1,000 who would be persons falling within that net.

I see that as really a distraction, a red herring. I think the *Newsday's* editorial yesterday or on Sunday, hit it dead on spot when it talked about the statement of the Prime Minister as being just a ploy and a distraction from the serious issues. Everything that you have attempted to do, that you have tried, has failed. It is a ploy; a distraction.

Whilst we are aware that we cannot solve crime with legislation alone, I think I need to bring back to our memories what this Government has done with respect

to the package of children's legislation. Up to today the children of this land are being brutalized, traumatized, raped, battered and murdered and this Government, for the past six years, has failed on every single occasion to come back and bring that package of legislation. It was passed in 2000; they failed to implement it. How many more "Amys" would we have? How many of these children would we have dying before this Government would see the light of day? The last Minister of Social Development, Anthony Roberts, just before the close of the Parliament, said: "I have the legislation." Where is it now? And he has been relegated to the—

Dr. Moonilal: To the COP. [*Laughter*]

Mrs. K. Persad-Bissessar: Maybe the same place where the legislation has gone. I appeal to the hon. Prime Minister, through you, Mr. Speaker, to get the package of children's legislation back into the Parliament now. I say, through you, to the hon. Prime Minister, it is not only in the area of murders, rapes and robberies that this Government has failed, white collar crime goes unchecked under this Government because of its failure to bring legislation to deal with insider trading.

I have been advised that there is legislation drafted over a year now. That legislation was going to be brought to Parliament to deal with insider trading; it never happened because the then Minister of Finance blocked the legislation; stopped Minister Enill from bringing the legislation to Parliament. I am told that in 1999 the Securities Exchange Commission hired an independent Canadian company to probe allegations of insider trading by top businessmen in this country. By 2006 they had established a prima facie case against several top businessmen. The icing on the cake was when a major player in the business world—I will not call his name now but I will tell you it is not our "Jack", but it is a "Jack" that has a lot of luck. He was incriminated in that report that he was involved in insider trading; that he had purchased the shares of RBTT; that he was the only one given the option. There was no publication and this was the beginning of the buyout of RBTT.

The report came up with this prima facie finding and this report should have gone to the office of Director of Public Prosecutions, but it did not go because my information is the names of top financiers of the PNM are involved and implicated in that report. So in the SEC's report by the independent Canadian company are allegations of insider trading. I am asking to tell us why was the SEC investigation into insider trading not publicized in any way; why was the report not received by the office of the DPP? And I ask, through you, Mr. Speaker, whether it is true that

it was the Minister of Finance who gave the instruction to stop the draft legislation from coming to this Parliament to be passed.

3.00 p.m.

I think that the Prime Minister will want to answer. I ask whether it was on his instructions that it was passed. We have seen what the big boys in the PNM can do when they get their hands on private and public state companies. In this very House there was the exposé of what was happening with insider trading on the part of the PNM treasurer, Andre Monteil.

The hon. Prime Minister stood in this House and said that he had sent the report to the DPP. He subsequently said that he had misled the House and that was not so. Do you know what he also did, Mr. Speaker? He said that he will bring legislation to Parliament to make Monteil pay back the money. Where is that legislation, now? If that legislation on insider trading which had been drafted early in 2007 had come to Parliament as it should have, had not been stopped, then Monteil could never have gotten away with what he did in terms of insider trading.

This Government does not have the political will to deal with crime, whether it is on that front or the murders, rapes and robberies. I am advised that this legislation has been there in draft form for almost a year and it has not been brought. If we had done that the Monteil deal could not have materialized. I am asking and calling on the new Minister of Finance to bring the insider trading legislation and lay it in Parliament so that we could deal with those issues on insider trading. The other issue is to make the report of the Securities and Exchange Commission (SEC) public; lay it in Parliament so that we could see the persons who have been engaged in insider trading.

Minister, I read your promise. A few days ago it was reported in the *Express* that you said that you vow to fight corruption. I am asking you to bring the SEC report on insider trading. Find out why that report has not reached in the hands of the DPP; where the draft legislation is and why it has not been laid in the House. Hon. Minister, I know that you mean well and I do feel a great sense of sympathy for you. If you intend to do the right thing you may soon find that in the same way the powers that be stopped that legislation from coming and dealt with that SCC report, you may find yourself in the same position. I wish you well.

This Government lacks the will to fight with crime. Last week, the Minister stood in this House and listed a long list of initiatives many of which he has accepted have failed for some reason. He has no idea why they failed; his only concern being that he be not blamed for that failure. How does he expect success

when he cannot explain why they failed and continue to spend money behind those initiatives?

It is interesting that the Government made a major issue of the need to have a crime debate. It insisted that the Opposition support the idea of its motion, its crime debate and subvert our motion in favour of the Government's. Of course, our Chief Whip has better sense than that and so does the Opposition. We brought our motion and history would show why. We could not trust the Government. What has happened since then is that the Government in its earnest called the Parliament to discuss this issue. After one sitting only three members spoke; I think that one did not complete his speech; so two and a half spoke. The Sitting was adjourned. When it was adjourned it did not go to the next regular day which would have been January 11; it went to January 18, which is today, 11 days later. There were 11 days within which we could have continued with the crime debate, but the Government failed so to do.

The Member for Diego Martin North/East is so excited with this little job that he now has in that seat there; he is so busy. He said that we have more important business to deal with; we have to deal with the supplementary appropriation. Whose fault is it that you waited until the last minute to rush this to Parliament? You know and you know and you know that you have to close the books; bring the supplementary by January 31; but you wait until the last moment and then say that we cannot do anything else. The only thing we can do is to get this done. I must get it done by Monday night because "yuh know what fellas"? By Tuesday I am taking it to the Senate. Well, I wish you good luck, hon. Minister, because we have 14 Members on this side and everyone will have a say with respect to how you spend the people's money.

With respect to the crime debate, why did you adjourn the debate in that manner? Why did you not go to January 11? It is very easy to see ex post facto, after the fact, because on January 11 was the big PNM fete in Tunapuna, so they could not have come to Parliament to deal with matters touching and concerning the welfare of citizens. That does not excuse every other day that we could have been here in Parliament. We can only say that they have no care; no concern and it is not a priority in their book. This becomes very clear when we look at the interministerial transfers presented in the Finance Committee this week. I have noted within these interministerial transfers the apparent complete about-face of the Government with respect to its position on crime.

You will recall as I said that the second component in this exercise of fiscal 2007 was the Finance (Supplementary Appropriation) Act, No. 14 of 2007 which

we dealt with in June last year. In that supplementary appropriation, will you believe that the Government came to Parliament and asked for \$30 million more? To do what? For replacement of police vehicles. The Government came for \$30 million in June last year. It said that this was a matter of urgency and priority. We agreed with them because we know the cries of our citizens. Every time you call, the police do not have vehicles and they cannot come to assist you. What is happening now? Why has the priority changed several months later that the Government is now saying that it could not spend \$28 million out of that \$30 million for the replacement of vehicles in the police service? You have sacrificed the purchase of vehicles for the police and put it into what? They put it into \$1.4 million in overseas travel and offshore patrol vessels. I am not against it. While you are busy offshore patrolling vessels, we do not have onshore police vehicles for the police to run down criminals. [Laughter] You took away the money and your priority changed. The sum of \$28 million of the \$30 million has been snatched off. If that is important, great!

Why did you sacrifice police vehicles, knowing what is happening in this country? If it was discovered that crime has taken a nose dive and something was being done to protect citizens, this could have prompted the decrease or the non-utilization of the money. The explanations given in reply to question in the Finance Committee, in my respectful view, do not hold any water. If this was a matter of priority, then it should have been done. When you talk about prudent management of the nation's resources, I fail to see now not replacing police vehicles as budgeted for could be prudent management of the resources of the nation.

Murders are increasing. The newspaper told us about a shootout on Duke Street. We are not living in the Wild West. Duke Street is in the city of Port of Spain, the capital. At a wake seven persons were shot. It is the Wild West. 28 murders, Mr. Speaker. The murders outnumber the number of days in the year and they do not care. The sum of \$6.9 million was allocated for the training of police officers and they did not train them; \$28 million to purchase vehicles for the police and this was not done. The Government listed \$83.9 million in resources which it said that it would acquire. It failed to acquire those. The reason given for the non-delivery of vehicles, uniforms and other items is that the contracts were awarded too late to facilitate timely delivery. Are we serious when we say that fighting crime is a priority; the contracts for these vehicles were awarded too late; we cannot use the money so we spend some in overseas travel and other areas? This says that these purchases were not properly planned, co-ordinated or the contracts were approved late deliberately in order to facilitate something else.

You will recall the Deputy Commissioner of Police giving the assurance that the new police uniform for tactical units will be coming because those in use currently were being copied and used by criminal elements. We have not seen any new uniforms. Once again the money allocated for police uniforms was not utilized. They did not deliver. They did not perform.

I come back to this case. Last Thursday at 8 o'clock in the morning, Ramjattan Ramdeen, 70 popularly known as John Agitation was at home. Two armed men stormed his house. They tied him up and robbed him. His wife had to take cover. Instead of calling the police she called her son. Why did she choose to call her son? She has come to expect no police response.

We talk of the other story, the case of Rajee Mahabir. This one is really heartrending. She went to the station to report that at that moment a man was beating her son at the family home. The newspaper report of January 02, 2008 is that Mrs. Mahabir was made to wait for three hours before getting any attention. Then the police said, what? They had no vehicles to respond. You had the money but you did not buy the vehicles. Then, you want to tell us about prudent management of the nation's resources?

She was told to leave and come back the next day. Mrs. Mahabir went and found a private vehicle and returned to the station at 5.00 p.m. This time she was told that there was a shortage of police officers. She was again asked to hold on.

While Mrs. Mahabir was at the Sangre Grande police station holding on another relative went to her house and found her 15 year-old son, Brendan lying down with blood pouring out his eyes, his nose and his mouth with his head swollen after being beaten with a cricket bat.

No police vehicle; no police officer and you say that you care. More than 24 hours after the killing the alleged offender remained on the run. Are these facts true? Is it true that this mother went to a police station to say that they were beating her son and they told her to wait; hold on; "doh worry; we doh have a vehicle now". She waited three hours. She continued waiting and then found a private vehicle. Is this true? With the number of murders under this regime, all the water and all the oceans of the world will not be enough to wash the blood stain off your hands, and the tears and cries of mothers and fathers. Too many of our citizens and the children are being murdered. This Government says prudent management.

When the Member for Tabaquite came up with—by the way, I hold no brief for the Member for Tabaquite. I am sure that you will acknowledge that. When

the Member for Tabaquite talked about getting the armed private security guards because of the failure of the police service, there was a big cry. The Attorney General said that it was against the law. I see the *Express* reporting that hiring 75 private security guards will be used to do the work that was done by the Special Branch. To do what? To guard the Prime Minister. What hypocrisy! What total hypocrisy from the Government! Total hypocrisy when you are saying to ordinary citizens that the police cannot take care of you and you cannot get private security guards if you can afford it, but I can have it! In addition to the entire police service, I am going to hire 75 private security guards.

3.15 p.m.

What hypocrisy! It is mind boggling. This Government has lost touch with the people of this country; with the care and the tears of the people of this land. So what is good for Mr. Manning and the PNM is not good for the country. I want Mr. Manning to tell us why he has no confidence in the ability of the special branch to protect him. Why does he not have confidence in the police service? If the report is correct, why is he going to be paying them between \$10,000 and \$20,000 a month? Why not pay the police officers? You took away their money, pay their back pay, their overtime and their allowances.

Mr. Speaker, I see in the transfers another item that was taken away. They did not pay overtime and allowances to the security forces. Do you know why? Their explanation was that they did not have the staff to process the claim; but they have the staff to process \$10,000 and \$20,000 for Mr. Manning's security. And they want to say that the police service is not performing.

They have taken away money for equipment, cars, resources, overtime and COLA in the fiscal year 2007 and they say to them "Please go forth, be brave and defend me; protect and serve". Totally shameless behaviour on the part of Government! Hon. Minister, you were not there when this was happening and that is why we cannot agree with you about prudent management of the resources of this country.

I would like to quote from yesterday's *Newsday* editorial, January 17, 2008. It was dead on spot. They reflected what the international community has been saying for some time:

"Mere days after the Government indicated that it would be suspending the debate on crime in the Parliament, Prime Minister Patrick Manning told a gathering of businessmen that his administration would be taking to Parliament legislation that would enable the Government to implement the death penalty.

This, like the debate itself, seems to be a political ploy which has little or nothing to do with fighting the crime scourge. This is implied by Mr. Manning's assertion that implementing the death penalty will require support from the Opposition UNC. 'If they wish to support us, they support us,' said Mr. Manning. 'If they don't wish to support us, then it fails and that is the end of that.' Except, of course, that it will not be the end of that, since lack of Opposition support will mean no implementation of the death penalty and indeed allow the Government to blame the UNC for its failure to reduce crime. Moreover, the only reason the Government would require Opposition support would be because Mr. Manning plans to tamper with citizens' Constitutional rights."

And it continues.

So, Mr. Speaker, the games continue. I am sure that we can quote for you the multiplicity of quotations of the hon. Prime Minister and the Minister of National Security declaring war on criminals, zero tolerance and the reduction in crime. The fact is that crime is out of control. Every one of us, even the Prime Minister, has lost friends and colleagues in this scourge. Every one of us knows someone directly affected by crime; a family member or a friend.

I recall in this very House when our colleague, the Member for Naparima, lost his son. We recall when the then Minister of Health, Mr. Rahael, lost a family member. The constituency office of the Prime Minister was robbed. I am saying that if they are serious about crime, why did they do all these transfers? Why did they skew away from the national priorities in terms of the war against crime? The sum of \$452 million was transferred from a host of sub-heads in that Ministry and, as I said, the source of the money was very important.

What did it go to? I would like the hon. Minister to let us know. In what way does this assist with crime? Tell us something about them. They tell us that they took \$23 million; \$1.4 million to overseas travel and \$23 million that could have gone for vehicles and for payment to police officers for the brown bag that we got in World Cup Cricket. A stadium that was to be built to host World Cup Cricket is still not there. To what benefit is that for the citizens of Trinidad and Tobago when they could have used the money for what it was allocated, namely, police uniforms, vehicles and salaries? I have looked at crime and I am sure my colleagues would develop other areas.

I want to look at the whole business of budgeting and varying and to suggest that this supplemental appropriation is symptomatic of the weaknesses in the structure and mechanisms for government budgeting over the years. Every year,

Government presents its fiscal package at the start and every year, without fail, it has returned to the House, sometimes on two or three occasions, to seek authorization of more expenditure above that which is budgeted.

You may say that the law allows that, but what is happening is that we are seeing continuous increases above that on book, with the exception of 2002 when the Government could not come back for money because there was a hung Parliament. Every year this Government has been in office, it has continuously increased additional funding outside the amounts budgeted. Every year, Government has been sourcing a greater percentage of the annual budget as a supplementary appropriation. I will come to my view on what is wrong with that in a moment.

In 2003, Government, by supplementary appropriations, increased by \$1.7 billion; in 2004, to \$2.7 billion; in 2005, to \$4.7 billion; in 2006, \$7.2 billion; and in 2007, on which we are closing the books, \$3.1 billion plus this \$1.1 billion, \$4.2 billion. This demonstrates that this happens every year. Government at this time needs to take a serious look and a position on the weaknesses in expenditure estimation. With a new Minister of Finance, I am sure that opportunity will arise. Every year Government has a programme. It costs its programme, but every year it is short in finances, it comes back for more money. This points to inefficiency and incompetence on the part of the Ministry of Finance to exercise fiscal discipline and restraint. If we can say that a supplementary appropriation is warranted, when the country has encountered things that were not anticipated—acts of God, natural disasters, war, terrorism—there were none of those things in fiscal 2007, 2006, 2005, 2004 and 2003. Yet every year we have seen large increases in the amounts budgeted.

One way to look at it is that it is acceptable if in one year you come back for more, but when you make it into a habit, it is like a recurring decimal that every single time you increase your budget, you bring eight Bills turned into Acts to prove your point. You have increased above budget 70 per cent, 67 per cent at all times. You have gone with very strong increases.

What does that mean? It means that the budgeting process is flawed and unless we correct it we will not realize the efficiencies in public administration and we will not inspire confidence in people. That brings us to our various budget promises. A Pricewaterhouse study shows that 77 per cent of the matters to be delivered in the 2007 budget have not been. It has been called the broken promises of the budget.

In terms of the integrity of the process and the confidence of the population, if our estimates are always so wrong and you cannot get it done, you are not going to inspire confidence in the process. What you can say is that the budget is like a farce, every year we come it is like a “pappy-show”, we just go through all these numbers but we know they are going to vary it. What is even more deadly is that the Minister of Finance, at his discretion, can vary those sub-heads within a particular Ministry.

It is very interesting because you have creative accounting. I would like the Minister of Finance, through her technocrats, to tell me how, under the transfers—this is just one item, I am sure there are many others when you deal with transfers. If we look at the transfers under the Ministry of Community Development on page 20 of the minutes that were dealt with in the Finance Committee, I saw that the amounts transferred for the various sub-heads totalled \$20.8 million; then the amount transferred when you come to the two columns matched. However, when I went into the explanations, I could not find the \$20.8 million at all. I had to add two items on page 44—payment of stipends to trainees; training materials to skills training programme and so on and funding needed in the sum of \$.033 million.

Then, Item 6, “To facilitate the participation of a Trinidad and Tobago goodwill cultural contingent in activities to coincide with the opening of a trade facilitation office in Havana, Cuba, for the period of September 06—08 in the sum of \$1.9 million”. I went back to transfers and I am looking for the \$1.9 million to see in which sub-head of that Ministry that was allocated.

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

Motion made, That the hon. Member's speaking time be extended by 30 minutes. [*Mr. R. L. Maharaj, SC*]

Question put and agreed to.

Mrs. K. Persad-Bissessar: Thank you very much. I am saying that on page 20 and 21, which deal with the Ministry of Community Development, Culture and Gender Affairs, nowhere can I find this item with sub-head. When I examine it carefully—this is where I find the creative accounting—I noted that if you added Items 5 and 6 from the explanatory notes on page 44, which had to be paying people for skills training and to provide assistance to needy students, you have to add that to the \$1.9 million for this travel. Guess where it went? It went to something known as “Current transfers and subsidies, Non-profit institutions, Households”. How on earth could overseas travel to Havana be accounted for

under “Current transfers and subsidies, Non-profit institution, Households”? When we were in Finance Committee, we were being told that all we had to do was to take note of these.

3.30 p.m.

But, how do you account for that; that it went in the sub-head? I have seen in the same Ministry of Community Development, Culture and Gender Affairs, where they gave moneys for travel. Here we took moneys from various things. The Minister did that on his own, in his discretion. He took moneys away in the sum of \$3.4 million and put it in general administration and official overseas travel. What was that for? That was to facilitate some people going on a culture trip to the Far East. How is it that they end up in the place of official overseas travel of \$3.4 million and \$1.9 million was used for people going to Havana for the opening of an office? They are taken care of under “households”. The only thing I can think of is that somebody carried their family and in that way, they took their household along with them. It cannot fit any other way. I ask that the hon. Minister tell me how such creative accounting took place. How can you place this under “households”, when it really should have gone under “official overseas travel” in the same way that the other item for travelling to the Far East, the \$3.9 million, was accounted for?

Whilst you have the constitutional authority—the Minister can vary within Heads—there must be accountability. That is just one item I have picked up. If we had the time to go through each one we may find many others. It is frightening, where you have budgeted in one way—where the Parliament approves the allocations—you go into it in a different way and you shift around things without parliamentary approval and come back and say: “Listen, I doh need your approval. All I need for you to do is take note.” I must take note of that kind of creative accounting and the fact that all the police vehicles were not bought, you spent it on overseas travel and “brown bag” World Cup security.

One thing that arises out of the failure of Government to exercise fiscal restraint—there is a pattern of increasing expenditure above that budgeted each year, each time—what we see is a phenomenon of cost overruns. As long as suppliers, contractors and public service providers know that the Government will accommodate their request for increased financing, then there is no incentive for these providers to cut cost and operate within budget. If Government does not exercise fiscal restraint, re: expenditure, it does not lead by example. How can we expect suppliers and contractors to exercise economies and efficiencies when the Government is not leading by example? This, therefore, means that we cannot get

value for money. We see it all the time when these contracts are awarded for public works. They come back with additional requests for more money. Why? It is so easy for the Government to come and increase that expenditure and amounts to be disbursed.

Further, the failure of Government to exercise discipline to keep within its budgeted works—its capital expenditure programme and other expenses programme—really brings us tremendous discomfort. For example, you budget for the Butler Interchange, that was a project since 2002, under the UNC, and it is still not done. There is traffic gridlock. You have budgeted for that. You have not been disciplined. You have not kept to your programme of works. Associated with the failure of the Government to start projects that it intended, you do that kind of creative accounting and shift the funds all over the ministry.

As I said before, a survey done by PricewaterhouseCoopers has found that 77 per cent of the projects promised in the 2006/2007 budget have not been delivered. That is a 77 per cent failure rate. With due respect, how can that be prudent management of the nation's resources when there is a failure rate of 77 per cent, in terms of delivery of the projects promised in the 2007 budget? We have \$40 billion spent but a 77 per cent failure rate with respect to delivery.

You would recall all the broken promises each year: the childhood centres, the police stations, the oncology centres and the water taxi. That one must have been the biggest joke. The water taxi, we were to get it since July 2006 then we were getting it before election. Every month it was on the books. The Prime Minister, in his last budget speech, did not want to commit himself. He said: "Maybe in the first quarter of the new fiscal year." This is because he cannot depend on the Minister of Works and Transport to deliver those things after he promised it month after month after month. It was so with the water taxis too. So many projects were promised and budgeted for and just do not get on the way. We do understand that there will be circumstances where projects will be delayed, where you will have to shift funds but it has been almost in every area with 77 per cent of non-delivery.

I now talk of the failure of Government again to plan and prioritize. There is a cost to the taxpayer, when it is that the Government's over-expenditure, the spending frenzy, which is acknowledged by everybody: international and local agencies, as to what happens with the inflation rate. What happens with the inflation rate is that the Central Bank has to work very hard.

Last night I listened to the Governor of the Central Bank on CNC3. He was on one of the talk shows where someone was interviewing him. I heard him last

night. He spoke of all these measures that the Central Bank use and employ to soak up the excess liquidity in the system because that liquidity is what drives inflation. Where is it coming from? It is coming from Government's over-expenditure. Government is a major cause of inflation. Do you know what happens? The Central Bank is busy trying to pull it back. I have talked about the Central Bank's monetary policy versus Government's fiscal policy going at cross purposes. I have described it as the firefight. There is no harmony between the two when they should work in tandem and in harmony. Every time the Central Bank pulls back some of the liquidity with their measures, the Government increases its fiscal expenditure and continues to spend and pumps more money back into the system.

There is a tremendous cost, apart from the others, in terms of the increased prices. There is that cost when it is that Government puts out bonds. The Central Bank would put out bonds to soak up liquidity. Indeed, in the last fiscal year, I believe, the Central Bank issued three special liquidity bonds, with a total face value of \$2,392 million. The proceeds of these were sterilized by the bank and these count towards the legal limit and debt ceilings. Indeed, I am of the view that the debt ceilings are very close to having breached the legal limits. It may well be that Parliament would have to come back very soon to extend the ceilings.

On the point of the bonds, here is the Central Bank trying to deal with the mess created by Government, because of their over-expenditure and excess liquidity in the system, puts out bonds. What happens then? When they put out bonds to try to soak up the liquidity, fine that is great. Somebody buys the bond and they get interest. But who is paying for this irresponsible behaviour of the Government? When that interest is paid, where is it paid from? It is paid from the Consolidated Fund. What is the Consolidated Fund? The Consolidated Fund is the revenues of the Government; taxpayers' dollars and other revenues from oil. There is a cost associated with Central Bank trying to clean up and soak up the liquidity created by Government. Then that is put back unto the ordinary citizen. When you pay the interest on those bonds that is money. Those are dollars that could have been used to build roads, fix drains, build hospitals and police stations. It is not being used to do that. Instead we now have to pay out as interest, as a penalty because the Government has put out too much money in the first place and created that excess liquidity.

This means that the Government, by engaging in this very irresponsible fiscal behaviour, results in a further deprivation of revenue, when we use scare tax dollars to service the bonds sold by the Central Bank. We are then paying a real

charge when the Government overspends. It is all well and good to say: “Doh worry the Central Bank will deal with the issue. They will issue some bonds to soak up the liquidity.” We are paying a charge. When the Government overspends and overinflates, they put the burden on the next and the next year and this fiscal appropriation puts the burden. You are putting the burden on future generations. That is not for the benefit of the people. You are building in a structure in the budget of debt obligations. We would have to service those debts, not for infrastructural development, hospitals, schools and roads. We will be doing it for inflation. Why? Because that is a cost that we could have avoided if the Government was not so fiscally irresponsible and could control inflation.

I remember in the budget presentation last, I predicted in this Parliament that given Government’s reckless expenditure, inflation will reach double digits. Right here in this Parliament I predicted double-digit inflation. That is exactly with what happened late last year. The Government talked about bringing it down. They said that they wanted to control it at 7 per cent. It is nowhere near 7 per cent. I would really like to hear what measures would be used in fiscal 2008 to bring down that inflation rate.

Finally, inflation affects all of us, constituents of Members of Parliament on that side and this side. I think what has been hardest hit would be food prices. I think food prices is what affects all of us. In talking about that, it seems to me that the Government has failed to tell us how they will deal with bringing down food prices, in terms of domestic production. As I have said, the hon. Minister in his reply talked about all these factors causing inflation and the measures taken. That is just not working. The Government is telling us that inflation is a worldwide phenomenon. I wish to remind the Government that in United Kingdom, inflation is only at 2 per cent. Is the UK part of the world? You said it is worldwide. In Germany it is under 2 per cent. Is Germany not part of the world? In the United States, when it went above 3 per cent there was tremendous concern that inflation was totally out of control. We understand that it is worldwide but why are we at this very high rate? We know that imported food items from major food producers increase costs. We know we cannot control those external costs and increases but what we can do is control domestic food production.

Here the Government has dismantled Caroni (1975) Limited. It is failing miserably with allocating of Caroni (1975) Limited lands to the workers for food production. The Member for Tabaquite has been engaged in a case where the judge has ordered that the lands be given to the farmers. This Government is shameless. [*Desk thumping*] After you promised the lands to these workers and

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[MRS. PERSAD-BISSESSAR]

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there is a judgment of the court, you want to appeal. Why do you want to appeal? Shameless! Do you know what this whole thing amounts to? You are cutting off your nose to spite your face. I will tell you why. We can only say and see that the Government is discriminating against these workers, because they are of the view that these workers are supporters of the UNC Alliance and, therefore, you do not want to give them the lands. That is very shortsighted. It amounts to cutting off your nose to spite your face. If you do not transfer that land on a timely basis, domestic production continues to dwindle.

The agricultural labour force continues to decrease. Citizens in the urban areas, the taxi drivers, the factory workers, office workers, teachers, policemen and all the wage earners are the ones that would be most heavily hit. When you think you are spiting Caroni (1975) Limited workers down there, you are in fact affecting the rest of every sector in the country. If it is, it is really the wage earners, the working classes and middle classes who will suffer most from your failure to increase domestic production in agriculture. That cannot be the object of the Government. It must not be the object of Government. It is not our object at all.

According to very, very relevant dicta in developmental economics, the welfare of the urban worker is directly related to productivity in the agricultural sector. When the agricultural sector increases and food prices drop, it is the welfare of the urban sector, the service sector, the non-agricultural sector and the rest of the economy that would increase.

3.45 p.m.

That is a basic theory in development economics, and you are going to see why. If food is affordable to everyone, then what is going to happen is that wages can be kept in check. You are going to see in these appropriations and transfers how much money is being used for increases. So, if there are increases in agricultural productivity, it is important to urban, manufacturing and also very important to export and foreign exchange competitiveness. This is cutting off your nose to spite your face, when you have refused, you have failed and you have been delinquent in your shameless behaviour in preventing the workers of Caroni (1975) Limited from getting what you promised them.

In Trinidad, there is a saying about a “cattle boil”—you give something and you take it back. You promised it! Repeatedly in this House you have said that you have promised this. So, I say to you, through the Speaker, to give the people the land. Give them the land! [*Desk thumping*] Do not give it to them as a favour

or as a gift; give it to them to increase the domestic production in agriculture, and it is going to benefit the entire country, because no one else is doing it. Who else is in agriculture? Where else are we going to get food? If you think that it is bad now where world food prices are going up, we all know that world food shortage is upon us. It has started and, therefore, we have to be really sure of ourselves here in order to proceed.

The last point I want to make is with respect to the Heritage and Stabilisation Fund (HSF) that the Minister mentioned. We need to look at the HSF. We have had the HSF now for eight years. Mr. Speaker, the Government seems content to reap the rewards of high energy prices. I heard the hon. Minister talked about the windfall in energy prices and, in spite of the caution of the Ryder Scott report, which predicted that this country has already started depleting its proven reserves, and at the current rate of depletion, if no reserves are proven, the gas reserves will last 12 years.

So, in looking at this revenue windfall and so forth, gas is not a renewable reserve. It is like a mango tree with mangoes that is going to finish. That report has not been made public and it was paid for by taxpayers' money, and up to now the Government has concealed this report. Why? It opens room for speculations as to what else is in that report.

Mr. Speaker, the experts have now been discussing a revision of the fiscal regime towards lowering the tax intake from the gas product as a way of providing an incentive for the now desperately needed exploration for gas. What does this mean? This means that you are now going to be giving away more concessions to get further exploration. So, on the one hand, I think the country is being "played" by the large multinational oil and gas companies. They are holding oil and gas exploration as a ransom for better terms, based on the clear understanding of the Government's total dependence on oil and gas for the development of the country.

Recent disclosures of staff cuts and reorganization at one of the country's leading oil and gas companies and a notice by Mr. Robert Riley that there is insufficient gas for another LNG train must serve as a warning to the Government of the need to diversify away from the sole dependence on the wasting resource of oil and gas. Maybe this is what prompted the Government to conduct an oil survey, but like the Ryder Scott report, we can be certain that this information will not be presented to the public, but we are going to find out.

Mr. Speaker, a recent letter by one Reg Potter revealed a very curious situation. In that letter, Mr. Potter noted that in an interview with Minister Conrad

Enill, reported in the *Business Guardian* on January 03, 2008, there is a comment relating to the Loran/Manatee gas reserves shared with Venezuela. It says:

“It should be noted that T&T’s stake in the 10 trillion cubic feet is included in the proven reserves in the Ryder Scott audit, which is a long way from being monetised.”

These gas reserves have always been excluded from proven reserves in former years. This is what the press report is saying. Why are we now including these reserves that we have shared with Venezuela as part of our proven reserves? In fact, you are therefore making it look more than it has always been. This is exceedingly important.

As of January 01, 2005 we had 18.7 trillion cubic feet of proven reserves. As of January 01, 2006, the Ryder Scott report showed that this figure declined to 16.7 trillion cubic feet. However, that said report in 2006 included for the first time, some two trillion cubic feet of gas that we owned in shared reserves with Venezuela which we had excluded and for very good reasons—previously we had excluded it, and now we are including it to “bump up” our stocks as it were.

For comparison, we must put all figures on the same footing, hence our share of some two trillion cubic feet can be subtracted from 2006 report leaving us now with reserves proven at 14.7 trillion cubic feet. If this is the true picture, I think we should all take note, because the ramifications of this are of extreme importance to our nation’s future. *[Interruption]* We are going to hear about them and you can certainly respond.

What is very clear is that the Government is of the view that this thing will never done. That is the point. You can get output shocks. How many more dry Ibis wells do we have to come up with before this Prime Minister can learn? You are going to get output shocks. You cannot guarantee us—you are giving away more concessions to get the multinationals to explore. They cannot guarantee you when they explore that they will find. They cannot guarantee how much they will find. So, we are going to be giving away, and we are going to be caught between a rock and a hard place. I understand the position, because you had to do the exploration, but you are being asked to give further concessions for that to take place. This is going to have damage control.

Mr. Manning: Mr. Speaker, I just want to advise the hon. Member for Siparia that in a bid round, these companies pay signature cash bonuses for all kinds of things. In other words, the picture that she is seeking to paint is by no means a true reflection of the facts that the tax concessions that are given, are given in the

context of cost recovery and incentives to actually do exploration. To gain the concession themselves, the companies pay very handsomely for that. So, it would help us considerably, if as the hon. Member makes her contribution, she tries to be as balanced as possible so that truth prevails rather than the emotion that she is trying to foster in this honourable House.

Mrs. Persad-Bissessar: I take strong objection to the Prime Minister's statement. If that is so, from what he is saying—the Prime Minister is saying that I must speak the truth—is the Prime Minister implying that I am not speaking the truth?

Mr. Manning: Half truths.

Mrs. Persad-Bissessar: Not at all. I am asking the hon. Speaker, if the Member can stand and do that under the Standing Order? I graciously gave way to the Prime Minister, and then he accused me of not telling the truth. Can he do that, Sir?

Mr. Speaker: I think what the Prime Minister was saying is that there should be a balanced approach. Please, continue.

Mrs. K. Persad-Bissessar: I am not surprised at your ruling, Sir. I am certainly not surprised. [*Laughter*] We are going to deal with that in other places. What I want to say to the hon. Prime Minister in response to his statement is that he is definitely giving away those concessions. I would like him to tell us, if we want to be balanced, when he came up with a dry Ibis well what benefits did he get from that. What were the concessions? What did you give? There was another one that was shut down because there were serious problems with it. What did you benefit?

There is one last point that I want to make in the few minutes that I have left. We must be real. Yes, we are going to get gas, but you cannot believe that it will always be there, so we must be prepared for a rainy day. The IMF has told you that. They have said to you in their last PIN in October of last year that we must be at more sustainable levels; we have to diversify; we must move away from 15 per cent of GDP in non-oil deficit. They have said that we must bring it down to 10 per cent in the medium term. What are we doing to do that? I do not see anything, because you are not dealing with agriculture and you are not boosting that sector. You are still depending on the energy sector.

Secondly, the IMF has said to you that this HSF which is to cushion us in those rainy days that the size should be a minimum of \$20 billion. The Minister told us

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today that it is \$1.66 billion. After eight years, we are at \$1.66 billion. If we are to go in with what the IMF is recommending which is a minimum of \$20 billion, do you know how long it is going to take us to get there at the rate the Government is putting money into that? It is going to take us more than 50 years. Exponentially, nothing! How much money did you place into the fund this year? You had so much windfall revenues.

Mr. Speaker, as I close, I want to echo that the Governor of the Central Bank last night shared the view that you must bring down that non-oil deficit from \$15 billion to \$10 billion, and you must also deal with the size of the HSF. I ask the Minister: Does she agree that we should have a minimum of US \$20 billion in the HSF? [*Interruption*] This is in the PIN October, 2007. I am going to get it and circulate it for you before the day ends.

As I close, this country is heading for an economic crisis. I want to really commensurate with the hon. Minister of Education. She has obviously inherited a hotbed with worms being found in our school children's lunches, and the discovery that the former Minister had intentionally misled the nation when she claimed in centre spread advertisements during the election campaign—paid for with taxpayers' money—that under her watch, a great number of schools have been refurbished and built. The list was published. The Minister refused to make corrections to that list.

Yesterday a report in the *Trinidad Guardian* stated that the Kanhai Road Presbyterian School had not been reconstructed or refurbished, despite being on that list of completed schools. This did not surprise us. The revelation is that there are at least four other schools that were listed on that list just before the election campaign as completed and finished and so on, and they were never finished. The Minister had the uncanny ability to finish rebuilding schools before actually starting them. [*Laughter*] She never started them. Now, she has been promoted to the Ministry of Local Government, and we look for what will come.

I want to thank hon. Members for the time. Through you, Sir, I want to congratulate the Member for D'Abadie/O'Meara on her maiden contribution in this Chamber. [*Desk thumping*]

The Minister of National Security (Sen. The Hon. Martin Joseph): Mr. Speaker, thank you very much. First of all, I am here to participate in the debate on the Finance (Supplementary Appropriation) (2007) Bill, and to treat specifically with some of the issues raised by the Member for Siparia.

My understanding is that the impression was given to this honourable House, and by extension the national community, that the Government's priorities are all

wrong as they relate to spending. Specific allegations include—I understand money was not spent by the Ministry of National Security on uniforms, vehicles, overtime, training, et cetera for the police service, but it was used to pay for offshore patrol vessels. The Member asked what the OPVs had to do with fighting crime. Mr. Speaker, during my contribution, I am going to speak specifically to the issues of funds from the Ministry of National Security.

4.00 p.m.

I would be very precise and get specifically to the issue. If you look at Head 22, Appendix IV, Ministry of National Security, sub-head 01: Personnel Expenditure, you would see that under General Administration, Item 01: Salaries and COLA, which is \$14.7 million transferred, the explanation for that is that additional funding was allocated to the Accounting Unit, Ministry of National Security, to provide for any shortfall in the payment of arrears of salaries. However, this was not utilized since the negotiations for prisons and fire divisions, under the AU7, were not concluded at the end of the fiscal year; so that there was no need to utilize that \$14.7 million.

The allowances of some \$35 million was also part of the expenditure for that; so if the negotiations had been completed, \$14.7 million was provided in the event of the outcome of the negotiations, and then some \$35 million was also there to deal with allowances normally associated with the conclusion of the negotiations of that kind. So, having not concluded the negotiations, no need for the \$14.7 million, and the \$35 million needed for the allowances associated with that.

Mrs. Persad-Bissessar: "You doh want to pay the people."

Sen. The Hon. M. Joseph: And the reason why the negotiations were not completed was because of the very nature of negotiations. [*Laughter*] We cannot force—I am answering the Member for Siparia.

Mrs. Persad-Bissessar: "You doh want to pay the people."

Sen. The Hon. M. Joseph: "How you mean yuh doh want to pay the people. How we wouldn't want to pay the people and have the moneys put aside there for the payment of the people."

Ms. Kangalee: Very disingenuous.

Sen. The Hon. M. Joseph: Very disingenuous, Member for Siparia. Anyhow, Sir, that takes care of the \$14.7 million and the \$35 million.

With respect to the vacant posts, salaries and COLA, \$8.3 million, this is for across the Ministry. These vacant posts were not filled; the process of interviews, et cetera and final selection was not completed in fiscal year 2007 and, as a result, there was no need for utilization of the \$8.3 million. *[Interruption]* Because again, a very competitive environment where there are lots of positions, not just across Government ministries but also in the private sector, it is proving a little challenging in order to recruit persons. And since we are not just recruiting for recruiting sake, in instances where we cannot hire the most suitable persons, then we would just have to hold until such time.

In some instances, hon. Members, it may be the salary package that is being provided, because we are recognizing also that as part of the very competitive labour environment now that there are greater demands being made on the type of—I see the Member for Couva South smiling because I guess he is very much aware of that competition. So, Mr. Speaker, hon. Members, that takes care—I do not have a calculator, but \$14.7 million, \$35 million and \$8.3 million—of the transfer falling under general administration, personnel expenditure.

With respect to fire services and now you could see where the big sets of moneys are coming from. Having not completed the negotiations with fire services, the \$68.5 million that was put aside there for the finalization of negotiations would not have been done. My understanding is that the negotiations with the fire services were completed close to the end of the year, but certainly outside of the fiscal year 2007. So, that accounts for the \$68.5 million and then the allowances associated with it are \$26.3 million. Having not completed the negotiations, no need for the \$68.5 million and then the allowances associated with that, some \$26.3 million, no need to be used and as a result, transfer.

Salaries and Cost of Living Allowance: \$86.6 million falls within the same category. That takes care of fire services. Sorry, sorry, let me just back up; 002: Fire Services; I talked about the salaries and cost of living allowance of \$68.5 million, the allowances of \$26.3 million; that takes care of fire.

The other category would have been Prison Services Salaries and Cost of Living Allowance: \$86 million was put aside for the conclusion of those negotiations and \$51 million in allowances. Having not completed those negotiations within the fiscal year, then that \$86 million and \$51 million would not have been utilized and you would have seen that it had been transferred to deal with the question about OPV's; that takes care of prisons.

With respect to police, you would see \$20.8 million as it relates to overtime. The explanation there, Mr. Speaker and hon. Members, with respect to overtime

due to revised salaries for the period January 2005 to December 2007, that the issue as it related to the classification of sick leave, was one of the major constraints I have been advised as to the reason for the non-payment of the overtime. Also, demands on the auxiliary staff in the context of salary negotiations also contributed to the inability to complete the overtime.

Mr. Speaker, there is a very archaic system that exists with respect to the calculation and the payment of overtime. You know what is amazing? What is amazing is that—

Mr. Ramnath: You are a management expert?

Sen. The Hon. M. Joseph: Yes, but it is within the police—when you come here and you give correct explanations, because you are not supposed to mislead the Parliament; not just the Parliament; you are not supposed to mislead, period; you are not supposed to mislead the population, when you come and provide accurate information, you are accused of being a failure, so the next thing you will see tomorrow, "Minister fails because of the archaic system that exists with respect to the calculation of overtime, identification of overtime and the payment of overtime." That is being addressed, because clearly, it is not in the best interest of anybody as it relates to—and it is not because we do not want to pay the overtime.

Mr. Speaker, again remember, the persons who are responsible for doing all of these calculations, et cetera, are subjected to all kinds of audits. Not only that, when you overpay there is a difficulty with respect to people having to repay. So, it is important that the whole question about a proper calculation of overtime and the payment of overtime takes place. *[Interruption]* There is an issue as it relates to the question about the calculation of the overtime because of the very nature of the police service; the way in which they keep their records creates a problem; that is being addressed. That explains the non-payment; it is being addressed. And of course, the allowances associated with that of some \$14.7 million contribute to that.

General travel of the \$3.9 million; additional funding was allocated to provide for any shortfall in the payment of arrears. However, this fund was not utilized since the negotiations of fire services and prison services were not concluded and, as a result, the travel associated with the payment for those travelling officers in both prison and fire, again, \$3.9 million was not utilized. I do not like to say the savings, because it is really not savings; they were not utilized and, as a result, they were able to be transferred.

Rent, lease, vehicles and equipment, some \$7.7 million. Lease payment due to the National Helicopter Services was paid by the Ministry of Finance. Where it would have been budgeted for in the Ministry of National Security, \$7.7 million, in fact those payments were made by the Ministry of Finance and there was no need for the Ministry of National Security to use that \$7.7 million and it was transferred.

Extraordinary expenses of \$22.7 million. Due to the sensitive nature of the projects falling under this sub-item, funds must be readily available to expedite these items of expenditures on demand. However, some of the projected outcomes did not materialize as we had envisaged and as a result there would have been no need for the use of the expenditure falling in this category. That is the best I can say at this particular time; \$22.7 million was not utilized.

With respect to Promotions, Publicity and Printing, \$2.5 million. Mr. Speaker and hon. Members, this was supposed to have been part of a public education programme for the implementation of the machine-readable passport. But it did not come on board because of some delays that were experienced with respect to the implementation of the machine-readable passport, and the public education programme of \$2.5 million did not come on stream, so there was no need for expending that \$2.5 million.

Police service uniforms: \$2 million. My understanding is that under the contract that exists now, until the contract is completed and the contract completion report is submitted, payment would not be finalized. My understanding is that that was not done within the fiscal year 2007, but I have been advised that the approach taken through contractual arrangements—I am quoting from a communication sent to me by the Commissioner of Police. It says:

"The approach taken through contractual arrangements, which in all instances carry a delivery period, contract completion report forms can only be possible upon final delivery of items within the specified period stipulated within the contract. At present the police department has an adequate supply of uniforms at our quartermaster stores to outfit police officers, as well as any new intake of police trainees, for example shirts, pants, belts, shoes, batons, caps and berets. There is no shortfall of uniforms at this particular time."

So to say that we took \$2 million and as a result police officers are without the necessary uniforms, this has to do again, with some administrative arrangements within the police service.

With respect to the maintenance of vehicles, some \$1 million, I am advised that bills from VMCOTT were not submitted within the fiscal year. It has nothing

to do with the fact that police vehicles are not being repaired. Again, it is an administrative situation where bills from VMCOTT—I have been advised—were not submitted during the fiscal year 2007, and as a result these moneys were not utilized.

Contract employment, \$2.5 million. This has to do with the inadequate responses to the vacancies advertised in the police service resulting in the delay of the filling of posts. Mr. Speaker, hon. Members, these are basically civilian positions. You will recall, Mr. Speaker, as a result of the implementation of the new legislation concerning the conduct of the police organization for which the Commissioner of Police now has internal responsibility for the management of the police service, we also approved the hiring of eight senior executive managers to assist the Commissioner in discharging the new functions associated with the conduct of his business.

You would recall now, whereas before, the Police Service Commission would have been responsible for most, if not all of the administrative responsibilities of the police service, that is no longer the case. The Police Service Commission is now responsible for the hiring of the Commissioner and Deputy Commissioner and also the monitoring of the performance of the Commissioner and his leadership in the discharge of their responsibilities.

4.15 p.m.

As a result of that, Cabinet approved eight executive positions. So far we have not been able to fill those executive positions within the fiscal year 2007 and as a result the \$2.5 million under contract employment was not utilized.

Mr. Speaker, with respect to training the hon. Member for Siparia gave the impression that the \$6.9 million that was not used resulted in a reduction of training. In reality this \$6.9 million is really savings, because training—

Hon. Member: Savings?

Sen. The Hon. M. Joseph: I could characterize this as training because it is as a result of training provided by the Special Anti-Crime Unit as a result of British officers who are down here; the Government was able to realize \$6.9 million in savings. At some future time I will be able to indicate what the UK arrangement is doing to us in terms of value added and the type of savings being realized. Because, instead of having to send a large number of persons abroad; one, two, three and four, to be exposed to this type of training, with the presence of the UK officers in sufficient numbers we are able to train larger numbers of

persons and as a result are seeing the benefit of that. This \$6.9 million that we are seeing here is savings and I will say savings as a result of the training provided by the Special Anti-Crime Unit and also the Specialist Training Academy and other management training that is being provided through SAUTT. So that takes care of those items.

With respect to fire services and vehicle replacements—

Hon. Member: Apart from the 40 items is anything working?

Sen. The Hon. M. Joseph: The \$3.6 million—Mr. Speaker, I am advised that this is as a result—and we see a down payment of 30 per cent was made towards the delivery of fire tenders. Again, with the non-delivery of the tenders, because the rest of the payments are made on the basis of the delivery, and with the non-delivery of the payments then there is no need to make use of the \$3.6 million [*Interruption*] as it relates to fire.

With respect to prison, again the delivery of prison vehicles, and this is not prison transport vehicles, these are the normal jeeps, et cetera that the prison services utilize. Again, because of slippage in delivery the \$1.7 million would not have been paid. The same with respect to the \$2.5 million as it relates to other minor equipment.

With respect to police service and the vehicles replacement—and we see \$28 million—I am advised that 20 of the vehicles were delivered by Mc Eneaney but since all of the accessories were not installed—and those 20 vehicles are up and running. But my understanding is that because all of the accessories were not installed [*Interruption*] the payments to Mc Eneaney have not been completed. [*Laughter*]

With respect to Neal & Massy some 62 vehicles are to be delivered in January of this year. They did not make it within the fiscal year of 2007 and as a result the payments—

Dr. Moonilal: The system is bad.

Sen. The Hon. M. Joseph: Well, no! I mean, how could you make payments if you do not deliver; if the products are not delivered? So, Mr. Speaker, what I am saying is that it is not as a result—[*Interruption*]

Mr. Speaker: Order!

Sen. The Hon. M. Joseph:—of starving these agencies of the resources, it is a question about the timing.

Hon. Member: While you are timing people are dying.

Sen. The Hon. M. Joseph: These, in essence, are the explanations with respect to the movement from these particular heads to—and it is as a result of not utilizing, and it is not about removing financial resources from these agencies and as a result crippling them or making them ineffective. It all has to do with the way in which our financial—I do not know if to say regulations—systems are as they relate to payments and cut-off period by the end of the fiscal year.

With respect to the question of the offshore patrol vessels and the moneys going across to the offshore patrol vessels, Mr. Speaker and hon. Members, are very much aware that it was in April 2007 the Government entered into a three-way agreement with the Government of the United Kingdom and Northern Ireland and VT International Shipbuilding for the purchase of three offshore patrol vessels and two interim vessels provided as a means of providing the defence force with an ability to treat with the policing of our borders.

It is a known fact that because of our location, I have said it over and over, and because of the ease with respect to which drugs and guns enter into our territory, that it is necessary for us to stem the inflow of those drugs and guns, otherwise it is like we are spinning top in mud. In that regard the State took a decision to invest in the three offshore patrol vessels and also with respect to the interim vessels, bearing in mind that the first offshore patrol vessels would not be delivered until 2009. *[Interruption]* And the two interim vessels to be provided, again, we have had some slippage—

Dr. Moonilal: Slippage.

Sen. The Hon. M. Joseph:—because the interim vessels should have been delivered by January 14. On the basis of the refitting of the interim vessels we have now had a push-back-date to February. *[Interruption]* At the end of February.

Hon. Member: Those are not taxis?

Hon. M. Joseph: So, Mr. Speaker, the \$427-odd million not utilized with respect to the other Heads of expenditure, the Ministry of National Security was able to have that \$427 million go towards the offshore patrol vessels, *[Interruption]* the interim arrangements and the necessary down payments to ensure that we have receipt of these offshore patrol vessels.

So, Mr. Speaker, to say that the Government's priorities are all wrong; to say that we were moving moneys from critical areas in the Ministry of National

Security to other areas, I have explained to hon. Members the explanations for all of the movements of moneys from one Head to another, and, as a result, in a position to refute the statements made by the hon. Member for Siparia, to give the impression that we have our priorities all wrong.

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

Mr. Speaker: The hon. Member for Chaguanas West.

Hon. Member: Oh yes. Just deal with the important—

Mr. Ramnath: Dr. Rowley, you will remain and listen.

Mr. Jack Warner (*Chaguanas West*): Thank you, Mr. Speaker, and I want to say—[*Interruption*] I want to thank the people of Chaguanas West—

Mr. Ramnath: Yeah. [*Desk thumping*]

Mr. J. Warner:—for having me here today and for giving me the chance [*Interruption*] to help the people of Chaguanas West in particular—

Mr. Manning: The people of Chaguanas West and Mr. Panday.

Mr. J. Warner: I am coming for you afterwards. [*Laughter*] You wait. [*Laughter*]—and Trinidad and Tobago in general to help to improve their lives in some way by coming here and trying to put forward views and sentiments so as to help to improve the lives of our people.

Hon. Member: Yes, man. [*Desk thumping*]

Mr. J. Warner: Mr. Speaker, I have been here on about three occasions to date, and in fact, I have even been trying in my own way, by discussion with the hon. Member for Diego Martin North/East, to suggest to him to put some systems in place for us to have a house of Parliament that functions effectively—

Dr. Moonilal: With an agenda.

Mr. J. Warner:—with an agenda for example, but his head is hard. [*Laughter*] and it is difficult for him to understand that in this day and age for our institutions to work effectively we have to have systems in place. And that is why in some ways I am amazed to hear the last speaker, the Minister of National Security, tell this House that the system of payment in his ministry is so archaic that it is not functioning.

Dr. Moonilal: Nothing functioning. Even the Minister is not functioning.

Mr. J. Warner: To tell us in so many words, to tell us, that there are so many things to do why it cannot work and therefore, he is telling us that is the reason why funds had to be moved and transferred as he says.

After 40 years of PNM [*Ha, ha, ha*] the last six years of a bumper crop—so to speak—40 years of PNM and you come and tell us here that systems do not work. What have you done, Mr. Minister, to improve it? [*Desk thumping*] [*Interruption*] I said some time some place, that people cannot be half pregnant. It is either they are pregnant or they are not.

Dr. Gopeesingh: Correct, correct.

Mr. Manning: [*Inaudible*]

Mr. J. Warner: I coming to you just now. [*Laughter*] I coming to you just now. [*Interruption*] Mr. Minister, you cannot half fail. [*Laughter*] It is either you are a failure or you are not. [*Desk thumping*] [*Laughter*]

Mr. Minister, for the first time in this country, by universal acclaim you have been described as a monumental failure.

Hon. Member: Oh God!

Mr. J. Warner: And to tell us here about systems and that is the reason for the transfer of funds—

Hon. Member: And slippage.

Mr. J. Warner:—slippage and so on, I am saying to you—

Mr. Manning: Talk to the Speaker.

Mr. J. Warner: Thank you for your guidance and over the years I will guide you also—

Hon. Member: “Aaah”, good one. [*Laughter*] [*Desk thumping*]

Mr. J. Warner:—how to govern effectively, because you are sorely lacking.

Mr. Manning: Where?

Mr. J. Warner: I will tell you, do not worry. You might be short, you know. To tell us that, it is sad; it is very sad. But in any event, as I was saying to the Member for Diego Martin North/East, when I told him that I will postpone my trip to Ghana today because I have the highest respect for this House and for you, Mr. Speaker, [*Desk thumping*] and I felt that I must demonstrate, at least in a small way, I must demonstrate competence on this side which is so sorely lacking on that side.

Hon. Member: “Ooh gosh”. [*Desk thumping*]

Mr. J. Warner: In many ways, Mr. Speaker, I would have said a long time ago that this whole debate is an exercise in futility, because we are coming here to talk about moneys which have already been spent and there is nothing we can do about that. You cannot put paste back in a tube. [*Laughter*] And therefore to talk about the moneys that have been spent is futility. [*Interruption*] But what we are going to do—[*Inaudible*] You want that, “eh”. [*Interruption*]

What we are going to do, is to tell the national community how this Government under Patrick Manning has wasted and frittered the resources of this country, year after year; especially last year. [*Desk thumping*]

Mr. Manning: Especially last year.

Mr. S. Panday: Especially last year.

Mr. J. Warner: I coming to you Mr. Manning; do not worry. I will tell you also too, that in many ways—[*Interruption*] we have to understand that the Member for San Fernando East, our Prime Minister, has boasted that he is the longest serving parliamentarian, that nobody in the Caribbean has served longer than he.

Mr. Manning: Who said that?

Mr. S. Panday: You!

Mr. Speaker: Yes, on this note it is a good time for tea. Hon. Members, the sitting of the House is suspended for tea and will resume at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

Mr. J. Warner: Thank you, Mr. Speaker. I observe that the hon. Minister of National Security is not here with us, so I will spare him any more comments, although I want to make a few more. I wanted to say to the hon. Minister of National Security, that in many ways he must be held accountable for what he has done or what he has failed to do in his Ministry and I have no intention of going further on his work or lack of it because there are colleagues on this side who will deal with that quite adequately. Let me just say, if what I have heard is correct; I have heard that he has employed two top media personnel—[*Interruption*]

Mr. Manning: Who it is?

Mr. J. Warner: Curtis Williams and Irene Medina, you must know that. You must know that, Mr. Prime Minister—at \$85,000 per month for four months. I

want to tell the hon. Minister, that that cannot help him. That will not help him. In fact, as we speak here now, Tobago has registered its first murder at lunch time today, Devon Dillon. Murder 25. So no amount of PR can whitewash the abject failure of this Government [*Desk thumping*] and more so the Minister, but I will leave him for whenever the Leader of the House chooses to resume the crime debate. Whenever! Carnival Monday, Tuesday, no problem.

Let me therefore go back to the work, the governance of the hon. Prime Minister, the Member for San Fernando East, the hon. Patrick Augustus Mervyn Manning. Mr. Speaker, we have come here today—[*Interruption*]

Mr. Manning: [*Inaudible*]

Mr. J. Warner: Not yet—to talk about money that has been spent, as it were to make legislation retrospective. Mr. Speaker, we have come here to talk about the supplemental variation of appropriation for the year 2007 which stands at \$4.2 billion. When you add that to the budget for the fiscal year, the total sum is \$40.7 billion for 2007. That is the largest fiscal package in the history of this country. In fact, I want to be so bold to say that, that figure almost represents the full sum of money which the UNC spent in its six years in government for which we gave the country much more for less, and therefore, Mr. Speaker, we have to really see and try to understand where this money has gone and why. I would have loved to deal with all the issues raised by the hon. Minister of Finance, the Member for D'Abadie/O'Meara, but based on the fact that we both have the same shelf life—just in case the Member for San Fernando East, “shelf”, I am talking about Mrs. Tesheira—in this Parliament—[*Interruption*]

Mr. Manning: Praise God we “doh have” yours. Watch that.

Mr. J. Warner: Not under you [*Laughter*—I want to say that I would of course be lenient and would not say a word on what she has said or not said. I will deal with two issues however: the issues under sport and under foreign affairs.

Mr. Manning: Sport and foreign affairs?

Mr. J. Warner: Yes. Mr. Speaker, let us look at sport for a start. Under sport, we have been advised that the transfer was made of \$4 million and the reason given that funds were required to facilitate payment for security, \$3.5 million, and for janitorial services, \$500,000 due to new contractual arrangements. The reason given for the savings was that the Mayaro Sporting Facility was not fully operational because the Ministry was unable to attract persons with the required skills, making savings available of \$1.5 million.

Mr. Speaker, I ask the question, what skills? Mayaro is one of the most depressed communities in the country and part of the reason—like Laventille—is because they have consistently in the past voted for the PNM. Today, we have changed that somewhat, and therefore it seems to me to be almost a crime to take that money from the Mayaro Sporting Facility and put it somewhere else and to say that Mayaro lacks the skills. I ask the question, if they lack the skills, what has been done since then to improve that situation? I ask the question, what has been done or what is being done to ensure that that situation is not repeated in 2008?

Mr. Speaker, I am saying today that Mayaro has poor people who are deserving of the benefits of a caring Government, and therefore, it is wrong that that money was taken from Mayaro. I understand the problem of sleeper votes where you put more money than you need, and therefore you have some remaining afterwards for transfers. I would hope that in the case of Mayaro, this was not the case. Even the sport company for fiscal year 2007, they saved \$2 million. From where? I ask the question today, to the Minister of Sport and Youth Affairs, from where? If we go to the salaries of technical staff for the senior national football team, they made savings because he said the salaries were revised downwards. I want to say to you here in this Parliament, that is not the correct reason. That is not true.

In July 2006, the hon. Prime Minister, the Member for San Fernando East, called the following coaches under Benhacker: Jack Warner, Oliver Camps at noon, a Sunday in his office. We spent about an hour there with his Minister of Sport and Youth Affairs, Roger Boynes at the time, his second son. I left there feeling enriched; I left there feeling optimistic because the hon. Prime Minister told us he would of course pay salaries for the technical staff; he would pay money for training; he would pay money for their programmes; he would pay money to have a special field for them to train, July 2006. He said, "Give me of course a budget." We worked for two nights. We called in the accountants and so on and prepared a budget which we gave the Ministry of Sport and Youth Affairs. Let me fast-track it. March 2007, that budget went to Cabinet for approval. It was approved and following that, it went to Financial and General Purposes Committee and they approved \$12 million, out of an approved sum of \$20 million.

Mr. Speaker, the Ministry of Sport and Youth Affairs paid the money the same way they solved crime, "chirrip-chirrip-chirrip" in bits and pieces, nothing at all for courses, nothing for training; nothing for transport; nothing for rent; for salaries only. So the coaches were paid salaries, but they did not have the tools, the resources to do their work and this Ministry says they took \$500,000 because

salaries were revised. This is not true. The hon. Prime Minister, the Member for San Fernando East, has forgotten that when the team came from Bahrain, he met me at Piarco or I met him at Piarco—[*Interruption*]

Dr. Moonilal: He was pushing you away.

Mr. J. Warner: Yes—and that was the only time he and I were on the same platform. He said then, that football has achieved what no politician has ever done.

Mrs. Persad-Bissessar: Oh yes, I was there too.

Mr. J. Warner: Fantastic! He was speaking the truth and I felt enriched. Mr. Speaker, I go further to say that when he called us on the Sunday that was my callaloo time, I gave it up because I felt I had to go. When this has been approved and we have not gotten the money, the tools for the guys to do the job and then you take back the money and say, "Sorry guys", it is unfair. What the Prime Minister has to bear in mind—when I was here last week, I heard the hon. Minister of National Security saying that "2006 is the only year we had a decline in crime, 4.5 per cent and I went to Cabinet and Cabinet asked me to give them a target for 2007. I gave 10 per cent based on 2006 crime reduction", I shook my head and said, "Father forgive him, he does not know what he is saying."

Mr. Manning: That is not what the Bible says. The Bible says, "for he knows not what he does." If you do not know it, you do not know it. [*Laughter*]

Mr. Ramnath: Who tell you he is quoting from the Bible.

Mr. J. Warner: Thank you very much; I have not laughed for the day. Thank you very much. What the Minister of National Security failed to understand, that 2006 crime reduced for one reason only, the success of the football. [*Desk thumping*] Between 2001 and to this date, the year with the least murders was 2006. One would have thought that our very knowledgeable and experienced Prime Minister, the Member for San Fernando East, would have used that as a barometer to judge years to come and to give the release to the Football Federation. I go further, Mr. Speaker. [*Interruption*]

Mr. Manning: [*Inaudible*] [*Laughter*]

Mr. Imbert: You are one scamp.

Mr. J. Warner: Scamp? I am a scamp? You are talking about the person next to you. Mr. Speaker, when P.J. Peterson was the Prime Minister of Jamaica, he called me and shook my hand—unlike our Prime Minister here. [*Interruption*]

Mr. Manning: How much it cost him?

Mr. J. Warner: Nothing yet—and he said: “Jack Warner, I want to commend you for the football success of Jamaica to the World Cup in France because the crime rate in Jamaica has gone down by 35 per cent crime.” It is no high science that there is a nexus between crime and sport and more so football. [*Desk thumping*] Therefore, I am saying, Mr. Speaker, that it is unfortunate.

Mr. Speaker, up to Monday afternoon, the Football Federation went to the Minister of Sport and Youth Affairs as beggars, as mendicants asking them to release the money for training for the players. Nada!

5.15 p.m.

I said to them, "If he does not give it to you, I will, but in the short-term only." Therefore, it is wrong for this transfer to have been made.

Mr. Speaker, one of the reasons given for the transfer was the cost of security and janitorial services; these increased when new contracts were signed. I ask myself, "Does the Ministry need more security?" Where? At the stadia? Which one? The most depressed facilities in the whole Western world, bar none, are those stadia which are under the Ministry of Sport and Youth Affairs.

I go further to tell you that the National Stadium, which is now the newest dance hall of Trinidad and Tobago, was barely saved from being marked X by FIFA.

Mr. Manning: In 1990?

Mr. J. Warner: Last week. That was based on the fact it was allowed to deteriorate; that is where we are. Of course, while all this is taking place, you are building Tarouba which you will never be able to maintain; but more about that another day. What contracts, what services, what security, what janitors, were necessary?

I go now to foreign affairs, because I want to leave sport for the time being. It is a radical thing for me to talk more about sport at this stage, so I will leave it for the time being. I again commend the Member for Point Fortin to have been the ninth person selected for that constituency. [*Laughter*] I know it was a very long, tiresome and burdensome screening campaign. You were ninth and you won; my congratulations. But, Madam Minister, your Ministry will also have some questions to answer.

For example, there is a transfer of \$19.7 million in your Ministry; it was said it was put there in error. But if you look at the transfer you would observe that, at

the end of the day, it was moved from having to purchase an embassy in Costa Rica to having to purchase a house for the ambassador and land. I called my guys in Costa Rica and said, "Go and find for me the Embassy of Trinidad and Tobago in Costa Rica." That was two months ago; "dey looking still". [Laughter] I ask the Minister of Foreign Affairs: Where is the embassy? Where are the buildings? Where is the land? I will take my seat if she wishes to answer, because they cannot be found.

I, therefore, ask the Minister: What are the details of the property? When was the purchase made? I know Costa Rica is a favourite place for past PNM ministers. [Laughter] Not you, Mr. Speaker, you have never been a minister, so you are not in that; it is those guys. But even so, I want to know where the property is.

Mr. Manning: Those in glass houses should not throw stones.

Mr. J. Warner: We on this side must know when the purchase was made. Is the embassy up and running? Is it housed presently?

I went to Johannesburg about 10 times last year, and on each occasion I asked them, "Where is our embassy housed?" They told me that our embassy was still missing burglar proofing and, therefore, our Ambassador still lived in a hotel—Donna Carter. I refused to go and see her. I will be there again next month, and I will not go, because for over six years we have been building a house in Johannesburg for our Ambassador. I just do not want that to happen in Costa Rica.

When you ask yourself why this Government comes here for more money, it is because this Government's claim to fame is wild spending. If you ask yourself: What is the legacy of Dr. Eric Williams? You would say: His legacy, among other things, was education. What was the legacy of George Chambers? His legacy was thrift. He said, "Gird your loins; get back to work." Those were words which remain with us to this day.

Ask yourself what is the legacy of Patrick Manning, the Member for San Fernando East? [Crosstalk]

Mr. Imbert: 26/15.

Mr. J. Warner: Mr. Speaker, 26/15? [Crosstalk] All those people on that side were praying to win and hoping that Mr. Manning lost. [Laughter] [Desk thumping] He feels so secure, but not one of them wanted him to win. They will smile now, but even Imbert as well. [Crosstalk] Mr. Imbert knows that this is his last term.

Mr. Imbert: You all told me that last time! [*Crosstalk*]

Mr. Speaker: Order!

Mr. J. Warner: The hon. Prime Minister, the Member for San Fernando East, comes here and sits between Twiddle Dom and Twiddle Dee. With the new office they are holding, they behave as though they are God's gift, but their term will come too. To tell us 26/15 does not tell us anything. A government just a couple days ago had 27/3; today it is 21/9. These guys do not know history, but those who do not study history, will live to pay the price.

I ask the question: What has this country benefited from the amount of money that has been spent by this Government in the last fiscal year, \$40-odd billion? We still have inflation going crazy. We still have crime at levels which we cannot even understand. Poverty has increased; public health care and education are collapsing. Mr. Speaker, infrastructural development is simply not on the cards. Though they applauded in Tunapuna, we still suffer from a lack of water, even though we are promised higher taxes. Yet in Tunapuna they applauded when they were told so. Father forgive them, for they know not what they hear. [*Laughter*]

What do we have? High food prices; flooding worsens at every raindrop; agriculture has been abandoned; our environment is being threatened; our justice system is severely overburdened.

Mr. Maharaj SC: Collapsed.

Mr. J. Warner: Collapsed? Well, you know better than I do. Our democratic institutions are being compromised and violated; the quality of life of our people has deteriorated. With all this money we have, people do not smile anymore; people are grim. You seem to understand as if there is no love in the country anymore; for a country with all these billions.

I ask myself and my colleagues: If in this land of plenty, we have so much money now, and crime is at an all time high, what happens when the money runs out? The only thing that will happen is that not one of those guys will be here. [*Desk thumping*] The fact is, Mr. Speaker, you and I will be here. We have to be able to be concerned about our heritage.

After six years of this Government, they are spending money on social programmes, but yet there is persistent poverty. I listened to the Member for Diego Martin Central, Dr. Browne, and I shook my head, because though I have heard better speeches, I said to myself, "This Minister does not understand what he is saying." We have social programmes, but we have people who are very

poor. We, of course, have a government that is spending \$40 billion in fiscal year 2007; yet amongst all this money, this Government's unprecedented expenditure, we have poor infrastructure.

Under this Government, their claim to fame is that every single year expenditure exceeds income; check and see. I said to the Member for Diego Martin East, "Mr. Minister, not even a parlour is run this way." [*Interruption*]

Mr. Speaker: Order!

Mr. J. Warner: If it was football, I would give him a red card. [*Laughter*]

We have reduced taxation at all levels, but though we have done that, our real income is still very low. So you have reduced taxation, but the real income is also very low. What this has done is that people are beginning to migrate. It was painful for me yesterday when I met some of my constituents at the office, former Caroni sugar cane workers. For two years they have not received their national insurance (NIS) benefits. They told me that there were 2,000 of them who were so affected. Furthermore, they said to me, that one Dr. Coombs, who had to approve whether they should get disability or not, was a part-time doctor, because the National Insurance Board cannot afford a full-time doctor. What have the Caroni sugar workers done to deserve this? All they have done is support an intelligent party, the UNC. Must they pay a price for that until they die? Yet for all that we ask for \$14.7 billion.

Mr. Speaker, at the end of the day, we have several decisions to make. We have to decide whether year after year we can continue this way, or we can decide whether we must hold the Government accountable. They have to be held accountable; they cannot afford year after year to fritter away our resources. Therefore, it would seem to me that we on this side must take the bull by the horns.

I always like to judge, as I said before, that there is a connection between crime and sport. It pained me this morning when I read that our policemen have been told to play sports no more. Do you know why? Because they do not have enough policemen; they have not recruited enough policemen. Our Minister told us that he had money to be transferred, but they do not have enough policemen. So before our policemen play sport, interact in the community, make friends and do some coaching clinics here and there, they have been banned. Of course, whilst they have been banned, "I will fete again." So they have been banned from sport, but their Commissioner has not been banned from feting. [*Desk thumping*]

Finance Committee Report
[MR. WARNER]

Friday, January 18, 2008

We have our priorities upside down. I will like to tell the Prime Minister today, as I conclude: Member for San Fernando East, Mr. Prime Minister, I ask you today to run this present Government as if it is your first government and, therefore, you are out to impress. Run this Government as if it was your only government; therefore, you would want to leave a lasting legacy. Run this Government as if it was your last government; which it might very well be. People remember the things they get last. If you do that, this country of ours will be better.

Thank you.

5.30 p.m.

The Prime Minister (Hon. Patrick Manning): Mr. Speaker, I would like to enter this debate very briefly, on a report of the Finance Committee which considered a variation of appropriation and a supplemental appropriation in the context of the accounts for fiscal year 2007.

Mr. Speaker, I would want to congratulate the hon. Member for Chaguanas West on his maiden contribution before this honourable House. I must say I have been in this House for quite some time and I have heard a number of maiden contributions and I am in a position to be generous with the distinguished Member for Chaguanas West and to indicate that I thought, in the context of the contributions of hon. Members opposite, he did very well indeed today.

Mr. Speaker, one of the things I learned in this Parliament very early when I came here was the need, in making contributions on any matter, to stick to the issue before the House. The records of Parliament here and elsewhere in the world will demonstrate how many Members of Parliament have gone seriously off course when, in debating one matter, they violate the cardinal rule of sticking to the issue before the House and go off on a tangent, and, in so doing, unintentionally open up a debate allowing it to go in many directions that were entirely unintended. The hon. Member for Chaguanas West, regrettably, made that serious error this afternoon in his contribution.

Mr. Speaker, when I went to primary school—

Hon. Member: You did?

Hon. P. Manning: Yes, I did. There was a “fella” called J. O. Cutteridge known by all of us and he coined an illness called felo de se which he ascribed to a little pig that he had who tried to say “umph umph” when he could only say “wee wee”. You will forgive me, Mr. Speaker, I am not trying to be ungracious

but somehow in listening to the Member for Chaguanas West this afternoon I remembered the illness; he could only say “wee wee” but somehow in listening I remembered the illness *felo de se*. I am not accusing him of any ailment, I am not doing that at all, the illness came to mind.

Hon. Member: Shame on you!

Hon. P. Manning: Mr. Speaker, I also want to say to the hon. Member for Chaguanas West that it matters not whether you are a Member of the UNC or a Member of any other political party. You see Dr. Eric Williams was the “Father of this nation”.

Mr. S. Panday: I thought it was you. “Yuh change de story.”

Hon. P. Manning: It will take more than hon. Members opposite in any way to properly detract from the very significant contribution and legacy of Eric Eustace Williams. When therefore, Members in their contribution talk about Eric Williams and seek, in disparaging terms, to comment adversely on the legacy of Eric Williams, those of us in the PNM put them in a particular category, and if I am to be guided by and borrow a phrase from the distinguished Member for Chaguanas, we revert to the exhortations of the *Bible* when we say: “Father forgive them, for they know not what they do.” [*Desk thumping*]

Mr. Speaker, George Michael Chambers—which is what really brought me to my feet today—is another one of our leaders who has been tremendously vilified by a lot of people, and he did not escape the wrath of the hon. Member for Chaguanas West this afternoon. My purpose, therefore, in coming into this debate is merely to set the record straight as it relates to the PNM, particularly during the time of George Michael Chambers.

Hon. Member: But you are doing the same thing.

Hon. P. Manning: Mr. Speaker, I made the point from the start that I am only responding to the hon. Member for Chaguanas West. If in his contribution he made the error of not sticking to the matter before the House and in so doing exposed the debate to directions that were entirely unintended, the responsibility falls on my shoulders to set the record straight. That is all I am trying to do whether the Member for Oropouche East likes it or not.

When the Member talks adversely about the legacy of George Chambers, what does he know about him? I was privileged enough to serve in a Cabinet under Eric Williams and in a Cabinet under George Michael Chambers, and it will take more than the Member for Chaguanas West, or the Member for Oropouche

East, or the Member for Couva South, or the Member for St. Augustine or any of them on that side and their adverse comments to detract in any significant way from the proper contribution of Dr. Eric Williams.

If any of them is able to sit in the Parliament today and make a contribution, it is because they were educated under a system in Trinidad and Tobago, the responsibility for much of which fell on the shoulders of Dr. Eric Williams. That is the reality.

[Mr. Warner stands]

What do you want?

Mr. Warner: No. 35, a point of order.

Mr. Imbert: What is the point of order?

Mr. Warner: I want to make the point that the hon. Prime Minister is misquoting me and, therefore—

Hon. Member: What is the point of order?

Mrs. Persad-Bissessar: That is the point of order.

Mr. Speaker: Order, please! I listened to the hon. Member for Chaguanas, West and I did not get the impression that he belittled anybody. *[Desk thumping]* The point about it is, that is my interpretation of the contribution that I heard. I do not know about the Prime Minister, maybe he interpreted it differently, so please continue.

Hon. P. Manning: Mr. Speaker, thank you very much. The point of *felo de se* is that you are trying to say “umph umph” before you can say “wee wee”. In other words, the Member for Chaguanas West has just come into the Parliament and he will be well advised to try to stick to the issue in his contributions and do not try to make runs in circumstances where he does not know how to bat.

Mr. Speaker, the Member for Chaguanas West talked about the state of financial deficit in the country for the last six years.

Mr. S. Panday: That is relevant.

Hon. P. Manning: It is important that we draw it to the attention of the national community because these statements are made in an authoritative way to give the impression to those listening that the person who is speaking knows of what he speaks. In the case of the hon. Member, I assure you that was not so. The record will show that not only have there been financial surpluses, but surpluses

after significant amounts have been set aside in the Revenue Stabilisation Fund.
[Desk thumping]

Mr. Imbert: Twelve billion dollars.

Hon. P. Manning: The Member for Chaguanas West talks about the stadium and the misuse of it. I wonder if the Member realizes that after the football match in the stadium in 1989 between Trinidad and Tobago and the United States of America, the stadium had to be the subject of a major retrofit because of the misuse of a national facility by those under whose control it temporarily fell. And, therefore, I want to be generous and I do not really want to go after the Member for Chaguanas West, but I want to suggest to him that accuracy is a philosophy to which he ought to subscribe.

Mr. Speaker, the tremendous economic growth in Trinidad and Tobago today has come about largely as a result of four developments the first of which took place in the time of George Michael Chambers; when we are talking about the legacy of George Chambers, we could hardly seriously discuss that without taking into consideration that action taken by him. [Crosstalk]

Mr. Speaker, everybody knows that after the second oil price shock in 1979, prices went up to \$40 a barrel but by 1981, it had fallen back to \$35 a barrel and stabilized. Two years later as a result of the actions of the developed countries, the oil price began to break again. In fact, an attempt was made to break it in 1982, it did not succeed, but succeeded in 1983 and it fell from \$35 per barrel to \$28, and the records will also show that it progressively fell to a low point of \$9 per barrel in 1986.

For Trinidad and Tobago, this meant a significant reduction in revenues and, therefore, a curtailment of the ability of the government of the day to sustain its high levels of expenditure on the social programmes and as the expenditure on social programmes were cut back, the unemployment levels in the country began to rise. They rose from 10.8 per cent in 1980 progressively to 17 per cent in 1986 but, the quintessential statesman that George Chambers was, he was able to find the revenues. In fact let me put it differently. He was perspicacious enough to look at the long-term requirements of Trinidad and Tobago preferring to operate as a statesman thinking of the future rather than a politician thinking of the next election. From the meagre resources that were available to us, he decided to give a tax break to the manufacturing sector which allowed the sector to retool from the year 1985 and to become the modern, efficient manufacturing sector that exists in Trinidad and Tobago today.

Two years ago, I was speaking to a Chairman of the Caribbean Association of Industry and Commerce, a Jamaican, and he said to me that the manufacturing sector in Trinidad and Tobago is the largest and most efficient in the Caribbean. He said nobody else in the Caribbean can compete with the manufacturing sector in Trinidad and Tobago, and he went on to say that today it has the capacity to the point where domestic companies now have to go global to be able to maintain their levels of production and be able to maintain their competitive edge and unit cost of production.

5.45 p.m.

That is where it started. It started with George Chambers. Thanks to George Michael Chambers. Therefore, when the Member for Chaguanas West talked this evening about the legacy of George Chambers, I wonder if he knew that of which he spoke; I just wondered. It was George Michael Chambers who set that ball a-rolling. In fact, we have reached the point now in Trinidad and Tobago where, because labour is becoming scarcer in the manufacturing sector, I think it was the last budget or the budget before the last—it might be the last budget—the Government of Trinidad and Tobago gave a further tax concession to the manufacturing sector to allow them now to automate. In other words, Mr. Speaker, to retool again so that they can automate their systems of production to further reduce their unit cost and to maintain a competitive edge in an international environment where the competition is becoming fiercer and fiercer, where new trade arrangements are being negotiated; where towards the end of last year we, ourselves, entered into a new trade arrangement with the European Union and where domestic manufacturing companies are being called upon to compete with some of the best and traditionally most efficient production companies in the world.

That is the reality. But you see, all of that came about because George Michael Chambers, in 1985, was wise enough and had the foresight to take the initial step in circumstances where money was not available; it was a sacrifice—he took the initial step of giving that tax concession that has made Trinidad and Tobago a manufacturing giant in the Caribbean that it is today. When we talk about the legacy of George Michael Chambers, no proper examination of that can proceed without an acknowledgement of that fact.

When he talked about the legacy of Patrick Manning, I have made it clear, I am not concerned with legacy. The people of Trinidad and Tobago have given me an opportunity—and I thank them very sincerely for the opportunity—to govern the country at this time. We propose to do so to the best of our not inconsiderable

abilities—we propose to do that to the best of our ability, and when I demit office then the historians will decide what I did and what I did not do. I am not concerned with that. The historians will decide that.

But I want to say something else to the Member for Chaguanas West, that together with that action in 1985 by George Chambers, there are three other actions taken that have made Trinidad and Tobago the economic giant that it is today. Let me tell you what they are. The first is, a change in policy in 1992, where the PNM Government, the Government of which I was a part—because I was also part of the previous policy—took a decision, in the face of a realization of the extent of our natural gas resources, to reverse a longstanding policy of the PNM. This was to allow natural gas for export in the form of LNG. It was in 1992 it happened. Because some say—and those hon. Members opposite have a way of saying—that had it not been for high gas prices in the international community we could not be where we are today, and the PNM says that gas prices could have been as high as they are, had we not taken a decision to change our policy to allow natural gas exports in liquid form, we could not have capitalized on high oil prices. [*Desk thumping*]

So that in 1992, after three ministers had come back from Houston, being exposed to a presentation by Amoco at the time and where there was a clear realization that the extent of our natural gas reserves were far greater than we thought they would have been—and they were—we had to take a decision to avoid the development of what in the industry we call “stranded gas”. The Member for Couva South, I am sure, will understand that stranded gas you cannot bring to market and therefore gas that is of no use to you because there is no market; we took a decision to create the market. Not only did we prevent stranded gas, and not only did we give the companies a further incentive to continue exploration and production activities in Trinidad and Tobago, but we put ourselves in a position to capitalize on a price regime that we anticipated was likely to happen, perhaps not to the extent that it happened; but we put ourselves in a position to be the beneficiaries of significant levels of revenue and, as a consequence, to be able to embark on major and ambitious transformation programmes such as the Government of Trinidad and Tobago has embarked upon to date.

That is the reality of it. LNG was decision number 2. Decision number 3 was to float the currency. We took the decision to float the Trinidad and Tobago currency on August 13, 1990 when we were in Opposition. Four of us sat down and took that decision and kept it quiet. We knew that if we had made that public

there were those who were opposed to us who would have sought to misuse it, a consequence of which could have been a run on the currency of Trinidad and Tobago, something that had to be avoided at all costs. Therefore, we kept it quiet. But we had to keep faith with the national community and in our manifesto for the general election of 1991, however we camouflaged it and we put it in.

After the election it was discovered by the OWTU. They made it public with the consequences that we were afraid of. A run began on the currency. Of course, we were able to contain it at that time. But we watched the foreign reserves position of this country deteriorate to the point where by Easter of 1993, the foreign reserves position of Trinidad and Tobago stood at minus US \$10 million. That was the weekend in which we suspended trading in foreign currency and we floated the currency. We did what everybody said we should not have done—at least those who were vocal about it at the time. They said we should not have done it and that if we did that it would result in a significant devaluation of the currency of Trinidad and Tobago.

The records will show that we did it. We floated that currency. We pegged it at \$5.76 at the time. The records will show that subsequent to that it floated down—just as we expected and it had stabilized at just around \$6.00. It would have been at \$6.00 today had not a government of which some honourable Members opposite been a part, manipulated that currency for the personal gain of some of its Members. That is what they did, as a result of which it is at \$6.30 today.

I do not want to go into the details of it at this time, but any time hon. Members are ready, I can give you the details of exactly what happened in the time of the Minister of Finance, Mr. Brian Kuei Tung, what was done with the currency, why it was done and what the consequences were. I just do not want to spend time on that this afternoon.

Mr. Ramnath: You are making some wild accusations.

Hon. P. Manning: They are not wild accusations. But get up and refute it.

Mr. Ramnath: But you have not proven anything.

Hon. P. Manning: I am not dealing with that today. I will deal with that in more detail. But Mr. Brian Kuei Tung is a man known to us and hon. Members opposite will be well advised that before you get up to defend him, think carefully, because we know that of which we speak. He came from here—

Mr. Ramnath: You know his connection with Monteil.

Hon. P. Manning: He came from here. We were wise enough to get rid of him and sent him over there. [*Desk thumping*]

Mr. Speaker, they manipulated it and, therefore it is \$6.30, whatever it is. But everybody will accept—anybody who is a reasonable and dispassionate observer of the economic situation of Trinidad and Tobago will agree that that decision to float the currency has resulted in a reversal of our foreign exchange fortunes, and whereas in April of 1993 when the float took place, our foreign reserves position stood at minus \$10 million, at the end of 2007, do you know what was the figure? It was in excess of US \$6 billion. [*Desk thumping*] It is 11 months cover.

Mr. Ramnath: Is that the reason for it?

Hon. P. Manning: That is a major reason for it—11 months import cover. That is where it stands now. Those are facts.

And the fourth decision that was taken—and it was taken again between 1991 and 1995—was the decision to liberalize the economy. We did it in the face of tremendous opposition. The business community, and particularly the manufacturing sector, ran a campaign against the Government. The campaign was on the radio, television and in the newspapers and it culminated with an exhortation to citizens of Trinidad and Tobago to write your MP. Do you remember it? We did it in the face of tremendous opposition! Everybody was saying do not do it. The Government of the PNM said, we have studied this matter and we know this is the right thing to do and, therefore, we were not concerned about the opposition to it; we did that which we thought was right.

Mr. Warner: Like the smelter.

Hon. P. Manning: Of course, like the smelter. Mr. Speaker, he will open up the debate even further, you know. We will deal with the crosstalk if you want. The smelter is a perfect case in point. I will come to the smelter if that is what you wish.

So it was liberalizing the economy. I remember, because we had a dialogue going at the time with certain segments of the business community and one of the participants in that dialogue who I shall not name, indicated to us that if the Government does that, then his business will cease to exist. I sat down in the year 2001 and I saw that company post the highest levels of profit that it has ever posted. All of those who were opposing it in 1992, 1993 and 1994, I wonder what they are saying today when they drive down a widened Wrightson Road—[*Laughter*]—when you look to your left and you see a brand, spanking new Hyatt Hotel of 428 rooms—[*Desk thumping*]

Mr. Maharaj: And poverty like hell.

Hon. P. Manning:—the largest conference centre in the English-speaking Caribbean—[*Laughter*] [*Desk thumping*] When you look across the road and you see the Government campus, two 23-storey buildings, all to house the employees of the State; to give the employees of the State better conditions under which they work and, therefore, in a better position to deliver better service to the people who they serve, the electorate of Trinidad and Tobago, and I could go on and on. All of that is a consequence of an economic situation that did not come by happenstance; it is an economic situation that was the result of a carefully laid strategy that began with George Chambers' actions in 1985 in respect of the manufacturing sector that has led to the most efficient and largest manufacturing sector in the Caribbean today; the floating of the currency; the liberalization of the exchange rate and the decision to go LNG. They could scoff as much as they want. We have been scoffed at before. The hon. Member for Chaguanas talks about the smelter. It is a perfect case in point where, if you allow uninformed comment to interfere with your decision-making, then the country is going to be forced to forego a lot of the benefits that it could have got had proper decisions been taken.

If we allowed the lobbyists—

Mr. Ramnath: Watch that, eh.

Hon. P. Manning: I am not watching anything; I am saying exactly what is on my mind.

Mr. Ramnath: You are behaving very arrogant.

Hon. P. Manning: I am not arrogant. We had a consultation in San Fernando. I was not present. I watched it on television. We brought seven experts from abroad. They came from countries like Norway, a country which had seven smelters in a particular area; they came from South Africa where there is a smelter. There were health people present. They came from all over the world. The consensus was that on health and environmental grounds, there is no bar to the establishment of an aluminum industry in Trinidad and Tobago. But there are some who just will not accept that and if they want to hold on to a small point here and a small point there, they are free to do so. If they do not know how to govern, let them know that the PNM knows how to govern Trinidad and Tobago. [*Desk thumping*] And we take decisions based on the facts. It is not emotion.

If the experts say that on the basis of health and environmental grounds, there is no bar to the establishment of an aluminium industry, why must the

Government of Trinidad and Tobago not go into the aluminium industry? Merely because hon. Members opposite do not want it? Clearly, that cannot be the basis for it.

6.00 p.m.

The Member for Chaguanas West talked about poverty. What did he say? Expenditure in the social sector is high, yet poverty levels remain high. True or false? Am I accusing you falsely? What he did not say is that whereas the poverty index stood at 35 per cent in 1990—we were not in government. In 1990, the Members for Couva South and Tabaquite were in government. Who else? Anybody? Raise your right hand. I was in opposition. They were in government. The poverty level stood at 35 per cent in 1990. When the survey was done in 2005 and largely as a result of the social interventions of this Government, the figure came out at 17 per cent. [*Desk thumping*] Those are the cold incontrovertible facts. They have nothing to do with emotion and wish. When the Member for Chaguanas West draws his conclusions he must do it in such a way that those who are listening to us get the full picture. Do not give piece of a story and leave out a piece. This is what parliament is about.

I listened to you very carefully contrary to what some may think. I listen to hon. Members very carefully. This is when I am awake, that is to say. If they talk nonsense, forgive me if I take the odd snooze. I listen to them very carefully because I too, am listening to know what new ideas come from them. We do not believe that we have a monopoly on ideas. We do not have a monopoly on ideas. We listen very carefully to whatever has to be said.

I credit hon. Members opposite with some intelligence because some of them have been in government and have some experience. Some of them have been in Parliament for a long time and have participated in debates like these. There are things that they ought to understand. I assume that they do. I listen to what they have to say. After you take all the fluff out of what they say, there may be a point or two that they make that can benefit the Government in its decision making. Against that possibility—

Mr. Ramnath: You are very charitable.

Hon. P. Manning: I am charitable; I am a man like that. Against that possibility we listen to them.

I want to let the Member for Chaguanas West know that I listened to him very carefully this afternoon. I assure you that I will continue to listen carefully to you and hon. Members. I want to assure the national community that whatever they

say that we consider relevant and beneficial to the proper governance of the people of Trinidad and Tobago, we would incorporate in our policy positions. As we go along we listen to others.

As we come to Parliament we would put our position on the record. We will ensure that as far as is possible that the record of this Parliament is balanced. In particular, we are going to protect the very enviable record of the PNM in government from 1956 to today. There is no other political party in Trinidad and Tobago that could talk the way we have; 51 years. We are very proud of it. We will continue to govern Trinidad and Tobago to the best of our ability and we are certain that at the end the day, the people of Trinidad and Tobago will have a better life and a higher standard of living to which we aspire.

Thank you. [*Desk thumping*]

Mr. Warner: Mr. Speaker, pursuant to Standing Order 33(4), I wish to offer explanations to part of my speech—

Mr. Speaker: One minute, hon. Member. I understand what the Member is seeking to do. May I advise you that you should have raised this particular Standing Order at the point when the Member misquoted you. This is the relevant Standing Order that you should have raised. You cannot wait for the Member to finish his contribution then raise it. You must raise it while the Member is still speaking. [*Interruption*] No. Listen to me carefully. I will allow the Member on this one occasion.

For your guidance and that of all Members, when you are raising Standing Order 33(4), the time to raise it is not after the Member has spoken but at the time you allege that he is misquoting you.

Mr. Manning: Mr. Speaker, under normal circumstances, while I was on my feet I would have had a chance to respond to what he had to say. If he is allowed to raise it now, would I be given a chance to respond?

Mr. Speaker: This is the proper approach.

Mr. Warner: All right.

Mr. Speaker: I was trying to give you a little leeway. In doing that then I would have had no choice but to allow the Member to respond. I am advising Members that when you feel that you are misquoted, that is the point in time to get up and raise this Standing Order and not when the Member has concluded.

Mr. Maharaj SC: In the future, will you leave it open? It does not seem as though your interpretation is law.

Mr. Speaker: The point about it is that I am in the Chair and it is left for me to interpret it. What I am saying is perfectly logical. You cannot raise the matter after the Member has finished his contribution. The time to raise it is when the Member is alleged to have misquoted you. Perhaps, you should have been told that at the point in time.

The hon. Member for Couva South.

Mr. Kelvin Ramnath (*Couva South*): Mr. Speaker, I would have preferred to speak on another occasion, but I need to correct the record after listening to the Prime Minister. The Prime Minister spent a considerable length of time misrepresenting the truth in his contribution and engaging in an unwarranted attack on the Member for Chaguanas West.

Mr. S. Panday: Cheap politics.

Dr. Moonilal: Uncharitable.

Mr. K. Ramnath: Most of all to deliberately mislead the House and the nation with respect to what the Member for Chaguanas West said in his contribution. I understand the problem that the Prime Minister faces having not recognized the contribution of Eric Williams who created him and having left Mr. Chambers to die in ignominy. I could understand the conscience problem he faces today, when he is reminded that Eric Williams left a legacy of education and Mr. George Chambers left a legacy of thrift.

What amazes me is that the Prime Minister sought to inform the House of his legacy. He did not wait for any other Member as the Member for Diego Martin West and the Member for Diego Martin North/East, senior Members of this Parliament to do it for him. He chose to spend a considerable amount of time blowing his trumpet. Let me say that at no time the record will show that the Member for Chaguanas West sought to denigrate Mr. Chambers or Dr. Williams. You should be apologizing to the Member for Chaguanas West for deliberately misleading the Parliament.

I have known the Member for San Fernando East for a long time. We have been in the House together, in my case 21 years and in his case a little more. I had a period when the Member for Tabaquite sat in my chair.

Hon. Member: Hiatus.

Mr. K. Ramnath: I did enjoy a wonderful absence from the Parliament. I think it was a refreshing period too for me and perhaps, the Prime Minister

deserves at this time to avail himself of similar circumstance. Now that the Member for Diego Martin West is with us when most of us thought that he would have been a victim of the Prime Minister—that is a domestic matter and I will leave that for them to see.

In his contribution, apart from blowing his trumpet he sought to give the impression that the windfall that had become available to the State is as a result of his personal intervention and doing. He fails to recognize that we have been the beneficiary of an international environment particularly in the area of energy prices that have facilitated the substantial increase in revenues available to this country.

In 1990, I was not a member of the government, but I was in Parliament when friends of the Prime Minister took me as a hostage for seven days, while he conveniently absented himself from Parliament on that day.

Mr. Dumas: Somebody run away to Grenada.

Mr. Maharaj SC: That is all right.

Mr. K. Ramnath: In 1990, I was not in the government. I was in Parliament and taken hostage together with many people by friends of his, people who are known to be sitting with him in Balisier House celebrating the victory of the PNM. They had taken the country and parliamentarians as hostages and on that day, the Prime Minister conveniently found himself outside this Chamber.

Mr. Manning: What about Ramesh?

Mr. K. Ramnath: Mr. Speaker, I cannot defend an able senior counsel. I would leave that for him to do. I was here. [*Interruption*] I do not know anything about that. I have to seek legal advice before I speak on these matters. I refuse to be drawn into that debate.

The Prime Minister said that before 1986, oil prices had dropped to one of its lowest. We were talking about \$9 to \$10 a barrel at that time. If the poverty index was 35 per cent in 1990—

Mr. Manning: That is 1986 as opposed to 1990.

Mr. K. Ramnath: In 1986, the oil price was also \$9 and \$10 a barrel. That is when the PNM was defeated by the NAR and I became minister of energy.

6.15p.m.

He has not been able to accomplish a single project that he has started, so I want to advise him to stay clear of me this afternoon. I do not plan to speak for very long.

When you make a statement like Poverty Index being 35 per cent when oil prices were \$9 and \$10 a barrel and today the Poverty Index is 17 per cent—

Mr. Manning: I thank the hon. Member for giving way. I said that, in 1990, the Poverty Index was 35 per cent and fell to 17 per cent in 2005. I remind the hon. Member that in 1990 the United States invaded Kuwait and oil prices went sky high. It happened at a time when oil prices were high and when some of the hon. Members opposite occupied Government Benches.

Mr. K. Ramnath: He further confuses himself. He was dealing with the period of sustained low oil prices. So, if in 1990 the United States invaded Kuwait and the prices rose, you could not expect to see a radical decline in the Poverty Index at that point. You can measure it subsequently.

I want to make the point that while I enjoy driving along Wrightson Road and looking left, I remember, in this House, the former Minister of Finance, my erstwhile colleague, Mr. Gerald Yetming, whose ambition grew in the last few months and who had to suffer the humiliation of belonging to a party supported by the PNM that could not even win a seat, was severely criticized by Members opposite for entering an arrangement with the Hyatt Regency for doing exactly the same thing that was done in Port of Spain.

Mr. Manning: Mr. Speaker, I do not really wish to intervene unduly in the contribution of the hon. Member for Couva South. The proposal that we overturned when we came into government was very different to what went forward. It was an arrangement between the then government and a consortium called RGM—remember it—on conditions that were beneficial, and advantageously so, to the private sector, with the government holding all the liabilities of the arrangement, something that the PNM just could not and would never accept. That is the problem.

Mr. K. Ramnath: It would be interesting to know what the arrangements are today; whether the Government has entered into an agreement to buy a certain number of rooms at the Hyatt and the conditions of such an agreement. I would leave it for another day. I know that the Minister of Finance at the time was criticized for entering such an agreement.

I will give him the benefit of the doubt when he provides me with the contractual arrangements that the Government has with the Hyatt. I welcome the construction of a major convention centre in Port of Spain. I welcome the expansion of facilities for public servants and when he stands here and boasts of the two 23-storey government campus and the Hyatt, I want him to boast equally

about what occurs in Tamarind Square on a daily basis after 50 years of PNM power in this country. It is a good example to the international community of what you must not do when in government.

I will not get into what has already been discussed with respect to the impact of poverty and what has happened with crime. That is so well documented and expressed by Members before me. The point is that, on the one hand, they are boasting of what Wrightson Road looks like and what the government campus looks like and, on the other side of Port of Spain, there is abject poverty and a crime rate unprecedented in Trinidad and Tobago, especially in areas where the PNM has won consistently.

Dr. Morgan Job made a very important statement. He is a journalist from Tobago like my friend the Member for Diego Martin West. He made a point on Channel 6 one morning when he said that if the PNM could get 10,000 votes in Laventille after they treated the people so badly, then something has to be wrong with the body politic. *[Interruption]*

Mr. Speaker: Order please!

Mr. K. Ramnath: You should stay out of this. You barely made it into the list. So, Mr. Speaker, the reality is that people in this country are going through very difficult periods while oil prices are extremely high and government revenues are also very high.

The Member for Siparia spent a considerable amount of time speaking and I notice that the Prime Minister made no reference to the contribution she made. It was a wide-ranging contribution that dealt with the issue of poverty, unemployment, agriculture and so forth. So when as a government you talk about your economic performance, you must also tell the country why Caroni (1975) Limited, which was shut down because of their greed for land and their spite for the people who voted against them, up to today, nothing has been done to make lands available for agriculture and housing which was part of an agreement signed between Minister Rahael and the All Trinidad Sugar and General Workers Union.

So, for the time being, we can enjoy a surplus, but all Members of this side so far have engaged in warning the Government that we should be thankful for the mercies bestowed on this country. We went through the same problem after the period of Mr. Chambers and all of the initiatives that the Chambers Government took demonstrated that after a period of high oil prices and of establishing special long-term funds, the country took a dive to the extent that poverty was rampant in Trinidad and Tobago and a government was changed because Mr. Chambers' vision for the future was not there.

I am not here to criticize him. I do not know what he did although I was in the Opposition at the time. I do not have a guilty conscience that I have to befriend him to defend him. I met him one day with a cutlass on his waist at the Mid-Centre Mall in Chaguanas, going to his cocoa estate and we had a long chat. This is not the place to divulge information that two colleagues in politics had about the way in which he was treated by the Member for San Fernando East. *[Interruption]* I forgot he died. *[Interruption]* I have not made any negative comments about what was done, but the Prime Minister demonstrated a guilty conscience in accusing the Member for Chaguanas West of making disparaging remarks. *[Interruption]* We had a good relationship; unlike you and him. In fact, you were not there when we were here. *[Interruption]* On several occasions.

Mr. Chambers never had tea with Prime Minister Williams between the period 1976—1981. He had tea with the Back Benchers in the library where the bathrooms are now. He always had a very interesting relationship with people who were not invited to the room in which the current Prime Minister goes to have tea, with about 75 security officers that he has hired to guard his palace.

I remember the very good times of having a relationship with the Prime Minister, the then Minister of Agriculture, Land and Marine Resources. To come today and cry crocodile tears and say he has recognized the legacy of Williams and Chambers is a matter he must settle with the God that he worships.

I am not here to make a defence of any PNM. They all contributed to the present state of the country where the population is denied basic amenities and utilities and the Prime Minister could boast of having an elite security of 75 persons. He fired the special branch from guarding him. He now has an Indian Chief Housekeeper.

Mr. Manning: Would the Member be kind enough to give way? The private security of which they speak is a security force set up by the hon. Member for Tabaquite today *[Desk thumping]* when he was Attorney General, for his own protection, when he and Dole Chadee were friends. *[Interruption]* There was a very huge security set-up. We have transferred this to provide internal security arrangements for the Prime Minister and in due course the President, in circumstances where that was not provided before and therefore nobody has been displaced in the process.

Mr. K. Ramnath: I enjoy what I am doing here. Today, I am getting confessions from the Prime Minister and I enjoy the fact that the new Members of the House whom I welcome with open arms here, are getting to know him. They should take note of what he is saying.

Finance Committee Report
[MR. K. RAMNATH]

Friday, January 18, 2008

I do not know what the Member for Tabaquite had as his private security when he was Attorney General. All I can tell you is that his record is there and that the country records his presence as being one of the most successful Attorneys General. [*Desk thumping*]

Do you know Corinthians, Chap. 13?

Mr. Manning: I Corinthians.

Mr. K. Ramnath: Read it again! Hope, faith and charity and the greatest is charity. You must understand the synonymity between charity and love. You have difficulty with that too. [*Desk thumping*] Listen to the intervention of the Prime Minister that when the Member for Tabaquite was Attorney General, he and Dole Chadee were friends.

6.30 p.m.

The certified copy on the car that Mr. Manning owned has the name “Dole Chadee” on it. He sold it. I am not—He probably did not know who Mr. Chadee was at the time. I am sure.

Mr. Manning: None of it is true.

Mr. K. Ramnath: But the agent who arranged the sale of the vehicle, perhaps, still owns the property opposite the fire station in San Fernando. You know what I am talking about. A good friend of his. [*Interruption*] No, I do not believe that one. You sold your house to Dole Chadee as well?

Hon. Members: The car.

Mr. K. Ramnath: I have to congratulate the Member for Tabaquite. It is the last time anybody was hung in the country when Dole Chadee and his gang of nine were hung.

Hon. Members: Hanged.

Mrs. Kangaloo: “Hanged”, is not clothes.

Mr. K. Ramnath: Hanged or whatever it is. You will get your chance to make your contribution. Try to fix the Pointe-a-Pierre Road and Diamond Village where they demonstrated the day after election when they voted for you. The place is in a deplorable condition. There was a big demonstration. They were burning tyres. I was MP for that area and they have never demonstrated against me.

Mr. Speaker, I advise hon. Members to be careful. The Prime Minister is setting a very bad example for them by misleading the Parliament, by giving the wrong information to the country and by seeking to earn cheap mileage in the process.

Let me go on to the four points that constitute his legacy. He stands in the Parliament, calls the name of a former Minister and accuses him of manipulating the exchange rate. He leads a government with a lot of questionable persons surrounding him. None of the Members here, I am speaking about. I am talking about people who have been questioned, whose names have been raised in court, whose names have been raised in the business circles and in the media, for having been involved in corrupt activities. It is such a sad thing to stand here. Because Mr. Kuei Tung, for whom I hold no brief—I am not going to defend anybody. I am told by my senior counsel who advises me on legal matters, that I should not call anybody's name and that I should not attack anybody unless I get advice. I am taking good advice. I know he is a man who is well connected internationally, so much so that he can get the best advice available to him from London; advice which has embarrassed the Government on so many occasions. *[Interruption]* Anyway, I do not have to grovel. I do not have to do like you.

Dr. Rowley: Like me?

Mr. K. Ramnath: Yes. I did not have—anyway I will not get into that. You will cause me to lose my valuable time. I would not get into that, but grovelling is not one of my—I am not getting into that.

Mr. Maharaj: He would not support Valley. Valley gave his life for him.

Mr. K. Ramnath: What is important for them is to hold on to ministerial office. Anyway, to stand here today—*[Interruption]* I am sure—and launch a vicious attack on a former Minister of Finance and then say: “I will, in future, provide the evidence of manipulation of the exchange rate” accuses a government that was the best-performing government in the history of this country. *[Desk thumping]* From Port of Spain to Mayaro and Cedros, people experienced, for the first time, a government that ran a country that even a box of matches did not increase during that five-year period. On the contrary, the country saw extraordinarily good times, even though we were at a time when—*[Mr. Manning departs Chamber]* You can just give but you cannot take.

Mr. Manning: The price of nothing went up for five years!

Mr. K. Ramnath: You should sit there. You know, it is a great pity for the benefit of Members, that the Prime Minister would speak and run. I wanted to

deal with his four pillars. He wants me to cut short my contribution. *[Interruption]*
Do not get impatient; you will have your chance. You are a good man.

Mrs. Persad-Bissesar: “Yuh come back?”

[Mr. Manning returns to Chamber]

Mr. Manning: I run the risk of having a biological problem. I will stay.

Mr. K. Ramnath: Let me welcome back the Prime Minister. To make a statement like that is a grossly irresponsible act, unless you can provide evidence. That means that you are abusing the privilege that this Parliament has offered you and it will be equally irresponsible if any Member on this side were to make an accusation of the same dimension against any one of your Ministers in office. It will be equally irresponsible if they did not have the evidence to do so. *[Interruption]*

No, the Member for Diego Martin West had to go to court to clear his name because of an attempt to remove him as a candidate of the PNM in the last election. I heard him say—and I understand the pains that he suffered—there was a conspiracy to put charges on him so that he could not be selected as a candidate. Not only that, I heard him say—when the Attorney General made a statement in this Parliament about the judgment of Justice Judith Jones on the last occasion—“too late”. He was a victim of an attempt by certain powers within the PNM, ostensibly led by the Prime Minister, to deprive him of the opportunity to continue to serve as a Minister. If he had gone, the Member for Diego Martin North/East would have also followed. He was also on the hit list.

Today, what we would have seen in this House is the only Member from that side, the Member for San Fernando East. I am sure the Member for Arima would have gone too.

Dr. Moonilal: She is half-way gone.

Mr. K. Ramnath: She is placed at the edge so that she can—she is precariously perched. She can fall off at any time.

Mrs. Persad-Bissessar: That is right. Most unfair!

Mr. K. Ramnath: *[Interruption]* Do not get upset. You will have your chance. I want to warn that when you do not have the evidence do not use the Parliament to attack anybody on this side. I also want to warn that the Member for Chaguanas West is a great ambassador of Trinidad and Tobago. *[Desk thumping]*
Your innuendo about activities which took place in 1989 at the stadium—before

you attack the Member by innuendo, maybe you should have a discussion with him as Members of the House. You should have a talk with him.

I always have problems with the Member for Diego North/East. He comes from a heritage with mental disorders.

Mr. Speaker: No, it is bordering on being unkind.

Mr. K. Ramnath: I can say, with certainty, and I can prove that. I have medical evidence to show that he has a history of mental illness.

Mr. Speaker: No, no. That definitely is out of order. I think you know you have to withdraw it and apologize.

Mr. K. Ramnath: I humbly apologize.

The Prime Minister said that in 1992 there was a major change in policy; that is, the policy has been reserved and the country went into a programme of exporting LNG. That was one of the major thrusts of the Government. I want to tell the Prime Minister that the increase in reserve of —*[Interruption]*

Mr. Imbert: My wife is still alive.

Mr. K. Ramnath: Do you want to have a debate on that? Do you want to have a debate on wives? Do you want me to tell you what your wife told me?

Mr. Speaker: Hon. Member, converse with me, please.

Mr. K. Ramnath: She said good things about him, Mr. Speaker. It is an effort to derail me. What happened is that I lost a lot of weight and did not have money to change my wardrobe.

Mr. Speaker, in 1977 and 1978, this country produced 228,000 barrels of oil per day. We have not seen since then an increase in oil production. What we have seen is a steady decline in oil production. But, what we have seen from 1978 is an increase in gas reserves in the country. A lot of the initiatives of the oil companies, particularly a Pan American oil company, Amoco and now bpTT, turned out to be gas-producing wells instead of oil-producing wells. The Prime Minister will tell you that as Minister of Energy, the Cassia Field, for example, was one of the very big fields that were found and still today producing a considerable amount of natural gas. The Government was faced with a situation of declining oil production, declining prices, increase in reserves of natural gas and nobody questioned whether that was a bad decision. In fact, you are put into office to make good decisions in the interest of the country.

When you demitted office in 1995, the UNC government followed up on the initiative, which was started in 1992, and supported the expansion of the LNG industry. I do not know why it was necessary to come here to talk about this major initiative when it is the duty of a government of the day to ensure that we make best use of our natural resources and subsequent governments would now come and expand on what they have done.

The problem today is that in spite of that initiative, the Government understands that we have to curtail such an initiative because of declining reserve position. These things happen in the oil and gas industry. We might very well find that after we have received reports from Kerr Magee and the Canadian gas company, Superior, that when they have completed their tests and they have done a reservoir calculation that we are in a position to continue with the expansion of energy production. That might very well be so.

6.45 p.m.

For the time being, based on Robert Riley's statement about the capacity of BP supplying gas for another train, we have to be cognizant of the fact that Trinidad and Tobago is not in the same position as it was 10 years ago. That does not prevent the Government from taking initiatives in increasing oil production. It has been very slow. The initiative of trying to form a holding energy company in Trinidad is something that we have to discuss, because it is probably a welcome opportunity to put the best persons together to articulate a vision. [*Crosstalk*]

We have a serious problem when I heard today from the Minister of Finance, the hon. Member for D'Abadie/O'Meara, that we had to shut down three platforms in Soldado, in Trinmar, as a result of health and safety issues, which resulted in a reduction in projected income from the oil industry. We are talking about a company that is owned by the State.

What we have seen is a constant decline in production, and very little initiatives articulated by the Minister of Energy and Energy Industries. In the last year, we had a crisis in this Parliament. I do not remember when we had an active Ministry of Energy and Energy Industries, because the Minister resigned and so on. I am waiting to hear from the Prime Minister and his Minister of Energy and Energy Industries what new initiatives are in place to give a boost to the oil industry.

I have made the point on several occasions that there should be no monopoly, especially on land production since most of it is owned by the State, when you have many small entrepreneurs in the countries, many of whom have taken fields

which were regarded as uneconomic for production, and have turned around those fields to the extent that they contributed to an increase in oil production. The Prime Minister knows one of them very well in San Fernando that has converted a workover and drilling company into one of managing petroleum leases.

If you are faced with declining oil production, then you will expect that a country that is dependent on energy as its main source of income, will be making a statement to the Parliament. I hope that Minister Enill will do something like that very soon to assure the country that this continuing decrease in production would be arrested.

Today, you are enjoying the income as a result of high oil price that went to \$100 a barrel. Today it is about \$90 for West Texas Intermediate or Brent—we have benefited from that—but any major decline in prices could affect the standard of living, and the level of Government revenues in such a way that the other points that you have raised as major policy issues with respect to the manufacturing sector in this country will not have the effect of continuing to support that manufacturing sector.

Mr. Speaker, I would have expected the Prime Minister to talk a little about that. I expected him to talk about PetroCaribe. It is not sufficient for him to continue to analyse what Mr. Chavez is doing in such a glib manner, and making very short comments from time to time, claiming that he is looking at it. In the first instance, this is as a result of the failure of the Government to look after its best market, and to have proper intelligence gathering systems and technocrats forecasting what is likely to happen if those markets were to be impacted by, not necessarily Mr. Chavez, but anybody else.

We sat and assumed that Antigua and Jamaica and most of the Caribbean islands would continue to buy petroleum products, because Trinidad and Tobago has had a colonial legacy, and we have had associations with these people. I think it is bordering on irresponsibility. Certainly, the Ministry of Energy and Energy Industries has to be reorganized so that it sets up an intelligence gathering system that will inform the politicians about what is happening in the real world outside there today.

Now, I do not want to comment on what Mr. Chavez is doing, but what I am simply saying is that these islands are going to buy petroleum products at world market prices. What they are going to benefit from are special terms of repayment. They have to repay those loans. They are given an opportunity to pay back in bananas and coconuts and so forth, which could hardly, in my view, do anything to impact that debt. [*Interruption*]

Mr. Speaker: Hon. Members, the speaking time of the hon. Member for Couva South has expired.

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

Question put and agreed to.

Mr. K. Ramnath: I thank the hon. Prime Minister for extending my time. I certainly do not need all that time. I want to give the hon. Prime Minister a chance to leave. It will take a lot of bananas to repay, but it is clear that the Venezuelans had one up on us, and that is they are going to take our market. That is our premium market. It is going to take our major market. In fact, one of the reasons we are upgrading at significant cost today is so that we can sell elsewhere, but it is costing a fortune to upgrade.

Mr. Speaker, if you are exporting 100,000 barrels of oil per day to the Caribbean region which is your premium market and now you have to go outside and compete, it is going to cost you a fortune to be competitive on the international market or the extra-regional market. [*Desk thumping*] The extra-regional market is not the most reliable market, because the Venezuelans are also there.

The point is the Caribbean would not have abandoned us if we had taken steps very early to understand that they cannot, could not and would not have been able to afford to buy petroleum products without concessionary terms at the prices that exist today. [*Interruption*] Let us discuss it. If you had an advisor like me, you would have solutions. You would not be complaining. [*Interruption*] That is why I left the Government. The Government at the time did not recognize talent, and it had a problem. It inherited all the old PNM technocrats. [*Desk thumping*]

When I thought we had made revolutionary strides, I ended up having to serve under persons whom I had criticized violently over the years. [*Laughter*] I do not want to call their names, because some of those fellows have died and so forth. [*Interruption*] I know that the Prime Minister would have responded to me in this way, because it is clear that he is not a person who likes to consult.

Mr. Warner: At all.

Mr. K. Ramnath: We could not afford the same concessionary terms as Venezuela, and I understand that. I am saying that our Caribbean colleagues are men and women of goodwill, and they would have been prepared to sit and talk. He was so unprepared for the meeting in Venezuela that he went in a shirt and pants and all the Caribbean countries went with pens and jacket and tie to sign the

agreement; an agreement which he had not seen until the day he landed. Is that correct? [*Interruption*] I understand his difficulty, and I understand his difficulty even more now that the Barbados government has been replaced. All his colleagues are gone now, and he remains the only one to go which shall occur very soon. We have plenty time. You will not be around then and maybe I will not be around, but there are many young people on the Government Benches who will be around, and they would be a testimony to what I am saying here today. Mr. Speaker, we cannot put the future of our country at risk, because of the lack of intelligence gathering information and planning.

At one time, Dr. Eric Williams had abandoned the Ministry of Planning. I do not know if the Prime Minister was the Minister of Planning then when he said that the Ministry of Planning had lost his mystique. For a very long time, he languished as a Back Bencher and as a Parliamentary Secretary. I understand his difficulty under Dr. Eric Williams.

Dr. Moonilal: He is the longest serving Parliamentary Secretary in the Commonwealth.

Mr. K. Ramnath: Mr. Speaker, all that I am doing is repeating what I have said elsewhere, and that is that the energy sector that the Prime Minister talks about very often will continue to be in difficulty if we do not seek to consult, plan and to have major national discussions. The result of not doing so will be disastrous for the country. All the money that we are budgeting in this exercise today and all the money that we are transferring will not be available to us in the near future if the country suffers a major decline in revenue from the petroleum industry.

Manufacturing in this country has grown considerably because of cheap energy. Other countries in the Caribbean and elsewhere have to face the reality of high energy prices. If today we are talking about a manufacturing sector, it is not only as a result of the initiatives that the Government has taken like tax benefits and so forth, but it is as a result of cheap energy. We will not be able to continue to subsidize many activities in this country, because subsidizing means that we have to take the money from some source and pay it back to the companies that are supplying our energy. Electricity bills have gone up in this country considerably.

7.00 p.m.

When we hear now that water bills are going to increase—well what happened in Tunapuna that night, they really did not expect to hear a speech; they went

there to "fete", celebrate and so on, and he chose to exploit them in their state of inebriation.

Mrs. Persad-Bissessar: So they clapped.

Mr. K. Ramnath: So they clapped when he claimed that water rates are going up. I saw the press treated him with the contempt he deserved; not congratulating him for having won the election but for raising water prices.

The point I am making is, electricity, water, all the utilities will go up in the country as oil and gas revenues decrease. We cannot guarantee, as the Member for Siparia said, that we are going to have this windfall, nor can we guarantee we are going to have increased production. I do not know what the status of the reserves will be as a result of the two exploratory wells that we have had. What I can say is that we should make the best use of the resources that we enjoy today in Trinidad and Tobago.

To wind up, Mr. Speaker, I do not want to get into the other aspects of this debate; I just want to say that it is always nice for a government to have the money available to it, for it to carry out its economic programmes and expansions and so forth. I do not think anybody envies the Government for having been the beneficiary of such enormous wealth and so on; what they expect is performance and what they expect is, not only budgeting for projects, but they expect that there would be institutional arrangements to make sure that the budgeting exercise is carried out in an efficient way.

When we heard the Minister of National Security today—who is a management expert—saying, "that I could not spend all of this money, because of administrative difficulties", it tells you that we have an antiquated system in the civil service today, and I am not blaming the civil servants for that. There is very little reform taking place to allow for government Ministers to adequately carry out their responsibilities. Every year you will come back into this House to make adjustments as a result of the inability of the Government to spend their moneys.

All I want to say in conclusion, as he leaves, is that we have no difficulty in drawing to the attention of the Government the problems that people face, especially in a time of plenty, but we have a difficulty in accepting the excuses that each one of them comes with to claim why they have to transfer money; why they have not used the money at a time when citizens in this country are experiencing enormous difficulties.

Thank you very much.

The Minister of Trade and Industry (Dr. Keith Rowley): Thank you very much, Mr. Speaker. I want to begin my very brief contribution by congratulating you very sincerely for accepting the assignment that you have accepted to continue to serve us as a presiding officer in this Ninth Parliament of Trinidad and Tobago. [*Desk thumping*]

I also want to take the opportunity to congratulate my colleagues, those who have made their maiden speech today and before and those who are due to make maiden speeches and those who are back. I welcome back my friend from Mayaro; I look forward to your maiden speech in the Ninth Parliament and I must say I wish I could have said my colleague from Chaguanas West, but I am not in a financial situation so to do. We are not in the same category, but I guess parliamentary colleagues I think, I congratulate—

Mr. S. Panday: Even with Landate?

Hon. Dr. K. Rowley: You hear, you understand? I am coming to that. I am coming to that; that is why I got up to talk today.

Mr. Speaker, this debate is quite a light-hearted treatise on our circumstance, notwithstanding what is being said, but there are a couple things I would not like to see remain on the record unchallenged, because, as my colleague from San Fernando East said, some things are said with such authority that those who do not know better might be tempted to believe that what is said might be the truth and might accept it as fact.

I want to begin by correcting the record; my friend from Couva South accused me of not knowing anything about Mr. Chambers. I want to point out to you, my friend; I was a candidate in 1981 under George Chambers.

Mrs. Persad-Bissessar: Did you win?

Hon. Dr. K. Rowley: No, I was in preparation for winning in 1986. [*Laughter*] [*Desk thumping*] It is quite misleading to say I know not of George Chambers. I actually knew quite a bit about him.

Mr. Speaker, what really caused me to join this debate to make this brief intervention is a position taken by our colleague from Chaguanas West, who I am sure, maybe, did not intentionally set out to mislead the listening public, but I heard him say that it has been the pattern of the PNM Government, consistently every year that we have been in Government, to have our expenditure exceed our revenue. And I found that to be a very strange statement coming from a person who, I am sure, has had to take notice of our country's circumstances and who has some understanding of revenue and expenditure and, by extension, debt.

I just want to put the record straight to refute, without fear of contradiction, that—

Mr. Imbert: Untruths.

Hon. Dr. K. Rowley: I do not want to say untruth, I think it is part of the syndrome of trying to say too much too early. And my advice, if I may be so bold, to the Member for Chaguanas West, is to wait for a little while until you get the facts straight; until you read the documents; until you hear it from somebody who knows, before you attempt to make those kinds of statements to the national community. Because if you are allowed to do that it will surely reflect on your image in the national and other communities.

Mr. Speaker, far from revenues being more than our expenditure, it is the complete opposite. In 2001, when the UNC was in Government, we were in the Opposition. The Government became a PNM Government on Christmas Eve day 2001. The documents for that period show: revenues, \$14 billion; expenditure, \$13 billion—I am rounding it off—a surplus of \$390 million. The following year, 2002, the PNM came into government. Revenues, \$14.122 billion; expenditure, \$14.22 billion; a deficit of \$104 million. So, it sounds like he is right, but I will tell you something, that deficit that showed up in 2002 was not as a result of any profligacy on the part of the PNM government, it was the cleaning up of the splurge of the election year and the excesses at the Piarco Airport, the TIDCO road paving programme and the MTS school building programme, a lot of which took place outside of the appropriation of the mainstream budget and for which today, a number of persons are either in jail or on the way to go. That was not the PNM doing; all we was doing was collecting the results and putting them in the books.

The following year, 2003, we had revenues which totalled \$17.366 billion; expenditure, \$16.51 billion; a surplus of \$775 million. In 2004, revenues, \$20.885 billion; expenditure, \$20.673 billion; a surplus, \$211 million. In 2005, revenues, \$29.648 billion; expenditure, \$27.234 billion; a surplus of \$2414 billion. In 2006, revenues \$38.407 billion; expenditure, \$36.879 billion; a surplus of \$1.528 billion. In 2007, revenues, \$40.543 billion; expenditure, \$39.275 billion; a surplus of \$1.268 billion. In 2008, projected revenues, \$40.381 billion; expenditure, \$40.292 billion; a surplus projected at \$8 billion or \$9 billion. And that, for the benefit of my friend from Chaguanas West, is the state of the books of Trinidad and Tobago. [*Desk thumping*]

So, it is quite wrong, quite misleading for a Member of Parliament in his maiden speech, either having this information and deliberately misrepresenting

the facts or not having it, and irresponsibly getting up and telling the country's children that every year in the PNM's tenure, we have incurred deficits. It did not even make sense, because if that was the case one could never have had a growing Revenue Stabilization Fund, and I am sure the Member has been hearing that we have grown that Revenue Stabilization Fund from \$400 million up to \$12 billion.

How could you have a savings account of \$12 billion if every year you are spending more than you receive? In fact, if you were borrowing to do that then the national debt would have been growing. In fact, in the last budget presentation, we had the rosy numbers of showing a serious decline in our foreign debt; we were paying down our foreign debt in advance, so as to get the benefits of savings of the interest rates, because of our prudent management of the higher incomes we were getting. Yet a Member comes in here, and I am sure it was a mistake on your part; I ascribe no malice to you; but what I would say to you is, the budget documents are there, it requires some study, some reading or as you last in the Parliament you would hear people who know, like my colleague from D'Abadie/O'Meara, Minister of Finance, talk about our situation. Believe it when you hear it from the PNM, because we tell you the truth; we tell you the facts. [*Desk thumping*]

Another thing that was said is that our circumstances—Mr. Speaker, I am limited to— How much more time do I have? Fifteen minutes?

Mr. Imbert: Ten minutes.

Dr. Rowley: Ten minutes, okay. A little tyrant to deal with here. It has been said from time to time that external sources, high prices in the marketplace and happenstance are the causes of our pleasant circumstances. I just said that I have been around since George Chambers' time, so I think I need to say to my new colleagues, young and old, it does not happen like that. There are a lot of countries around the world where there are high prices prevailing for their exports, but the circumstances of revenue creation, revenue accretion and conditions in their country have not reflected those high prices.

I was in the Cabinet in 1992 when we were coming out of a period of approximately eight years of recession; do not forget that. Our economy was contracting on an annual basis for eight years. We had just come into Government in 1991 and the question then was: How do we turn this around? And high oil prices did not prevail at that time, but at the level of the Cabinet we had to take a very hard decision and that decision was to cut taxes for the oil companies, reduce their supplemental petroleum tax. In a situation where Government revenues were

extremely tight, we had to forego revenue to the tune of \$150 million, guaranteed income under the supplemental petroleum tax; giving that room to oil companies to stimulate exploration; to turn around a decline in the energy sector. We took that decision at the level of the Cabinet after agonizing; and in the end, we decided that was the best thing to do; forego that \$150 million in that year for greater benefits to come later on. And, Mr. Speaker, it worked out handsomely.

7.15 p.m.

We stimulated exploration in the energy sector resulting in significant finds of natural gas; increasing our reserves to the point where, when the next Cabinet decision over which we agonized was the creation of an export industry for natural gas through LNG; when the Government sources floated that idea, there were those, even in the energy sector—Amoco and others—who were saying it could not be done, but by that time we had reached the stage where we could have driven the point home. Today, people talk about the Trinidad and Tobago model of natural gas; monetization through LNG, the Trinidad and Tobago model. Years before those with large reserves in our neighbourhood were talking about LNG, today, we are an LNG supplier, the largest supplier of LNG to the United States; they are still talking about LNG. That is not happenstance. [*Desk thumping*]

That is not happenstance. That is visionary action on the part of a Government, doing what my friend from Couva South said, doing the right thing by the people, for the people, because that is what we were elected to do. And all we ask of you is to acknowledge it as the history of the country, the facts of the situation and do not behave as though it did not happen or it happened by some falling out of the sky. It was governmental action on the part of those in authority making a choice, because on every occasion, for every single governmental decision there are options. I have never yet come across one instance, since I have been in Government, where there was only one course of action available to the Government. In every single situation there are options and you are required to choose an option. It is the choice that you make; and sometimes the choice you make might create controversy; you might have persons agreeing or not agreeing, and there are very few things that you can take a decision on and get unanimous support.

There were those who said at the time when we cut that SPT of \$150 million that we were being irresponsible; profligate, we were being cavalier; we were pandering to the oil companies, and it was also described in the context of capitalism and whatever, because we were giving oil companies money; not recognizing that what we were doing was stimulating exploration within our

environment with the prospect of finds and those finds were made and this country's history was changed. I want to quote for you, Mr. Speaker, from the *bpTT Insider of December 2007* as said by the head of that company, our local Robert Riley, because he puts into context a lot of what we are debating and what the national community should take cognizance of. He said this:

“We need to sit up as Trinidadians and Tobagonians and realize that what we are experiencing today is really the beginning of a period of sustained, good quality source of income for this country. We need to be less frenzied and less prone to the sense of living only for today because we don't know when it will all crash.

Our focus in this country at this time should be on planning to transform ourselves and our economy over the next decade and a half so that we can really ensure what our future will be like”—because I am to say—“the state of our economy today gives us time to begin to create the type of infrastructure that a developing country needs. We have the time and the means to create the kind of economies that will follow the oil and gas economy.

We need to understand that a healthy income from our natural resources is fairly well guaranteed for some time and we must start figuring out how to live in a world that certainly offers us better potential than anything we have experienced before. By being more measured and less frenzied in our behaviour, by being more deliberate, better planned and organized we can deliver so much more because we have the time, the means and the space to get it right.”

That is advice coming from Robert Riley at bpTT, our largest gas producer, probably our largest corporate body. That is advice that I will commend, not only to those of us in the House but to the wider national community; public sector and private sector. Because I would not be surprised at all if something happens outside and the oil and gas prices roll back and the next thing you hear, persons who should have taken charge of managing their business affairs, managing their personal affairs, suddenly find by their own conduct that they are left high and dry on the shore and will turn around and blame Almighty God. They will blame the Government, they will blame the PNM and they will blame everybody else but themselves. Robert Riley has given us good advice in a timely fashion and I commend this advice to the national community.

Very briefly, I want to mention to my friend the Member for Couva South; he talked about poverty in Port of Spain and he used the juxtaposition of the

Waterfront Project and the East Port of Spain situation to show what developing countries should not do. I just want to tell him, we are not unmindful of that situation but you must bear in mind the Waterfront Project, largely, building of an economic infrastructure—largely, that is what it is—East Port of Spain. I am sure you were around when we went to East Port of Spain to bring to the people of East Port of Spain the development that the country could afford, and the development that is taking place around the country to reorganize the housing condition, to reorganize the physical environment; it was my friend from Tabaquite who led the charge saying to them, “do not take them on at all, you defend what you have here now”. The very squalor that you describe, the very unacceptable condition you described, he told them, “do not take them on at all and if you are going to move as a tenant paying \$100 a month, the only condition under which you should move is that they must pay you \$2.5 million.” And every ne’er-do-well in Port of Spain was in his toll like the Pied Piper, in East Port of Spain trying to preserve perpetual poverty and uninhabitable living conditions.

So do not tell us that we do not know about East Port of Spain—you know what I am talking about—because you were the one, when you looked for your seat it was not there. And then with that banner, remember the famous banner?

Mr. Ramnath: [*Shakes head*]

Hon. Dr. K. Rowley: One of these days I will remind you.

Mr. Speaker, again, my friend from—I do not want it to remain on the record that what the Prime Minister said about the National Stadium is innuendo. It is not innuendo. It is a fact! Our National Stadium was grossly overloaded to the tune of thousands, to the extent where the engineering integrity was compromised and the State, using taxpayers’ money, had to pay millions of dollars to retrofit the stadium after it was overloaded by persons to whom it had been rented.

Mr. Imbert: Chaguanas West.

Hon. Dr. K. Rowley: And I will tell you too, I had the personal experience of buying a ticket to get in there, and as a Member of Parliament could not even approach the venue and I still have the ticket home. I hope my friend from Chaguanas West will give me a refund with interest. [*Desk thumping*]

With respect to our friends in Caricom and your comment about the Prime Minister’s situation, I do not know if those of us in this House know the circumstances under which we do business in Caricom, because many times, it is every man for himself and devil take the hindmost, especially, if the hindmost is Trinidad and Tobago.

Only this morning I was reading in my office about a meeting between the Prime Minister of Dominica and the President of Venezuela, where Venezuela is looking with the gleeful acceptance of Dominica to build a refinery in Dominica, but all the consequences that will have for Trinidad and Tobago and our Caricom market.

Dr. Moonilal: Why not?

Hon. Dr. K. Rowley: Why not? I will tell you one thing though. The one place you will see no refinery is Dominica, for the simple reason and unless you are a madman, right, you will build no refinery in Dominica; not Chavez, not the Prime Minister, because Dominica is 100 per cent active volcano and that will prevent any refinery from being built there to the detriment of ours. But if it was possible—

Mr. Ramnath: You cannot speak for them.

Hon. Dr. K. Rowley: But who am I to say they should not? If it comes their way and they want to accept it, fine, but do not get the impression that Trinidad and Tobago is not looking after its interest when that interest is challenged. But there are other people who have their interest to look after and we are elected in our various communities to look after our people's interest first. And rest assured that the Government of Trinidad and Tobago puts Trinidad and Tobago's interest first, every time. [*Desk thumping*]

And we talk about oil. The oil refinery in Pointe-a-Pierre has a capacity of 240 million barrels a day. We are producing 120. Every time you see the price of oil goes up to \$100 we are buying at that price and I think the national community needs to know that. We buy oil for our national refinery to ensure that we have a throughput up to the capacity of the refinery, and to the extent that we have to buy oil, we are buying in the marketplace at that price. And, insofar as we are buying at that price and subsidizing local transport to the tune of \$2 billion a year, the time has come in this country to ask ourselves if that is the best way to spend \$2 billion—subsidizing transportation to the extent where nobody in this country considers fuel cost when you plan a trip to go anywhere in this country. That is the level of subsidy, \$2 billion a year; and the time has come, we have to look at that to see whether that is the best way to spend \$2 billion in our national development.

Mr. Ramnath: And you raise the price of gas.

Hon. Dr. K. Rowley: And, Mr. Speaker, finally, my friend spoke about the competitive advantages for manufacturing. Competitive advantage is simply

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saying, use what you have to work best for you. If in Trinidad and Tobago we have natural gas from which we generate electricity and that electricity drives our manufacturing industries, that is our competitive advantage, we should not apologize for it, we have to use it to the hilt to ensure that that advantage works for us in the international marketplace. That is what we are doing. So when we hear people saying to us that on a per capita basis we are consuming more electricity than any country in the world, and we are threatening the world with global warming; fine! That might be their interpretation.

[MADAM DEPUTY SPEAKER *in the Chair*]

My interpretation is, that is our advantage and every other country uses and should use their advantage; and if electricity allows us to have steel, to have aluminium, to have manufacturers, to have manufacturing products that are going to give us jobs in Trinidad and Tobago, our objective, our duty is to ensure that we create and preserve good jobs in Trinidad and Tobago by using that advantage to ensure that we live up to our country's potential.

Madam Deputy Speaker, that is all I wish to say at this time and I simply want to congratulate the Minister of Finance for an excellent presentation and I am sure that her [*Desk thumping*] winding up would be equally informative and excellent.

I thank you, Madam Deputy Speaker. [*Desk thumping*]

Dr. Tim Gopeesingh (*Caroni East*): Madam Deputy Speaker, I rise to make a small contribution on this Finance (Supplementary Appropriation) Bill 2007/2008. The purpose of this legislative measure being undertaken today is to give parliamentary sanction to the expenditure of funds over and above the financial allocations for 2006/2007 fiscal year and which have already been used. We are debating an issue on finance, the moneys which have already been used.

In fact, there has been a supplemental variation of appropriation every year since 2003. Every year there is an appropriation, there is a supplemental appropriation and then there is a variation of financial appropriation. But, I am wondering, is there, or should I say, there appears to be a concerted effort—or is there a concerted effort on the part of this Government to conceal expenditure items from their highly publicized annual budget and conceal it towards the variation of appropriation?

7.30 p.m.

This can be evinced from the large numbers of expenditure items which should have easily been included in the annual budget, but which were not. I will give you an example.

The example of \$42.3 million was used for the procurement of text books under the rental loan programme for secondary schools and \$75 million for pharmaceutical drugs. The first programme of text book rental loans was launched since fiscal year 2005 in the Prime Minister's budget speech, so obviously, this is not a surprise item and clearly it should have been catered for in the provisions in the annual budget. There are so many predictable items on this Finance Bill which should have been considered under the traditional annual budget. I gave two examples of expenditure of \$43 million and \$75 million, but this expenditure has already occurred and what is being requested of us is really a rubber stamping for approval of expenditure already made. What are we debating? In fact, we are legitimizing past expenditure.

Madam Deputy Speaker, the Minister of Finance in her presentation spoke about the Central Bank issue which is on the Bill here. The hon. Minister indicated that Central Bank is registering healthy profits; Central Bank should prepare for a decline in oil prices; and Central Bank should prepare for an unexpected weakening of the economy. What we have here, we are recapitalizing Central Bank from \$100 million to \$800 million and we are being asked to approve a \$400 million payment to the recapitalization of Central Bank.

It is the same Central Bank which when we sought to get information, we found that it has been removed from the Freedom of Information Act. It is the same Central Bank which one of the Members of the Board of Directors has been a noted political scientist appointed on a financial institution. It is the same Central Bank which paid for the transport of this particular director to and from wherever he lives abroad, week after week, to come and attend board meetings. It is the same Central Bank director who we understand wrote the Prime Minister's Budget Speech in 2006—I am not too sure. I think so.

Dr. Rowley: You know already.

Dr. T. Gopeesingh: Well, the Prime Minister is here, so he would be able to tell us. We saw a Governor of the Central Bank appointed a few years ago; then we saw a silent appointment just appearing on the newspaper. But the point I really want to make on this whole issue, is that the Central Bank is supposed to be doing a certain job, looking after the monetary policies of the country and advising the Government on its monetary policies, so that the Government's fiscal policy will be in tandem with the monetary policies and not out of sync.

Central Bank has been telling this Government that it is overspending; there is high inflation. The Government has tried to dry up the liquidity in the market by

increasing the repo rate almost eight times during a five-year period. Interest rates are climbing. There is pressure on the exchange rate. Small and large businesses are finding difficulty in meeting the high interest rates and today we heard the hon. Prime Minister speaking about Trinidad and Tobago being one of the best manufacturing countries in the Eastern Caribbean or the Caribbean because of a proud legacy, because of certain pillars on which they position the country over a number of years.

Madam Deputy Speaker, instead of this Government coming to this House today and announcing its intention to propagate the pattern of wanton wastage of billions upon billions of dollars in taxpayers' money, I was expecting that they would have come here and told this House and by extension the citizens of this country, what financial preparations the Government is making to deal with the economic recession that is facing the United States of America today [*Desk thumping*] and by extension will face us, and how the Central Bank will deal and advise the Government because of the economic recession affecting Trinidad and Tobago.

Madam Deputy Speaker, in a *New York Times* article, published on Sunday, January 13, 2008, headlined, "No quick fix to downturn", by Peter Goodman and Floyd Norris, they noted that several of that country's top economists are saying that it may be too late for Washington leaders to turn their attention to efforts to avert a looming economic downturn. We see it on CNN and BBC all the time. I would assume that this Government and by extension the Central Bank are aware of the fact, that Washington economists and policy-makers and investors are debating just how much their economy could be damaged in 2008. The article says and I quote:

"The measures now being debated in Washington and on the campaign trail—tax rebates, added help for the unemployed... most immediately, a move by the Federal Reserve to further cut interest rates—could certainly moderate the severity of a downturn."

This is what the Federal Reserve people are speaking about. I am making this statement about what is happening in the United States in the context of what could be a looming problem for us in Trinidad and Tobago. [*Desk thumping*] And I continue:

"Democrats and the Bush administration are considering a package of such measures that could reach \$100 billion."

The article goes on to say that some economists think a recession may have begun in December.

Madam Deputy Speaker, a widely watched index showed manufacturing slowing, despite a weak American dollar that has encouraged growth in exports. So, although the American dollar is weakening, their exports are still weakening and that should not be so. When the hon. Prime Minister boasted about an economy with a strong manufacturing sector; when we know that the manufacturing sector has been on a decline over the last six years and the manufacturing sector has been contributing less and less to the GDP—now I believe it contributes only 7 per cent to the GDP, when it was about 11 or 12 per cent previously—there can be no boast about a manufacturing sector doing work in Trinidad and Tobago.

In fact, when you look at the diversification of the economy in Trinidad and Tobago, you would see that oil and gas is about 55 per cent and the manufacturing sector is about only 7 per cent. The article quoted Nouriel Roubini, an economist in the Stern School of Business at New York University as saying: “We are facing the risk of a systemic financial crisis, a crisis which will affect the world.” I want to re-quote what Nouriel Roubini, an economist at the Stern School of Business at New York University said, “We are facing the risk of a systemic financial crisis, a crisis which will affect the world.” Therefore, it will affect Trinidad and Tobago. What does this mean for us as a nation?

When the world’s economic superpower goes into economic depression, we all suffer. Our main traders and lenders and financial big brothers are in the United States. We want the Central Bank to tell us and tell the Government what they are doing to prepare for the consequences of the United States economic downfall and how it would affect Trinidad and Tobago.

If we are giving passage to a recapitalization of Central Bank from \$100 million to \$800 million, we feel that it is an onerous responsibility on Central Bank to look and investigate what is happening internationally, and bring that sort of thinking into the national issue, but yet we hear nothing from the Central Bank on this issue, how it is affecting the TT dollar. In this context I want to make some statement on this. Why is this not mentioned before? Where is the Central Bank in all this issue on the American economy downturn? Why are they not advising citizens on how to prepare for this and why they are not advising Government, or are they advising Government? Is Central Bank bringing this consideration into the monetary policy consideration? Not at all.

Madam Deputy Speaker, the hon. Prime Minister spoke a while ago and he mentioned that in 1990 they made a decision, when they were in opposition, to float the TT dollar. I want the hon. Prime Minister to listen to this. He said they kept it quiet in 1990. They kept it quiet because they wanted to avoid a run on the

currency of Trinidad and Tobago at all costs. In 1993, when they were in Government, they floated it at \$5.76 and then it would have been at \$6.00—so they floated the currency. He said we manipulated it to \$6.30. We did not manipulate anything, they floated the currency.

So when he boasts about a balance of payment that was in deficit under the previous government and they brought the balance of payment into a positive thing, it was because of the float of the US dollar. They were able to get more TT dollars to use in the economy. It was a matter of paper money being increased, so therefore, there was more money available to improve the balance of payments.
[*Interruption*]

Hon. Member: [*Inaudible*]

Dr. T. Gopeesingh: Not at all. As far as the question of devaluation of the dollar, my information is that the only mention of this frightening economic prospect in the Ministry of Finance was made by the Minister in the Ministry of Finance, Mariano Browne. We understand that he has been saying that the only way to deal with the continuing down spiral of the US dollar is to devalue our own dollar.

Madam Deputy Speaker, have you ever heard anything more outrageous? This is his suggestion. [*Crosstalk*] This is our understanding.

Dr. Rowley: You are spreading rumour on him.

Dr. T. Gopeesingh: Hon. Prime Minister, I call on you to give to this House an undertaking on the question of a devaluation of the TT dollar which one of your hon. Ministers of Finance has been speaking about. I will give way and let you make a commitment on that issue, whether we are going to devalue the TT dollar or whether there is a consideration of a devaluation of the TT dollar which is being discussed, we understand, by one of your Ministers.

Mr. Manning: Madam Deputy Speaker, I am not the Minister of Finance and therefore, I feel it appropriate to make an intervention at this stage. For any Member of this Parliament to come here and talk about the devaluation of the currency is irresponsible because the only objective that could have is to try to have a run on the Trinidad and Tobago currency.

Dr. Rowley: Reckless.

Mr. Manning: The currency is floating as you know, Madam Deputy Speaker, and the Government is not involved in the parity issues of the Trinidad and Tobago dollar vis a vis other currencies., we got away from that when we floated the currency. So I would just urge the Member for Caroni East, please, to

desist from that course of action. If you wish to make mileage, please do it in another way. To start that kind of talk about the Trinidad and Tobago currency, is to go down a road if you sow the wind, you are going to reap the whirlwind. We consider that an irresponsible course of action.

Dr. T. Gopeesingh: It was the same Prime Minister who a while ago said that while they were in opposition, they sat very quietly and kept it silent that they were going to devalue the TT dollar and float the TT dollar in 1990—he said that this afternoon. We are asking whether there is another silent move by this Government and whether they are contemplating or considering a dirty float on the TT dollar. We have the information that that issue is being discussed in the Ministry of Finance. If you do not know what one of your Ministers in the Ministry of Finance is doing, well you better find out, hon. Prime Minister.

7.45 p.m.

You have got to know what your Ministers of Finance are doing. The Minister of Finance is here; he will have an opportunity to speak about it.

Hon. Member: She.

Dr. T. Gopeesingh: And the Minister in the Ministry of Finance as well. [*Crosstalk*]

Madam Deputy Speaker, under the section of "Heads of Expenditure to be Increased", Head 54, Ministry of Science, Technology and Tertiary Education, \$170 million, on page 4 of the document. We have witnessed the expenditure of almost \$1.2 billion on the University of Trinidad and Tobago (UTT), an untouchable university. [*Crosstalk*] The *Sunday Express* investigation into the Ken Julien created, state endorsed UTT, found reports of high spending, the creation of a web of companies with cross dictatorship and contracts linking back to associated companies of the Chairman of UTT.

There are multimillion dollar scholarship grants being given in the engineering department for degrees overseas, while people are being paid as lecturers. [*Interruption*]

PROCEDURAL MOTION

The Minister of Works and Transport (Hon. Colm Imbert): Madam Deputy Speaker, in accordance with Standing Order 10(4), I will like to move a procedural motion. I beg to move that this House continue with the matter in question to completion and the Supplementary (Variation of Appropriation) Bill and the two Motions in the name of the Minister of Trade and Industry.

Question put and agreed to.

**FINANCE COMMITTEE REPORT
(ADOPTION)**

Dr. T. Gopeesingh: I was making the point that at the University of Trinidad and Tobago (UTT) has been the granting of multimillion dollar scholarships given to lecturers who are on staff pursuing PhD degrees. There is a clear attempt to put the UTT outside the reach of reporting to Parliament and the Auditor General. Sources say that there are no audited accounts.

Mr. Manning: What do you mean by sources?

Dr. T. Gopeesingh: Reliable sources. [*Crosstalk*] Is the Chairman of UTT running it as his private fiefdom? The UTT was privately set up as a non-profit, non-transparent company with Prof. Julien as the incorporated director. The records show that UTT was incorporated on September 14, 2004, not under any Act of Parliament and is still to be brought before Parliament to be incorporated under an Act of Parliament.

The UTT is operating illegally at the moment. It has failed to comply with the provisions of the Companies Act, yet still we are being asked to spend \$179 million more on tertiary education. [*Crosstalk*] Up to last week, no annual return was made on UTT. They are flouting the law, and under the Companies Act they must file returns.

I want to refer to an article in the *Trinidad Express* of October 21, 2007, written by Camini Maharaj, the headline states:

“‘Walls’ blocking Julien sleuth 10 months after financial investigation started...

The Integrity Commission probe into allegations of financial impropriety involving Chairman of the Board of Governors and President of the University of Trinidad and Tobago (UTT), Prof Kenneth S Julien has been hamstrung by an artificial and bureaucratic wall that is preventing Acting Assistant Commissioner of Police, Wellington Virgil, from conducting a proper investigation, sources have disclosed." [*Interruption*]

I am quoting from the article.

Dr. Rowley: Sources?

Dr. T. Gopeesingh: "...Ten months after Virgil was tasked to investigate the management practices of UTT's top boss, close friend and former business partner of Energy Minister Dr. Lenny Saith, direct pressure is being brought on the Integrity Commission to close off the Julien probe.

The *Sunday Express* understands that the Integrity Commission investigators were told to put up..." [*Interruption*]

Dr. Rowley: I will like to ask the Member where he is quoting from.

Dr. T. Gopeesingh: You missed the quotation; you were not listening at the time. The *Trinidad and Tobago Express* of Sunday, October 21, 2007. [*Crosstalk*]

"The *Sunday Express* understands that the Integrity Commission investigators were told to put up a finding or close off the Julien probe following complaints that the delay in wrapping up the investigation has caused 'distress' and 'disruption' to Prof Julien and the state-funded university." [*Crosstalk*]

"The Julien run UTT has so far failed to account to Parliament on the use of hundreds of millions worth of public funds."

It is in this context that I call on the hon. Prime Minister to stand and tell this House why he is not investigating the concerns raised by the Board of Directors of the UTT about the lack of accounting for the billions of dollars spent by the sham institution, run by energy tsar, Ken Julien.

After the exposure of corrupt dealings last year, I have information, hon. Prime Minister, that the same Director the Member for Diego Martin West spoke about in the bpTT report just a while ago, Robert Riley, went personally to the Prime Minister late last year to express serious concern about the mismanagement of the money in UTT. He told you, Mr. Prime Minister, that the board was not being told where the money was going. It was noticing severe discrepancies, and when they asked for the proof of expenditure it was not given.

He asked you to investigate it and when you did not, he offered to resign, but you were not having that because you could not stand the bad PR of a CEO of an international company like bpTT that manages billions of dollars, resigning over corruption in UTT.

You know one of the directors has already resigned, Gisele Marfleet. I leave you to answer that. Robert Riley wants to go, because he cannot stand the corruption going on in UTT. [*Interruption*]

Mr. Manning: Madam Deputy Speaker, the allegation made by the hon. Member for Caroni East is simply not true.

Dr. Rowley: As usual!

Madam Deputy Speaker: Hon. Member for Caroni East, while the debate has been proceeding very nicely and the floor has opened up for us to have a lot

of discussions outside the substantive Bill, on this matter you have been speaking about six minutes. It is not strictly within what we are discussing. I want you either to make it relevant—and the Prime Minister has responded—or else we will continue to open up the debate. Could you in some way make it relevant to the Bill, please.

Dr. T. Gopeesingh: I am speaking in the context of Heads of Expenditure to be increased under Head 54, Ministry of Science, Technology and Tertiary Education, in terms of the expenditure that has gone on to UTT. [*Crosstalk*] I am speaking about it in the context of teaching and learning strategies of \$43 million. [*Desk thumping*]

Dr. Rowley: You are speaking rumours!

Dr. T. Gopeesingh: Under Statement of Transfers from the Ministry of Education, Head 26. We do not understand what the teaching and learning strategies are. Are these teaching and learning strategies in UTT or are they at the secondary schools? We are being asked to approve \$43 million expenditure in learning and teaching strategies. For whom? [*Crosstalk*] I want to quote another article.

The Prime Minister speaks about UTT to partner with Johns Hopkins University. That is an internationally recognized and renowned university in medical health care. Do you think that they want to come in and partner with a corrupt type of regime in UTT? No way at all. That is only "ol' talk". From year to year they have been talking about partnering with Johns Hopkins, what have they partnered with? You have your own University of the West Indies and you cannot do a thing about it.

I do not want to go very long on this, but I have to speak a bit on the health issue. There are two issues in the Ministry of Health under Head 28.

The first one is the Voluntary Separation of Employment (VSEP) health care facilities officers of \$170 million. That is a voluntary separation package of \$170 million that was to be spent in terms of separating the public service personnel and moving them across to the Regional Health Authorities.

One of the major stumbling blocks and problems within the health sector in terms of management has been the dual employer; the two parallel employers of the Ministry of Health and the Regional Health Authorities. Even when John Eckstein in 1994 brought that on, almost 14 years ago, he recognized that was a problem.

This administration had six years to undergo the voluntary separation, and even up to last year they had \$170 million to do it. It is very, very sad that they

have not done anything, and they come here to boast today that they had to take the money from the VSEP health care facilities officers of \$170 million, and move it to somewhere else.

Do you know what the PAHO/WHO report of 2006 said?

“There is poor supervision in the hospitals leading to indiscipline, demoralization and poor personal performance. This is due in part to the organizational structure which allows for the dual placement of the Ministry of Health and Regional Health Authority staff in the same facility. The money is available for avoiding this problem and for making sure that this problem does not continue, but there is no expenditure on the \$170 million that was available to it to solve this problem.”

According to some staff spoken to, RHA staff, in most instances, refused to be supervised by the Ministry of Health staff who had seniority. So you have two parallel employers, RHA staff and the Ministry of Health. The Ministry of Health staff saying, "You cannot tell me what to do." The RHA staff telling the Ministry of Health supervisors, "You cannot tell us what to do", and this is one of the reasons for the breakdown in the health service over a number of years. [*Desk thumping*]

The report said:

"There is inefficient management of wards, units, agencies and institutions. There is poor hospital sanitation on hospital compounds loaded with discarded furniture."

I am not talking from the Gladys Gafoor Commission of Enquiry report. I am talking from a WHO/PAHO report.

"There are too many outdated and nonfunctional equipment. There is insufficient and at times a lack of supplies and equipment in the health care facilities."

Here you had \$170 million available for a voluntary separation and it is left languishing in an area where that is one of the most difficult problems that had to be solved, and the Government has not undertaken to solve it whatsoever. [*Desk thumping*]

I want to go on to another point under the health issue. The Public Services Association President, Jennifer Baptiste-Primus, had stated that a relative of a senior government Minister was the owner of a chain of pharmacies who was profiting from the C-DAP.

8.00 p.m.

We are being asked to give support to drugs and other related materials and supplies of \$75 million. What is this? Where is this drug being purchased? Who is purchasing it? Where is the tendering process? Who gets the major bulk of the purchase of the \$75 million? Is this the Chronic Disease Assistance Programme (CDAP), Madam Deputy Speaker? This Government has been speaking about the CDAP and it feels that it is one of the best things it ever did. It has spent \$15 million in five years under the CDAP with 22 drugs on the list.

We understand that nine of these pharmaceuticals are no longer in circulation so where is the \$75 million? When Mrs. Jennifer Baptiste-Primus made the statement about senior Members of the last Government and their families being on the CDAP I refer to a written response to a question that was asked in the other place on who were benefitting from the Programme. We saw SuperPharm on September 20, 2005: 1 Columbus Circle, Westmoorings, \$60,000 and the SuperPharm Limited, Corner Morequito Road and Churchill Roosevelt Highway, April 05, 2006, \$77,000 and my understanding is that up to 2007 SuperPharm Pharmacies have had in the CDAP bills amounting to more than \$2 million. We are being asked to support something under Head 28, Ministry of Health for the purchase of pharmaceuticals which is now going towards a government Minister's relative, SuperPharm Pharmacies.

Madam Deputy Speaker, before I close I want to say something about the Commission of Enquiry into the operations of delivery of public health care services in Trinidad and Tobago. We see here that the North West Regional Health Authority Salaries and COLA as \$0.5 million and Contract Employment \$25 million; Training, \$7 million and this is what we are being asked to approve.

Madam Deputy Speaker, this health sector has been in shambles for a long period and we have seen enough articles and I will just give a few of them: "Commission finds serious problems in the health sector", "Problems aplenty in the Health System"; "Public Health Care Woeful"; "Good News Bad Vibes in Health"; "Babies hit hard"; "Patients sleep on Hospital Floor"; "Return of Enterobacter" "Teen sent home to die", and it is as a result of all of these that it took the Commission of Enquiry three years to come to its findings.

The Commission of Enquiry made some significant findings and recommendations and in July last year, the hon. Prime Minister indicated that he was going to send the findings to the Integrity Commission, the Director of Public Prosecutions and the Commissioner of Police for further investigations. It is now eight months later and we have not heard anything about the Commission of

Enquiry's findings to any of the above. We wonder if there is a cover up and we want the Prime Minister to indicate this evening about the committee he said he was going to set up to report and select the findings on the recommendations of the Gladys Gafoor Commission of Enquiry.

There were certain recommendations and he said that he was going to set up a committee under the Permanent Secretary in the Ministry of Health which was going to report in one month, and that was due last year; eight months later we have not had a response from any of the committees which the Prime Minister may or may not have set up and we want to know from him what has happened to the committee that he was supposed to set up and what are their findings and what have they done over the period of eight months when they were supposed to have reported in one month.

Where have investigations by the DPP and the Commissioner of Police and the Integrity Commission gone after eight months? We need to have answers to these. And I leave the floor open for the hon. Prime Minister to answer these questions. I am sure he would want to tell the national community because this report on the Commission of Enquiry into the Operation and Delivery of Public Health Care Services in Trinidad and Tobago is very damning, Madam Deputy Speaker. There were four volumes of very damning condemnation about the management of the health sector and today we have the present Minister of Health talking about a 100-day plan and a new plan. This has recommendations for the improvement of the health sector all through it, all that is left to be done is to implement the recommendations and the health sector will improve but the hon. Prime Minister has kept quiet because he cannot answer the question. He can say that certain things are untrue but he cannot say anything about this.

So Madam Deputy Speaker, there will be another time for me to speak, I do not want to go on any longer. I have raised some very significant important points on the resignation of Robert Riley as Board Director of the University of Trinidad and Tobago (UTT), and although the Prime Minister said something which will return to haunt him later in his thinking, he knows the truth and we know the truth and we want him to answer the question which we raised on the health sector. We cannot be so silly to rubber-stamp something to say that we agree to moving \$170 million from a Voluntary Separation Programme when that money should have been spent there, move it to Salaries and COLA and so forth when the entire health sector is in a mess and then talk about training.

I want to make one last point on the training issue. They are asking us to approve \$6 million for training. Persons were supposed to be trained as radiation

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[DR. GOPEESINGH]

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physicists on that training programme. Today there are no radiation physicists at the National Cancer Centre and almost 1,000 persons are waiting for cancer treatment over three months and their cancers are becoming worse. Where has this money for the training of radiation physicists and other persons gone to? So the whole health sector is in a mess, Madam Deputy Speaker, and you will hear much more from us on this.

You obviously cannot manage. You have moved from a man who used to cut cloth to the lowest shopkeeper to run the health sector. [*Laughter*] [*Desk thumping*] How can you insult this population to go to the lowest shopkeeper to run a health sector? It is the most confusing thing, by the time he learns one word in the health sector, the five-year term would have finished. There were two Ministers in the last regime running the health sector and both failed miserably and he had to fire one. I hope that he fires this one and gets a proper Minister of Health.

Madam Deputy Speaker, it is only that way because the Prime Minister boasts that we want to tell all to the national community and the hon. Minister of Finance says that the Government prudently manages the country's resources. So where are the resources if they were being prudently managed?

I can go on, but I do not want to carry on anymore because I think time is of the essence.

Madam Deputy Speaker: Member for St. Augustine, the sitting of this House is suspended and shall resume promptly at 8.40 p.m. Could we be here on time, please?

8.10 p.m.: *Sitting suspended.*

8.40 p.m.: *Sitting resumed.*

[MR. SPEAKER *in the Chair*]

Mr. Vasant Bharath (*St. Augustine*): I thank you, Mr. Speaker, for allowing me the opportunity to make my maiden speech this evening especially on such an important Bill. As the new Member of Parliament for St. Augustine, I hope I can equip myself, as well as my hon. colleagues and friends who have preceded me this evening. I stand here today, Mr. Speaker, with a great sense of pride, responsibility and in awe of—doubtless these feelings imbue every Member who enter this Chamber for the first time.

Let me say at the output, though we on this side had difficulties with the manner in which your appointment was arrived at and notwithstanding our

concerns and reservations as precedes levels of impartiality in previous terms, let me with sincerity wish you and the Deputy Speaker, all the best in your endeavours to maintain order and standard in this First Session of the Ninth Parliament. It certainly cannot be an easy task with a number of inexperienced, new parliamentarians and probably a more difficult task because of the experienced ones, like some of my friends on this side of the House.

Mr. Speaker, politics is about power of the state as applied to individuals, the society in which they live and the economy in which they work. Most critically, our responsibility in this Parliament is how that power is used, whether it is for the benefit of the few or for the many. That is why I must admit like many of my colleagues to being a bit perplexed about the exercise we undertook here today. Of course, as we have all said, this expenditure has already been undertaken and what is being asked of us, essentially, is a rubber stamping exercise.

Essentially then, this debate is futile as the Government has already incurred the expenditure and has further processed and made final payment for the goods and services. It is indeed a *fait accompli*. Surely, Mr. Speaker, this cannot and could never have been what the authors of our Constitution would have intended or envisaged.

Mr. Speaker, it appears that it is always more, give me more, as far as this Government is concerned. In fact, this Government has spent more in the last two years than the UNC did in its entire six years in office. Every year since 2002, taxpayers of this country have had to fork out more money to add to the billions of dollars already granted to the Government and yet, we have seen nothing in return for it, absolutely no value for money.

Many years ago, Jamaican Prime Minister Michael Manley, dumbfounded by the way the PNM was squandering our petro dollars, declared money was flowing through Trinidad and Tobago like a dose of salts. Today, Mr. Manley's immortal words could easily describe this so-called new PNM. In fact, money is running through the PNM Treasury like a dose of salts mixed with senna pods.

You see Mr. Speaker, in 2000, the national budget was \$13 billion, for 2008, the Prime Minister has increased this figure by some 300 per cent to \$42 billion and yet they are back again asking for a further billion dollars. All this in light of a recent price report that my colleague, the Member for Siparia, referred to earlier that revealed that some 77 per cent of all projects budgeted in the 2006/2007 budget have not been delivered.

Mr. Speaker, this is a Government that has spent \$205 billion in the space of a short six years. Even I as a chartered accountant have difficulty with

understanding \$205 billion, so let me for many of the lay persons here, try to break it down a little. Two hundred and five billion dollars is equivalent to spending \$100 million every year, or \$274,000 every day of every year, or \$11,415 every hour, of every day, of every year since the Lord Jesus Christ was born.

8.45 p.m.

That is \$205 billion. If managed prudently and effectively, this can doubtless be an impregnable economy which should be marked by low inflation rates and prosperity and safety for all of our citizens. But this is a runaway Government that refuses to heed the advice of experts. As far back as 2003, Article 4 consultation of the IMF stated:

“Despite strong growth, the underlying fiscal situation has deteriorated steadily despite high energy-related revenues.”

With the growing importance of the energy sector, the economy’s vulnerability to external shocks has increased.” Three years later in 2006 the IMF reiterated that the nonenergy fiscal deficit has widened substantially adding to demand pressures in the short run and heightening exposure to long-term vulnerability. They then posed a question in 2006: How long is the existing fiscal position tenable?

In their report dated 2007 the IMF again warned that in 2005 real GDP grew about 8 per cent. However, the underlying fiscal situation has deteriorated and the non-energy fiscal deficit has risen. Greater exchange rate flexibility may be needed given the persistent positive terms of trade and the absence of fiscal restraint. The IMF continued that the underlying fiscal situation is likely to deteriorate. Inflation is projected to accelerate further, continuing to exceed that of our trading partners. It would eventually require a large fiscal policy adjustment once energy resources are depleted.

On October 11, the final report from the IMF that we have received in 2007, warned that due to the rapid increase in public spending, the non-energy deficit widened to 15 per cent of GDP, exceeding the long-term sustainable level. What this means to the lay person, to the uninitiated, is that we are spending beyond our means. The IMF is saying loud and clear that we cannot continue in this way. Effectively, it means that we are vulnerable to energy shocks as happened in 1983, when, as a result of squandermania, mismanagement and rampant corruption by a previous incarnation of this Government, this country had to embark on a series of very harsh and extreme measures to cut spending.

Let me take the opportunity to remind this honourable House that the then declined petroleum prices were associated with a sharp drop in tax revenues. To prevent the fiscal deficit from widening, the Government was forced to implement drastic cuts in expenditure. These cuts compromised wages and salaries and resulted in removal and reduction of subsidies. Despite these measures, the fiscal deficit expanded at an annual rate of 9.7 per cent and eventually resulted in the devaluation of the Trinidad and Tobago dollar in 1985.

Any A level economics student will tell you that in petroleum-led economies, fiscal policies cannot address the source of fiscal disequilibrium. This is so because permanent domestic revenues are determined by the effects of oil expansion on the non-oil sectors of the economy. In the short run, fiscal disequilibrium requires demand management policies, such as credit and wage controls and, most importantly, a reduction of Government expenditure. In the long run these deficits can only be corrected by structural adjustment policies to diversify the non-oil sector through manufacturing, food supply from agriculture and the output of services.

So in spite of what the economic textbooks teach and despite their previous record of failure to properly handle this country's money, it would appear that this Government has learnt little or nothing about managing our economy. So we need to ask ourselves: Why is the non-oil fiscal deficit widened? How has the non-oil sector performed in the last five years? Well, according to the latest IMF report again, it says that agriculture now only contributes a meagre 0.4 per cent of GDP; down from 6 per cent in 2001. Yet still, \$54,248,647 was reallocated between heads mostly for unproductive use. Even in absolute terms, the value of the agriculture sector fell from \$707 million to \$472 million between 2001 and 2007.

What incentives are there for the 19,000 small farmers in Trinidad and Tobago, when \$4.7 million was returned from the agriculture incentives programme? Do these farmers even know of the existence of these incentives? What marketing programme has been used to properly inform these farmers? What is the Government's position on the regularization of agricultural tenancies, praedial larceny, establishing markets for selling produce; access roads; irrigation; access to export markets; capital allowances? What has become of the Caroni lands? Is the Government still disputing the court order? Are they still saying that they cannot deliver the lands in the court-awarded time?

Additionally, it is nothing short of amazing to me that there was a saving in the flood relief programme of \$4.89 million as a result of a lower than anticipated level of claim. There are people in my constituency of St. Augustine who have

received cheques for \$4.50 but an entire crop has been wiped out. One recalls that this issue was raised in the budget debate when the Opposition criticized the unacceptably low, slow valuation of crop damages. Let me remind this House that back in 2004 Prime Minister Manning promised, and I quote:

“This Government has assigned a very high priority to the modernization of the agricultural sector and will immediately introduce new and appropriate technologies to improve infrastructure and generate a wave of new investments in this sector.”

In 2005, the Prime Minister states in his budget:

“Our goal is to increase the sector’s contribution to economic and social development and employment creation while providing an increasing level of the food requirements of the nation.

We will encourage youth involvement in agriculture; we will increase competitiveness in export and domestic markets; we will establish two or three farms through joint venture arrangements with private investors and we will develop industries in seven primary products, namely, cassava, paw paw, hot peppers, sweet potatoes, pumpkin, tilapia and rabbits.”

In 2006, the Prime Minister ups the ante and is now going to create eight large farms and two additional farms in collaboration with the Government of Cuba, a priority to develop international competitiveness now in sweet potato, cassava, yam, tomato, dasheen, ochro, cucumber, melongene, pumpkin, eddoes, cabbage, lettuce, green pigeon peas, carrots and string beans. None of this has come on stream.

Dr. Rowley: Baigan.

Dr. Bharath: Melongene is baigan, for the information of the Member. How is this radical transformation of the agricultural sector going to take place when a mere \$697 million has been allocated to the agricultural sector and over \$1 billion has been allocated and is being spent on a Brian Lara Stadium still to get off the ground? And while agriculture languishes and wilts, a further \$12.9 million was pumped into the URP last year.

Tourism accounts for less than 0.2 per cent of the GDP of this country. Tourism is the world’s largest industry with an annual revenue of almost \$900 billion. Tourism is now also the world’s largest employer. A recent report from the ILO estimated that over 500 million people are now employed in the tourism sector worldwide. In the United Kingdom alone I found out recently, 15 per cent of total employment is in the tourism sector and they have no sand and no sea.

For 83 per cent of the countries in this world, tourism is now one of the top five sources of foreign exchange, yet we in Trinidad and Tobago do not have, according to this document presented, a strategic plan for the tourism industry, and according to the transfer of funds between heads, the ministry was unable to recruit a consultant with the required competencies. Despite the Prime Minister's boast about our competitiveness in the manufacturing sector, the manufacturing sector, I can assure you, is almost stagnant. Manufacturers have been left to fend for themselves.

Government's wild spending over the last six years on URP and CEPEP, has all but decimated the labour market, taking many able-bodied workers out of the constructive and productive sectors, inculcating a "something for nothing" culture. There has been no increase in any new economic activity in the last six years. [*Interruption*]

Mr. Speaker: Please, hon. Members, this is the maiden contribution of the hon. Member for St. Augustine as a lot of other Members who preceded him. Let us hear him in silence.

Mr. V. Bharath: Thank you, Mr. Speaker. There has been no increase in any economic activity in the last six years for which there is global demand: computers; micro-electronics; information technology; fibre optics. What prevents us from building international technology parks like they do in places like Bangalore today?

I was fortunate to have installed one of the first call centres in Bangalore in 2001—a 120-seat call centre. That call centre has now grown to over 2,000 seats and there are many others like it today in Bangalore in the information technology park. They have attracted companies like Cable and Wireless, Lucent Technologies, Microsoft, Sanyo, IBM, General Motors and Sharp, to name a few. Why can we not do the same in Trinidad and Tobago with all the funds and moneys that we have available to us? So, you see, our ability to diversify this economy is frustrated by Government's handling of its fiscal operations.

Another reason why the non-oil fiscal deficit has widened is Government's inability to collect enough domestic revenues through PAYE, VAT and non-compliance. The Minister of Finance, in her presentation, admitted that there was over \$1 billion of uncollected taxes in the last year. Political institutions in resourced-based economies have frequently been described as, what is called, the rentier state. In these states where government gains most of its revenue from external sources, they are freed from the need to levy domestic taxes and they become, according to the theory, less accountable to the societies they govern.

As Terry-Lynn Karl in 1998 observed:

“The pernicious access to money weakens traditional ethics, lowering financial discipline within bureaucracies and leading to restless budgetary practices. The end result is that government officials have no incentive to be frugal, efficient and cautious in their policy-making.”

You could ask for no better example of this theory being put into practice than the record of this Government over the last six years. The theory goes further to say that:

“Political processes in such a state are mainly concerned with the distribution of resource rents in order to stay in power. The allocation of resources may thus be guided by purely political motives and the state gets deeply involved in economic activities which lead to major economic distortions and additional welfare costs.”

Thus, in such an economy, a large part of the population is involved in distributing and consuming rents, whereas only a few engage in productive activities. It is all too depressingly familiar.

I would like to ask the Minister of Finance, based on her presentation, what measures are being implemented—she does not need to answer today—to ensure that there is a more efficient collection of taxes in the future, as I noticed from the movements through Heads that \$35 million has now been transferred to the Ministry of Finance to upgrade the electronic data processing unit at the Inland Revenue? Because I believe, as I said before, this is a measure that would be responsible for decreasing our fiscal deficit.

It is clear from this Government's reckless economic—or should I say, uneconomic—policies, that they have failed to recognize the maximum capacity of this country to produce with its given assets. It is clear that they are ignorant of the absorptive capacity of the economy, in that they have failed to recognize the country's ability to absorb capital and to use it in a productive way. Absorptive capacity of the economy is largely dependent on the nature of the infrastructure of the economy.

9.00 p.m.

An economy with a poor system of transportation; communication; poor health facilities; a failing education system and ineffective judicial institutions is bound to have a low absorptive capacity. Government has been spending billions of our dollars with no capacity to service its commitments and having exceeded the absorptive capacity of the economy, we are continuing to spend more and more and receive less and less.

I am hopeful that the new Minister of Finance trained in law, will understand these issues far more clearly than her predecessor trained in geology. Associated with fiscal policy, inflation across the board has risen. For the first time in Trinidad and Tobago, we have what is called an inflation bias. Today, in all contracts whether wage, purchasing, building or any other, we now have an inflation clause built into them, never present before 2005. This is primarily because of Government's failure to set credible targets for inflation and its failure to meet these targets.

The Government has targeted an inflation rate of 5 per cent, but it is completely unrealistic and fortified by the fact, that the public is quite aware of the absence of coordination between monetary and fiscal policy. Inflation, like crime, has to be solved by a number of actors working together. For the last three years, this Government has moved in one direction in expanding the economy and has placed enormous stress and pressure on the Central Bank of Trinidad and Tobago, to use monetary policy to neutralize the inflation effects of fiscal policy. I advise the new Minister of Finance that there is a limit to what monetary policy can achieve in the presence of an aggressive fiscal stance and that limit has already been reached. The repo rate is now 8 per cent having been raised eight times in 2006. Crime is at 12 per cent. Of course, the Central Bank may consider raising the reserve requirement ratio which would give it some measure of flexibility. Then, it would rely on the absorption capacity of liquidity via the sale of Treasury bonds. This measure imposes significant cost—as was discussed by the Member for Siparia—to the Minister of Finance and ultimately, to the taxpayer through the Consolidated Fund.

I ask the Minister of Finance to indicate to the population, the annual cost in dollars and cents in servicing these bonds which have become necessary, because of Government's aggressive fiscal policies and induced inflation, funds which alternatively, obviously, could have gone to other more pressing projects in Trinidad and Tobago, today. I do not believe for a moment, that this Government is capable of reaching a target rate of inflation of 5 per cent, as promised.

In response to the budget of 2007, Pricewaterhouse stated that the reduction of inflation has been identified as a major priority, but the Prime Minister provided little by way of specific measures that will be employed to achieve this objective. It is clear that significant infrastructural development programmes will be continued and further expanded, such to the challenges faced by the construction sector in particular, and will be exacerbated. Therefore, it is difficult to see how the inflationary pressures will be reduced or removed in such circumstances,

within a reasonable time frame. In other words, the Government is saying that it will reduce and the experts are saying that they cannot see any signs of that happening.

We are of the firm belief that any level of spending in excess of \$30 billion in this economy will continue to generate major inflation and as such, I urge the Minister of Finance to exercise caution in order to prevent further pressures on an already overheated economy. It is my opinion that at this level of spending a targeted inflation rate of 4 per cent is achievable. As a result, there would be an easing of pressure on interest rates bringing the crime rate down to 8 per cent and so easing the burden on all the economy, including mortgage holders, who have been affected by high interest rates over the last five years. This control of inflation and interest rates will reduce business costs and enable them to compete and expand.

The commitment to inflation is further emphasized by the policy of indexing all government pensions to the inflation rate. As inflation rises old age pension would rise. Government pensioners would receive automatic increases and recipients of public assistance would be able to protect their purchasing power. Clearly, we have had growth over the last six years without development. This has exerted enormous pressure on our narrower economic base, thereby increasing the potential for risks in our economy. One such risk is the liquidity and exchange risk. Liquidity is disappearing from global marketplaces, as mentioned by my colleague, the Member for Caroni East. This is evidenced by recent interventions by the Central Banks in the United Kingdom and Europe; the Federal Reserve Bank and the Bank of Japan. This must surely send up a red flag to us in Trinidad and Tobago. It is only a matter of time before our economy also succumbs to the global malaise. We are not cocooned. We cannot bury our heads in the sand and hope that no one would see us because we cannot see them.

According to the *International Monetary Fund, Public Information Notice No. 7/127* dated October 11, 2007, inflation is projected to continue to exceed that of our trading partners. Effectively, we are losing competitiveness against our trading partners. Indeed, our position on the global competitive index has slipped, or should I say, it has pre-fallen from 38 to 67 since 2001. Inflation is no doubt causing the exchange rate to move out of equilibrium. I reiterate the point made by my colleague, the Member for Caroni East, regarding the exchange rate. I ask the Minister of Finance to tell this nation if we must brace ourselves for exchange rate realignment, and if so, what effect will it have on the cost of living, particularly on the poor and dispossessed?

Food prices are currently more than double the national inflation rate. Fruits are running at 18 per cent inflation; vegetables at 70 per cent and fish at 45 per cent. Dasheen is now \$15; sweet potato, \$5; tomato, \$15; carite is now \$25 a pound and baigan, \$9. Food prices do not discriminate along political lines, whether it is the urban or rural dweller; the policeman or the taxi driver; the teacher or the public servant. Food is becoming more and more difficult to put on the table of the average householder. Yet, we have closed down Caroni (1975) Limited; we have sent home 10,000 persons; we have put a further 40,000 persons on the breadline and abandoned 80,000 acres of prime agricultural land in favour of an importation bill now close to \$4 billion.

Adding to those woes is the decline in the US dollar rate to which we are tied. Therefore, now, we are paying more US dollars for every Australian dollar; every euro; pound sterling and even every rupee. In the last few years, our rate of exchange on the TT dollar to the Canadian has fallen 48 per cent; the UK pound, by 40 per cent and the euro by 50 per cent.

On the issue that the Minister of Finance mentioned with regard to the increased capitalization of the Central Bank, I was always under the impression that the Central Bank acted as a regulator and was a banker to the Government. To my knowledge, this means simply that the Central Bank does not have a loan portfolio; therefore, it cannot make a loss. Any profit is expected to go either to the Consolidated Fund or expand its capital structure. I know that the Minister of Finance made certain comments with regard to the strengthening of the Central Bank and the possible weakening of oil prices. Can the Minister tell this country why the need to increase the capitalization by as much as \$700 million? The Central Bank does not trade; it cannot make a loss. Can the Minister also explain why the bank is constrained by its existing capitalization of \$100 million? If it is Central Bank's intention to expand its operation—which is why one would need further capitalization—will the Minister provide the areas of expansion? Will the Minister confirm whether or not—which is my opinion—this is just a cheap source of government's fund for mopping up further liquidity in the system and masking Government's fiscal indiscipline?

It is obvious to all, that despite the massive infusion of oil wealth in this country and \$205 billion later, the quality of life of our citizens has deteriorated significantly over the last six years. Spending easily earned money does not guarantee quality of life. Better living standards would be determined by the quality of institutions we have in state to discharge public functions. Only recently, the Prime Minister admitted that the arms of law enforcement are not as

they should be. Can this possibly inspire confidence in an already frightened, tormented and brutalized population?

It is obvious that this Government does not understand the need to increase efficiency in the police service or to get value for money. Why else would the Government have deferred the purchase of the much needed police vehicles to the tune of \$28 million, when the predominant problem of not responding to calls by citizens, is a lack of vehicles? We cannot accept the paltry excuse of the Minister of National Security who said that it is a systemic problem. It is his responsibility. Why else would they not have built a police station in the last six years, having promised to build five in 2003; 12 in 2004, and a further 12 in 2005? Why was there no urgency to conclude the negotiations for the payment of arrears and increased salaries for officers of the fire and prison services, resulting in transfers of over \$300,000? Further, the sum of \$20,800,000 payable to police officers has also been deferred due to “the inability of the accounting unit to process these payments”.

One wonders if this Government even understands the implication of undermining the morale of these vital services. It seems foolhardy to say the least, to deprive the police service; the prison service and the fire service; the regiment and the coast guard of equipment, overtime, general allowances and other goods and services, all of which are critically needed, more so, in the midst of the worst crime epidemic this country has ever faced?

We hurriedly gave away the best packages to the rest of our Caricom brothers for the Cricket World Cup in exchange for votes for the headquarters of the Free Trade Area of the Americas (FTAA). This country got no FTAA headquarters; we got the brown bag with the cricket and worst of all, for this event, we were saddled and received a bill for \$22 million for security. This sum of \$22 million that was spent in the Caribbean, that should have been spent on making the citizens of Trinidad and Tobago feel safer, was used to secure everybody else, whilst we in Trinidad and Tobago could not have seen any live matches and had to watch them on television.

Our citizens have no confidence in our health care system. In this respect, I hope that our goodly Attorney General who is not here with us today, has fully recovered from her recent malaise. She too, recently displayed a disturbing lack of confidence in our health institution, when recently, having fainted, she was rushed to a private institution and not to Port of Spain General Hospital. In this context, I ask the Minister of Health, what is his Government doing to provide quality health care to the majority of citizens in Trinidad and Tobago who are unable to afford private health care?

Within the lifetime of most of us and our children, this world as we know it will be transformed. The demographic storm is coming. How hard it blows and how well our children and we can weather it will depend in large measure on the decisions that we take in this House. Unfortunately, for the last six years, there has been little by way of change on an annual basis. In fact, the quality of life of most citizens in Trinidad and Tobago—apart from friends and family of the PNM, of course—has deteriorated. This has been a government of broken promises, regurgitating the same old rhetoric year after year. Unless there are drastic changes in the Government's modus operandi in conducting its affairs, this population can expect little reprieve in this and subsequent fiscal years.

9.15 p.m.

Mr. Speaker, as we enter this new parliamentary term, the nation is confronted with an array of opportunities and many challenges of bewildering complexity, many created by those on that side, in the economy, in education, in health care, traffic congestion, the cost of living, in the environment, in the collapse of our local communities and family values and perhaps, most disturbingly, the deepening contempt with which the institution of Parliament itself is held because of them.

We are in a period of unprecedented global economic uncertainty driven by fundamentally unstable international markets. Despite this profound instability, we have had a government, over the last six years, dedicating its political and intellectual—that almost sounds like a misnomer—energies, not to the issues at hand that confront us on a daily basis, but on parochial self-interest, centred at staying in power at all costs. [*Desk thumping*]

This nation cannot afford to repeat the mistakes of the last six years. The damage has already been great. The stakes are now too high. The repair work will probably take more than a decade, but this requires leadership, leadership which this Government, based on its past record, is demonstrably incapable of providing. [*Desk thumping*]

I do not know whether I will be in this place for a short or a long time. [*Interruption*] That is for others to decide; not them. I know that my job here is lent to me. It is not mine in perpetuity. I have it as long as I deserve it in the eyes of the people of St. Augustine. I am, however, conscious of the extraordinary privilege associated with being elected by the people of St. Augustine to represent them in this place, as my father has done before me. They voted for someone who will fight to protect and strengthen our community, who will be a powerful

advocate for them in their fight for equal opportunity and justice and against poverty and oppression. So for the duration of my time here, that is precisely what they will get.

I arrive in the knowledge that despite the issues that divide us, there are many things that unite us as a people and that this House can, when it so wishes, embody a generosity of spirit that reaches out and quite literally touches the lives of all of the people who elected us to this place, with the knowledge that we will do what is necessary to improve their lives. I am hopeful, however, that whatever our arguments, we will leave this Chamber together, custodians of our country, united in our very diversity, committed to lead, committed to build, to protect and to defend Trinidad and Tobago, and with the understanding that the individual happiness of every citizen is and must always be the first thought of our national leaders.

Mr. Speaker, I thank you for your attention and trust that you will not think me presumptuous if I dedicate this contribution to my family for their unstinting support, their love, their sacrifice and, of course, to the people of St. Augustine. I salute them all.

The Minister of Finance (Hon. Karen Nunez-Tesheira): Mr. Speaker, I have listened attentively to the comments and contributions of all Members and I would like to make some comments on the contribution of the hon. Member for Siparia, followed by comments on the contributions of the Members for Caroni East and St. Augustine. This is on the issue of the supplementary appropriation. Listening to the Member for Siparia, the impression was that the Government, by moving for a supplementary appropriation, had been somehow abusing the provisions of the law by returning to the Parliament from time to time to ask for approvals for supplementary appropriations.

To some extent the impression is also being given that this is evidence of wastage or overspending. When the Bill is approved for any fiscal year, it is done only on the basis of an estimate of expenditure, which is prepared by the Ministry of Finance in response to proposals made by Ministries, departments, statutory bodies, boards and the Tobago House of Assembly. On the revenue side, again, it is done on a projection, an estimate. For example, for fiscal year 2007, the original estimates were predicated on a conservative oil price assumption, in keeping with our Government's prudent management of the economy, of US \$45. What materialized in terms of the oil price for 2007 is now history. For the first quarter, the oil price was US \$59.54, the third quarter US \$66.44 and, finally, for the fourth quarter, US \$60.

I must say that the characterization by the Member for Siparia of the Government's approach to this Parliament for supplementary resources to attend to the needs of the people is that it is somehow illegal or wrong. I want to speak on this point.

If the use of the supplementary appropriation is wrong, wastage, overspending or some mismanagement, I would like the Member to answer why it was all right for the UNC administration to go year after year for a supplementary appropriation. [*Desk thumping*] We start with 1995. In 1995, the supplementary appropriation was \$65,994,662; in 1996, it was \$383,206,000; in 1997, they outdid themselves; it was \$1,362,294,027.

Hon. Member: What was the percentage?

Mrs. K. Nunez-Tesheira: That is another good question. What was the percentage of the GDP at that time? It did not stop in 1997, you know. In 1998, it was \$35 million; in 1999, \$175,898,761, and finally, in 2000, \$1,392,653,077. [*Interruption*] I am glad to hear the Member for Siparia say that she never said anything was wrong with it; because she knows nothing is wrong with it. [*Desk thumping*] She knows, as does the Member for Chaguanas West and the Member for St. Augustine, that when a government, any government, prepares a budget, it is based on a projection; an estimate. That is why, as with the UNC when it was in power, as is the case of the PNM now that it is in power, it has to go back to Parliament to get a supplementation of that appropriation; as with the UNC, in every single year it was in power.

I just wanted to deal with that issue of appropriation because I think it is important to the members of the public, not only to this honourable House that the impression should not be given that somehow when this side comes to the Parliament and asks for a supplementary appropriation, somehow we are guilty of wastage and overspending, but when they do it, I do not know how they wish to describe it, but I am sure they will not describe it in the same way.

The Bill before this honourable House is a finance bill and while I listen with interest to the comments on crime, health, foreign affairs—a lot of topics—I would like to come back to the topic at hand, that is the prudent management of this country's economy. [*Desk thumping*] The best indicator, apart from our macroeconomic indicators, is the independent analysis and rating of this country's economic performance in 2007.

The hon. Member for Diego Martin West spoke of the surpluses. The only time we had a deficit was when we came to power in 2002. The Member for Diego Martin West dealt with that matter adequately.

I remind this honourable House that, in 2003, the surplus was \$775 million; in 2004, \$211.5 million; in 2005, \$2,414 million; in 2006, \$1,528 million; in 2007, we ended with a surplus of \$71.6 million. Not on one occasion was there a deficit. Is that an indication of a government that is indulging in waste and overspending?

We go to our foreign reserves. In 2000, our foreign reserves were in the vicinity of \$1.4 billion. In 2007, our foreign reserves were \$6.4 billion. What does that mean? That is equivalent to 10 months of import coverage. When one looks at that figure in vacuum, it may not bring home the point sufficiently, but international benchmark standards are three months of import coverage and even if you want to disaggregate yourself from the underdeveloped countries as they are sometimes referred to, the international benchmark for developed countries is six months. Trinidad and Tobago currently has ten months of import coverage.

I want to bring to the House's attention that the foreign reserve of \$6.4 billion that we have does not include our Heritage and Stabilization Fund [*Desk thumping*] of over TT \$11 billion as at September 30, 2007. [*Desk thumping*] We talk not only about our revenue—one might say that the revenue is a matter of a windfall—but a good measurement of prudent management is the way we manage our debt. Even if you have a lot of revenue, much has to be devoted to debt. That means that you are taking your revenue to service debt. When you are able to bring down your debt, you free up the revenue to do the business of the people and develop our country as this Government is committed to do.

Mr. Speaker, if one has any doubt—I like to look at data; I am driven by hard figures, not opinion, because to a large extent you are being irresponsible. The data is simple. Growth public sector debt in 2000 was 54.4 per cent of GDP; in 2007, this Government, through its prudent management of our economy, brought it down to 28.3 per cent. [*Desk thumping*]

Mr. Speaker, our public sector external debt as a percentage of GDP, in 2007, was 5.8 per cent of GDP. Mr. Speaker, do you know what it means when you look at our savings and our Heritage and Stabilization Fund, which stand at 8 per cent of GDP? It means that right now our savings just in the Heritage and Stabilization Fund are in excess of our external public sector debt.

9.30 p.m.

Mr. Speaker, if we have any questions that this side is somehow being biased in putting the facts to the listening community; the people in our society who are listening to this honourable House—

I saw the Member for St. Augustine making reference to the International Monetary Fund. I think he may have been a little selective in his quoting. If I may, I would speak to the IMF Report. I would refer only to the sentences that are bold. The first statement is on recent economic development. This is a report of August 2007.

“Trinidad and Tobago’s economic performance has been remarkable in a regional context and in comparison to other energy-producing economies.”

[*Desk thumping*] Secondly, there is another highlight. I am quoting from the IMF’s country report. [*Interruption*]

Dr. Rowley: That he refused to quote.

Hon. K. Nunez-Tesheira: It says:

“Economic activity remains robust, supported by the strength of the energy sector with signs that the economy is operating at full capacity. The external accounts are solid...”

Dr. Rowley: Repeat it.

Hon. K. Nunez-Tesheira: I repeat:

“The external accounts are solid and net foreign assets continue to accumulate at a rapid pace.”

[*Desk thumping*] What was the rating that we got from Standard & Poor’s? It is an A minus. That is a country report from the International Monetary Fund.

Dr. Rowley: They clearly were not talking about us when they were talking. That is a country in their minds.

Hon. K. Nunez-Tesheira: Mr. Speaker, I want to speak briefly on a matter that has been addressed, in particular, by the Member for St. Augustine. It is the issue of inflation. I want to briefly again, if I may, refer to the International Monetary Fund Report because the impression he has given to this honourable House is that somehow the Government has not gotten a hold on inflation. As I speak on the issue of inflation, I am sure my learned friend—he said there was intellectual energy on this side. I am sorry, my legal background is perhaps learned. I think it must be brought to the attention of this honourable House that the issue of inflation is not an issue that affects only Trinidad and Tobago. It is not even a regional issue. It is an international phenomenon. I am sure my friend from St. Augustine has been reading the *Economist* and is well aware that it is an international phenomenon. As he rightly said, the inflation is being driven by food prices. I know when he spoke about this Government not getting a handle on

inflation, he neglected to mention that in October 2006, inflation stood at 10 per cent and as at September of last year, it had gone down to 7.3 per cent.

If you read the Central Bank Monetary Report and the International Monetary Fund Country Report they also mentioned that inflation had eased somewhat. It was attributed to the measurements that this Government has taken, in conjunction with the Central Bank, to deal with inflation.

Mr. Speaker, when we look at inflation, we know that one of the things which are fuelling our inflation is food prices. When we disaggregate the food prices from headline inflation and core inflation, we know that what is driving inflation is food prices. This is something that is going on internationally; whether it is the biofuels, climate changes or the demands of the new emerging economies such as China and India. Whatever the reasons are, we know that it is an international phenomenon.

This Government has not sat back idly and allowed inflation to come out of hand. Clearly, we have brought it down from 10 per cent to 7.3 per cent. It must mean that is being addressed. Mr. Speaker, these are the measures that this Government has taken, in conjunction with the Central Bank.

One of the things the Member for St. Augustine did mention was mopping up that liquidity. This Government, in conjunction with the Central Bank, issued over \$2.3 billion worth in government bonds, sterilized it and pulled it out of the economy, put in closed accounts and there was a sale of foreign exchange currency. Those two measures considerably assisted in bringing down inflation.

In addition, on the supply side, this Government has taken initiatives which have borne fruit. I heard my colleague, Hon. Taylor, speak to that this afternoon. He said that the food prices—the consumer price index publication—letting the public know about what food prices are—helped considerably on the price side, in bringing down inflation. That is a government that is prudently managing our economy.

Mr. Speaker, I think it would be remiss of me not to mention the unemployment rate. I am sure that my friend from St. Augustine knows when you have reached 5 per cent in macroeconomic terms, you have reached full employment. In quarter three of 2007, the unemployment rate was 5.2 per cent.

Finally, before I end my contribution, having looked at the revenue, the debt financing, management of our debt, foreign exchange reserves and all those indicators, I think our side can be justly proud of the prudent management of the economy.

Before I end, it would be remiss of me not to mention the Heritage and Stabilization Fund. In the International Monetary Fund—I think I did mention that in my—[*Interruption*]

Dr. Moonilal: You mentioned it already.

Hon. K. Nunez-Tesheira: I think it is worth mentioning again. What does our side say, is it is worth mentioning again? [*Assent indicated*]

Dr. Rowley: “Yeah”, tell them again. They like doom and gloom. “Dey eh like tuh hear good news.”

Hon. K. Nunez-Tesheira: I have to look at Standard & Poor’s and Moody’s. They have all spoken so highly of our economy. I found it, Moody’s International. This is what they had to say:

“The Stabilization Fund—an important factor underpinning Trinidad and Tobago’s investment grade status is its Stabilization Fund, as it shows the Government’s willingness to save part of the energy windfall.”

It may have started as the Stabilization Fund, but this Government did not only make it the Stabilization Fund, it made it the Heritage and Stabilization Fund. What that means is that this Government understands that not only must it provide a cushion on the impact of any downfall in the revenue of this country—because of the fall in the price of oil and gas—its responsibility is not only to sustain public expenditure but to ensure that future generations share in the wealth of this country as a result of oil and gas. [*Desk thumping*]

Not only does Moody’s speak of our prudent management of the Heritage and Stabilization Fund, this year this Government has put aside, into that Heritage and Stabilization Fund, over \$2 billion. When you look at the rules that govern the Heritage and Stabilization Fund, the deposit rules, they provide that where the return from the estimate from oil exceeds 10 per cent of what was projected, we put 60 per cent of that difference into the Heritage and Stabilization Fund. Do we put 60 per cent? No, we have not put 60 per cent. We have put 100 per cent. [*Desk thumping*]

Dr. Rowley: We put all! We put all!

Hon. K. Nunez-Tesheira: That is what this Government does because our Government is committed to a prudent management of the people’s money.

Mr. Speaker, I would like to end my contribution to this debate. I believe that I tried to keep on the topic and not stray on topics that were not relevant to this debate. I hope that the listening public to whom we all have a responsibility, have been educated by the facts; not by innuendo and half truths, but by facts. I think by any objective standard, we have the International Monetary Fund, Standard & Poor’s and Moody’s give some indication—[*Interruption*]

Dr. Rowley: The man in the street.

Hon. K. Nunez-Tesheira:—and the man in the street. Thank you, Member for Member for Diego Martin West—and the voters, the electorate. I forgot. I am very sorry. [*Desk thumping*] We have a responsibility to the electorate to give them the facts. I think, after this contribution, we can be satisfied that this Government has prudently and wisely managed the economy of Trinidad and Tobago.

Mr. Speaker, I beg to move.

Mr. Speaker: Before I put the question, may I take this opportunity to congratulate the Member for St. Augustine on his maiden contribution.

Question put and agreed to.

Resolved:

That this House adopt the First Report (2007/2008) Session of the Finance Committee of the House of Representatives of the Republic of Trinidad and Tobago on proposals for the Supplementation of the 2007 Appropriation.

FINANCE (SUPPLEMENTARY APPROPRIATION) (2007) BILL

The Minister of Finance (Hon. Karen Nunez-Tesheira): Mr. Speaker, I beg to move,

That a Bill to vary the appropriation of the sum of the issue which was authorized by the Appropriation Act, 2007, be now read a second time.

Mr. Speaker, I beg to move.

Question proposed.

Question put and agreed to.

Bill accordingly read a second time.

Hon. K. Nunez-Tesheira: Mr. Speaker, in accordance with Standing Order 70(1), I beg to move that the Bill be now read a third time and passed.

Question put and agreed to.

Question put and agreed to, That the Bill be read a third time.

Bill accordingly read the third time and passed.

9.45 p.m.

RELATED MOTIONS

The Minister of Trade and Industry (Hon. Dr. Keith Rowley): Mr. Speaker, I beg to move Motion No. 4 standing in my name. In moving this Motion, I seek the leave of the House to debate along with this matter Motion No. 5 on the Supplemental Order Paper dealing with the same subject.

Mr. Speaker: Is it the wish of the House to debate Motions Nos. 4 and No. 5 together?

Assent indicated.

Mr. Speaker: Please, proceed.

**CUSTOMS DUTY EXEMPTIONS
(LEGAL NOTICE NO. 330 OF 2004)**

The Minister of Trade and Industry (Hon. Dr. K. Rowley): Mr. Speaker, I beg to move the following Motion standing in my name:

Whereas it is provided by section 56(1)(a) of the Customs Act, Chap. 78:01 that the House of Representatives may from time to time by Resolution provide that any class of goods specified in the Resolution shall be exempt from import duties of customs if the goods are imported or entered for use by any person for any purpose specified in the Resolution during any period to be fixed by the Minister in each particular case, not being a period terminating later than the date prescribed in the Resolution as the last day on which such exemption shall be operative, and subject to such condition as the Minister may impose:

And whereas by Legal Notice No. 330 of 2004 the last Resolution in respect of the goods identified therein came into effect on January 01, 2005 and expired on December 31, 2007:

And whereas it is expedient that certain goods be exempt from import duties of customs as of January 01, 2008:

Be it resolved that the House of Representatives, in accordance with and subject to the provisions of section 56 of the Customs Act, exempt from import duties of customs the classes of goods imported or entered for use in Trinidad and Tobago for the respective purposes set out in the List of Conditional Duty Exemptions for Approved Industry in Part A-I of the Third Schedule to the Customs Act, for the period beginning immediately after the expiration of the last Resolution of Parliament and ending December 31, 2010.

Customs Duty Exemptions
[HON. DR. K. ROWLEY]

Friday, January 18, 2008

Mr. Speaker, I would be very brief on this matter. What we are trying to do here is to extend the facility which this House has extended under the authority of section 56(1)(a) of the Customs Act. Mr. Speaker, as you know, we have put considerable effort into trying to ensure that there is as much local content participation in our energy sector development programmes, and in order to facilitate that, we have allowed local importers to import without penalty of custom duties, a number of input products for the sector along with other manufacturing items.

Three years ago, the Parliament did provide this facility for a period of three years, and that period expired on December 31, 2007. It is our wish to continue that policy and to provide that facility for local participants to engage meaningfully in our industrial development programme. What we are asking the House to do is to provide a further three years of extension under section 56(1)(a), so that goods can continue to be imported for the manufacturing sector and the energy expansion programme, so that the programme which the House approved three years ago can continue for a further three years. That is the purpose of this measure; an extension of the initial Resolution.

Mr. Speaker, I beg to move.

Question proposed.

Mr. Speaker: Hon. Members, do not forget that you can speak on Motions Nos. 4 and No. 5 is before the House.

Mr. Ramnath: I will give way, Sir.

The Minister of Trade and Industry (Hon. Dr. Keith Rowley): Mr. Speaker, I beg to move.

Question put and agreed to.

Resolved:

That the House of Representatives, in accordance with and subject to the provisions of section 56 of the Customs Act, exempt from import duties of customs the classes of goods imported or entered for use in Trinidad and Tobago for the respective purposes set out in the List of Conditional Duty Exemptions for Approved Industry in Part A-I of the Third Schedule to the Customs Act, for the period beginning immediately after the expiration of the last Resolution of Parliament and ending December 31, 2010.

CUSTOMS DUTY EXEMPTIONS
(LEGAL NOTICE NO. 54 OF 2005)

The Minister of Trade and Industry (Hon. Dr. Keith Rowley): Mr. Speaker, I beg to move the following Motion standing in my name:

Whereas it is provided by section 56(1)(a) of the Customs Act, Chap. 78:01 that the House of Representatives may from time to time by Resolution provide that any class of goods specified in the Resolution shall be exempt from import duties of customs if the goods are imported or entered for use by any person for any purpose specified in the Resolution during any period to be fixed by the Minister in each particular case, not being a period terminating later than the date prescribed in the Resolution as the last day on which such exemption shall be operative, and subject to such condition as the Minister may impose:

And whereas by Legal Notice No. 54 of 2005, the last Resolution in respect of the class of goods specified in the first column of the Schedule expired on December 31, 2007:

And whereas it is expedient that the class of goods be exempt from import duties of customs as of January 02, 2008:

Be it resolved that the House of Representatives in accordance with and subject to the provisions of section 56 of the Customs Act, exempt from import duties of customs the class of goods specified in the First Column of the Schedule, being goods imported or entered for use for the purposes specified in the second column for the period specified in the third column, but that this Resolution shall cease to have effect in respect of any class of goods specified in the first column that is manufactured in Trinidad and Tobago:

SCHEDULE

<i>First Column</i>	<i>Second Column</i>	<i>Third Column</i>
<i>Class of goods</i>	<i>Purposes for which Goods are to be used</i>	<i>Period of Exemption</i>
Equipment, material and supplies	Imported for use in offshore petroleum exploration and petroleum operations	From 2 nd January, 2008 to 31st December, 2010

Mr. Speaker, the text is sufficiently clear for my colleagues, and I take it that from the expression of the Chief Whip, it is very clear. Mr. Speaker, I beg to move.

Question proposed.

Question put and agreed to.

Resolved:

That the House of Representatives in accordance with and subject to the provisions of section 56 of the Customs Act, exempt from import duties of customs the class of goods specified in the First Column of the Schedule, being goods imported or entered for use for the purposes specified in the second column for the period specified in the third column, but that this Resolution shall cease to have effect in respect of any class of goods specified in the first column that is manufactured in Trinidad and Tobago:

SCHEDULE

<i>First Column</i>	<i>Second Column</i>	<i>Third Column</i>
<i>Class of goods</i>	<i>Purposes for which Goods are to be used</i>	<i>Period of Exemption</i>
Equipment, material and supplies	Imported for use in offshore petroleum exploration and petroleum operations	From 2 nd January, 2008 to 31st December, 2010

ADJOURNMENT

The Minister of Works and Transport (Hon. Colm Imbert): Mr. Speaker, I beg to move that this House do now adjourn to Friday, January 25, 2008 at 1.30 p.m. On that day we will be dealing with Private Business.

Mr. Maharaj SC: Mr. Speaker, there is a Motion which is not on the Order Paper, but it has been circulated to Members, and it has to do with the price of food which continues to rise, et cetera.

Mr. Speaker: Hon. Members, before I put the motion on the adjournment, permit me to congratulate all Members who have made their maiden contributions in the House today. We had the Minister of Finance, the Member for St. Augustine, the Member for Chaguanas West—I did enjoy your contribution—and, indeed, the Member for Caroni East. I did listen to your contribution, not here, but in my Chambers. Again, Members, those of you who contributed today, congratulations. I look forward to the contribution of all the new Members on the next occasion.

Question put and agreed to

House adjourned accordingly.

Adjourned 9.57 p.m.