

*Leave of Absence*

*Friday, October 22, 1999*

**SENATE**

*Friday, October 22, 1999*

The Senate met at 10.00 a.m.

**PRAYERS**

[MR. PRESIDENT *in the Chair*]

**LEAVE OF ABSENCE**

**Mr. President:** Hon. Senators, leave of absence has been granted to the following Senators: Sen. Diana Mahabir-Wyatt from October 22—24, 1999; Sen. Brig. The Hon. Joseph Theodore from October 20—23, 1999; Sen. Cynthia Alfred from today's sitting and Sen. Prof. Kenneth Ramchand also from today's sitting.

Honourable Senators, may I also mention that Sen. Alfred is out of the country attending the funeral of her brother who passed away in the United States of America. Similarly, Sen. Prof. Kenneth Ramchand is absent as a result of his brother's death: the late President of the Industrial Court who was interred yesterday.

May I, on behalf of Members of the Senate, extend to both these Senators and their bereaved families the sincere condolences of this Senate.

**VACANT SEAT**

**Mr. President:** Hon. Senators, I have received the following correspondence from His Excellency the President of the Republic of Trinidad and Tobago:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ARTHUR N. R. ROBINSON, T.C., O.C.C.,  
S.C., President and Commander-in-Chief of the  
Republic of Trinidad and Tobago.

\s\ Arthur N. R. Robinson

President.

TO: SENATOR ANDREW GABRIEL

WHEREAS by the provisions of paragraph (e) of subsection (2) of section 43 of the Constitution of the Republic of Trinidad and Tobago, the President, acting in accordance with the advice of the Prime Minister, is empowered to declare the seat of a Senator to be vacant:

*Vacant Seat*  
[MR. PRESIDENT]

*Friday, October 22, 1999*

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by the said paragraph (e) of subsection (2) of section 43 of the Constitution, do hereby declare the seat of you, Senator Andrew Gabriel, to be vacant.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 21st day of October, 1999."

**SENATORS' APPOINTMENT**

**Mr. President:** Hon. Senators, I have also received the following communication from His Excellency the President of the Republic of Trinidad and Tobago:

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ARTHUR N. R. ROBINSON, T.C., O.C.C., S.C., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

\s\ Arthur N. R. Robinson  
President.

TO: MR. VINCENT CABRERA

WHEREAS Senator Joseph Theodore is incapable of performing his functions as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I ARTHUR N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, VINCENT CABRERA, to be temporarily a member of the Senate, with effect from 22nd October, 1999 and continuing during the absence from Trinidad and Tobago of the said Senator Joseph Theodore.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 21st day of October, 1999."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency ARTHUR N. R. ROBINSON, T.C., O.C.C., S.C., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

\s\ Arthur N. R. Robinson  
President.

*Senators' Appointment*

*Friday, October 22, 1999*

TO: MRS. NIRUPA OUDIT

WHEREAS Senator Diana Mahabir-Wyatt is incapable of performing her functions as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I, ARTHUR N. R. ROBINSON, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, NIRUPA OUDIT, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Diana Mahabir-Wyatt.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 20th day of October, 1999."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

Appointment of a Senator

By His Excellency ARTHUR N. R. ROBINSON, T.C., O.C.C., S.C., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

\s\ Arthur N. R. Robinson  
President.

TO: MR. LINDSAY GILLETTE

In exercise of the power vested in me by paragraph (a) of subsection (2) of section 40 of the Constitution of the Republic of Trinidad and Tobago, I, ARTHUR N. R. ROBINSON, President as aforesaid, acting in accordance with the advice of the Prime Minister, do hereby appoint you, LINDSAY GILLETTE, a Senator.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 21st day of October, 1999."

**10.10 a.m.**

**OATH OF ALLEGIANCE**

*The following Senators took and subscribed the Oath of Allegiance as required by law:*

Sen. Lindsay Gillette. Sen. Vincent Cabrera. Sen. Nirupa Oudit.

**APPROPRIATION BILL (BUDGET)**

Bill to provide for the Service of Trinidad and Tobago for the financial year ending on the 30<sup>th</sup> day of September, 2000 [*The Minister of Finance*]; read the first time.

*Motion made*, That the next stage be taken at a later stage of the proceedings. [*Sen. The Hon. B. Kuei Tung*]

*Question put and agreed to.*

**PETITION****Trinidad and Tobago Association in Aid of the Deaf**

**Sen. Rev. Daniel Teelucksingh:** I have the honour to present the petition on behalf of the Trinidad and Tobago Association in Aid of the Deaf.

I now ask that the Clerk be permitted to read the petition and that the promoters be allowed to proceed.

*Petition read.*

*Question put and agreed to*, That the promoters be allowed to proceed.

**NATIONAL TRUST OF TRINIDAD AND TOBAGO  
(AMDT.) (NO. 2) BILL**

Bill to amend the National Trust of Trinidad and Tobago Act, 1991 [*The Minister of Culture and Gender Affairs*]; read the first time.

**MOTOR VEHICLES AND ROAD TRAFFIC (AMDT.) (NO. 2) BILL**

Bill to amend the Motor Vehicles and Road Traffic Act (Chap. 48:50) [*The Attorney General*]; read the first time.

**DISTRIBUTION OF ESTATES (NO. 2) BILL**

Bill to amend the law relating to the distribution of the estates of deceased persons [*The Attorney General*]; read the first time.

**INTEGRITY IN PUBLIC LIFE (AMDT.) (NO. 2) BILL**

Bill to provide for the establishment of the Integrity Commission; to make new provisions for the prevention of corruption of persons in public life by providing for public disclosure; to regulate the conduct of persons exercising public functions to preserve and promote the integrity of public officials and institutions, and for matters incidental thereto [*The Attorney General*]; read the first time.

*Constitution (Amdt.) Bill*

*Friday, October 22, 1999*

**CONSTITUTION (AMDT.) (NO. 5) BILL**

Bill to amend the Constitution of the Republic of Trinidad and Tobago [*The Attorney General*]; read the first time.

**CONSTITUTION (AMDT.) (NO. 6) BILL**

Bill to amend the Constitution of the Republic of Trinidad and Tobago [*The Attorney General*]; read the first time.

**HUMAN TISSUE TRANSPLANT (NO. 2) BILL**

Bill to make provision for the removal of human tissue for transplantation and blood transfusion and for matters connected therewith [*The Minister of Health*]; read the first time.

**TRINIDAD AND TOBAGO ASSOCIATION OF  
PROFESSIONAL PSYCHOLOGISTS (INC'N) BILL**

*Question put and agreed to*, That a Bill to provide for the incorporation of the Trinidad and Tobago Association of Professional Psychologists and for related matters, be now read the first time.

*Bill accordingly read the first time.*

**ARRANGEMENT OF BUSINESS**

**The Minister of Public Administration (Sen. The Hon. Wade Mark):** Mr. President, I beg to move that the next stage of the following Bills be taken at the next sitting of the Senate: the National Trust of Trinidad and Tobago (Amdt.) (No. 2) Bill, 1999; the Motor Vehicles and Road Traffic (Amdt.) (No. 2) Bill, 1999; the Distribution of Estates (No. 2) Bill, 1999; the Integrity in Public Life (No. 2) Bill, 1999; the Constitution (Amdt.) (No. 5) Bill, 1999; the Constitution (Amdt.) (No. 6) Bill, 1999; and the Human Tissue Transplant (No. 2) Bill, 1999.

*Agreed to.*

**APPROPRIATION BILL  
(BUDGET)**

**The Minister of Finance, Planning and Development (Sen. The Hon. Brian Kuei Tung):** Mr. President, I beg to move,

That a Bill to provide for the service of Trinidad and Tobago for the financial year October 1, 1999 to September 30, 2000 be now read a second time.

*Appropriation Bill*  
[HON. B. KUEI TUNG]

*Friday, October 22, 1999*

Mr. President, this is a money Bill that was approved in the other place on October 20, 1999. This Bill provides for expenditure of \$14,676.7 million, including capital repayments and sinking fund payments under the various heads, as indicated in the Schedule of the Bill.

Mr. President, this Government believes that Trinidad and Tobago has been blessed with tremendous resources and potential. As a matter of fact, only this morning we have evidence of some of those resources being made available to the Government of Trinidad and Tobago. We also believe that at the core of any development process is human development. What is needed, therefore, is for our potential to be truly harnessed and for the ensuing benefits to be equitably shared among all citizens of the country.

In this context, as we enter the new millennium, this Bill outlines a blueprint for human development and sustainable growth for Trinidad and Tobago. Our choice of theme is a reflection of the importance that this Government attaches to the pursuit of sound economic and social policies; policies geared towards putting the individual at the centre of development, policies which seek to raise the quality of life of everyone in Trinidad and Tobago.

I wish now to outline the successes we have achieved to date in respect of Government's economic policy. I will also demonstrate how this Government has placed more emphasis on improving the social sectors of the economy. With the limited financial resources available to our administration, we have succeeded in meeting a substantial proportion of the needs of the population. We have done so to an extent to which no previous administration has ever come close in a similar period and with similar resources. Permit me, therefore, to review performance of the economy under this Government's tenure.

Over the last three years real economic growth increased at an average of 3.5 per cent per annum. By the end of June, 1999 the country achieved a growth rate of 3.6 per cent on a year-on-year basis, despite unfavourable international conditions. With the coming on stream of additional capacity in the energy sector, and in light of the strengthened performance of the non-oil sector, growth is expected to surge to about 6.9 per cent for the whole of 1999.

Our inflation levels have been contained and compare favourably with those of our major trading partners. The rate of inflation fell progressively from about 9 per cent in 1994 to 5.6 per cent in 1998. As at the end of August, 1999, inflation measured just over 2.2 per cent, when compared to the position which obtained at the end of August, 1998.

**10.25 a.m.**

Next, we have seen a steady decline in the unemployment rate. This rate which peaked at 25 per cent in the late 1980s, measured around 11.7 per cent at the end of the second quarter of 1999. This has been the lowest rate in 15 years. More importantly, unemployment among the youth has been reduced from 20 per cent to 15 per cent. Our objective was to reduce unemployment to single digits by the year 2000. However, this objective has, to some extent, been tempered by the capital-intensive nature of our energy investments; and by the low-priced environment for our main export commodities.

Mr. President, I would like to inform this honourable Senate that our economic successes are by no means fictitious. They are real and are fully supported by statistical data provided by the Central Statistical Office—which is the official source of such data for this country. Our sound economic performance has been supported by prudent fiscal policy. When we assumed office, a major task was to review the tax regime. Accordingly, we progressively simplified the tax system; lowered tax rates for both individuals and companies; and reduced the overall tax burden to taxpayers.

For the first six months of the last fiscal year, we have had to manage the economy during one of the most difficult periods of our time. However, we successfully guided the economy through this period and ensured that we did not run huge deficits, renege on our debt commitments, nor presented a new budget.

Instead, we exercised fiscal discipline to meet the challenges we faced. We rationalized the structure and level of Government's expenditure through more efficient allocation of our financial resources. The end result was a containment of our fiscal deficit in 1998/1999 to just 0.1 per cent of GDP, or \$55 million. This was achieved, despite a shortfall of some \$870 million in revenue.

These measures have been supported by the pursuit of monetary policy that ensures the price and exchange rate stability. Further contributing to our success in this area, has been the soundness of the domestic financial sector. The strong economic successes have been reflected in continued investor confidence in the economy. This, particularly at a time when similar emerging market economies like ours, are experiencing difficulties in raising finance on the international market on any terms. Mr. President, I wish to stress that, "on any terms".

With the recent upgrade of our international credit rating by Standard & Poor's from speculative grade to investment grade, Trinidad and Tobago now enjoys one of the highest credit ratings in the Americas. Our successful placement

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of a US \$230 million Eurobond issue in September of this year, is further testament to the confidence of international investors in the longer-term growth prospects for this economy. Furthermore, because of the heightened confidence in our economy, we have attracted record inflows of foreign investment.

Over the last four years, foreign direct investment, particularly in the energy and gas sectors, approximated US \$3 billion. Other sectors, such as tourism and financial services have also been recipients of significant foreign investment inflows in recent times. Significant inflows of private foreign direct investment have, indeed, been a principal mechanism for financing our balance of payments.

In keeping with the reduced dependence on debt-creating inflows, the country's external debt payments have become increasingly manageable and sustainable. Our external debt service fell from 30 per cent of exports in 1993, to about 10 per cent in 1998, and is projected to decline further over the medium term. Consequently, the country's foreign reserves grew from US \$652 million in 1995 to US \$1,184 billion in 1998. At the end of December 1999, this is expected to increase further to US \$1,330.4 million—enough to pay for almost 5 1/2 months of imports. This build-up in our foreign reserves has facilitated an exchange rate which is stable, realistic and competitive. The economy is now more resilient to potential external shocks.

This Government assumed office with a commitment to reduce the incidence of serious crimes and, in so doing, bring a measure of peace and security to our people. Today, we stand firm in that commitment and secure in the knowledge that we have made a significant impact in this area. Mr. President, allow me to expand.

At the end of 1994, the number of serious crimes recorded stood at 18,560; by 1998, this figure was down to 15,796. The detection rate also experienced significant improvement, moving from a total of 4,941 serious crimes detected at the end of 1994, to a level of 5,324 serious crimes in 1998.

This Government has strived to create the economic capacity to change the circumstances of the population for the better. Today, Trinidad and Tobago is in a position of financial stability and regional leadership. We are currently enjoying a level of economic growth that is higher than the global average. More than that, we have achieved this position in an increasingly competitive and globalized environment, which has been beset by financial turbulence over the last few years. We have managed the country's resources and finances prudently to the people's benefit. While it has been widely acknowledged that we have positioned the



economy on a growth path, and brought improvement to the standard of living of our people, we believe there is still a lot more to be done.

As we embark upon our journey into the next century, we have structured our 1999/2000 budget within a framework that will promote continued growth. It will also place increased emphasis on human development. Mr. President, our objective is clear. It is to bring the social and structural aspects of development in line with our growing economy.

In order to become more competitive globally in the years ahead, our strategies shall pay particular attention to the following:

1. instituting policies which promote sustained economic growth and development;
2. establishing priorities for allocating public expenditure;
3. developing an institutional framework which expands employment opportunities and productive assets;
4. developing our population into well-educated, healthy and highly motivated individuals;
5. strengthening those institutions that form the pillars of our democratic society;
6. utilizing technology as a driving force behind economic progress;
7. redesigning our development programmes to maximize the productive use of labour;
8. providing technical assistance via employee adjustment programmes aimed at bringing minimum dislocation to the most vulnerable in the society.

Mr. President, one of the platforms of Government's economic policy has been the diversification of our economy. We recognize that broad-based growth is essential for achieving the social objectives to which we aspire. We shall, therefore, continue in the new fiscal year, to enhance our investment climate to encourage investors into the non-energy sectors. Special attention will be given to both the tourism and agricultural sectors and to stimulate the spirit of enterprise among our people.

This year's budget is based on a conservative oil price of US \$16 per barrel. In the event that we realize higher than budgeted oil revenues, I propose to establish

an Oil Price Stabilization Fund. This Fund will cushion any unexpected drop in oil prices, and will strengthen the savings effort of the public sector.

Mr. President, for the new fiscal year, we expect to realize a total revenue of \$13.156 billion. This is approximately \$2.498 billion more than what we would have received in the last fiscal year. We expect this additional revenue largely from a significant increase in income from oil companies; from receipts associated with Government's divestment programme; and from increased profits from state enterprises.

With respect to the oil companies, it is estimated that revenue from a major company in the energy sector would escalate to \$916 million. This will be generated by increased petroleum profit taxes, arising out of additional gas production from the Mahogany Fields for the Atlantic LNG plant, reduced capital allowances in respect of investment expenditure claims, and higher than budgeted oil prices.

With respect to Government's divestment programme, it is expected that the sale of shares in the National Enterprises Limited alone will generate \$720 million. There is evidence of reduced dependence on oil revenue. However, the role of natural gas in the development process is assuming increased importance. In recognition of this, we intend to review the tax and incentive regime for the sector, as well as the production-sharing agreements.

**10.35 a.m.**

This exercise will be undertaken to improve the revenue contribution of this subsector. We shall also continue to strengthen the institutional capacity of a revenue-collecting agency while vigilantly monitoring the management of our public expenditures. We shall further rationalize transfers and subsidies to statutory authorities and public utilities and continue to screen discretionary expenditure.

For 1999/2000, budgeted expenditure amounts to \$13.72 billion. This includes capital expenditure of \$1.88 billion. Of this, \$1.57 billion is related to infrastructure development under the Public Sector Investment Programme.

In addition, \$310 million has been provided to meet expenditure previously incurred in 1994 on the maximum security prison. The projected capital expenditure of \$1.57 billion represents an increase of \$450 million over last year's budgeted estimate of \$1.12 billion. This capital expenditure is expected to create some 15,000 jobs and upgrade our social and economic infrastructure. We

therefore project a surplus of \$84 million in our fiscal account, an equivalent of 0.2 per cent of GDP. We expect to increase this surplus position to approximately 1 per cent of GDP over the medium term.

Mr. President, in the new fiscal year, special emphasis will be placed on the upgrade of the social sector. In this regard, additional funding will be allocated to the following:

1. arresting the crime situation;
2. improving the ailing health system;
3. providing more reliable services such as water and electricity;
4. improving the education system to produce a workforce which can contribute to a modern economy;
5. addressing the shelter needs of the population; and
6. reducing poverty and making the cost of living more affordable.

Mr. President, the need to address the continuing high incidence of crime remains an important component of this Government's human development agenda. Accordingly, in fiscal 1999/2000, a total of \$1,440.6 million has been allocated to national security. Among other things, these funds will be directed towards upgrading and increasing the physical facilities and equipment of the police service to strengthen their capability to combat crime. We recognize that integral to true human development is the quality of health care available to our population and in keeping with our focus on human development into the new century, Government will place even greater priority on providing the necessary infrastructure and support services for improving our health system.

To achieve our health care agenda, Government will be spending approximately \$1 billion next year. This represents an additional allocation of \$205 million to the health sector. These funds will be directed towards the following:

- a. expanding the primary and secondary health care system;
- b. easing the overcrowding situation at our hospitals;
- c. enhancing facilities at our public health institutions;
- d. upgrading the skills of medical personnel; and
- e. providing retirement benefits for employees of the Regional Health Authorities (RHAs).

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Mr. President, as we prepare for the 21<sup>st</sup> Century, this Government will take action to equip everyone to meet the needs of an evolving knowledge-based global environment. This is a key to maintaining a country's competitiveness and will contribute to the empowerment of our people. Government proposes to spend a total of \$1.4 billion or \$176 million more on education in this fiscal year. This highlights our commitment to ensure that education is accessible to all citizens from early childhood to adulthood.

Mr. President, emphasis will be placed on the establishment of additional child care centres, rebuilding several primary schools, construction of new primary and secondary schools, expansion of the adult education programme and upgrading and refurbishment of facilities at various educational institutions.

The social challenges are enormous. We need to provide support to curb and prevent social problems among the youth and disadvantaged. It is within this context that this Government intends to improve the delivery of social and community services. As such, for this fiscal year, a total of \$800.1 million or an additional \$135.7 million has been allocated to social and community development. These resources would be directed mainly towards implementing support programmes for the socially displaced, juvenile delinquents, young offenders and substance abusers.

Mr. President, the increases in the old age pension, the revision of the National Insurance Scheme and the on-going pension reform exercise will be further complemented by increases in the pensions of government retirees. It is unfortunate that government pensioners have not had an increase in their pensions since the year 1986. Accordingly, it is proposed that all public officers who retired on or before December 1998 will receive increases in their basic pension. It is expected that a total of 19,554 retirees will enjoy increases of between \$75.00 and \$250.00 per month. This measure will cost an additional \$35 million per year.

In addition, COLA payments to retired public officers which were frozen at the level paid at the time of their retirement will be consolidated with their revised basic pension. This facility will also be extended to those persons who benefit under the Widows and Orphans Pension Scheme. A total of 1,900 persons will benefit from these COLA adjustments which will cost an additional \$6 million annually.

The allocation to sport and youth development is \$165 million in this fiscal year. Of this, \$113.5 million has been allocated towards the development programme and is principally aimed at upgrading and expanding this country's

sporting infrastructure. One of the major activities planned for fiscal year 1999/2000, is the construction of four stadia in preparation for 2001 FIFA under-17 world championship football tournament. Three will be constructed in Trinidad and one in Tobago.

Mr. President, the issues relating to Tobago are just as important as those relating to any part of Trinidad. The concerns of the people of Tobago remain the concerns of this Government. We will therefore continue to work closely with the Tobago House of Assembly to ensure meaningful collaboration and co-operation. Our ultimate goal as a Government is to improve the welfare of all Tobagonians.

Mr. President, the cornerstones of a modern financial system are efficiency, transparency, confidence and integrity. The consumer and investor must have confidence that such a system is sound. They must be assured that there are adequate safeguards to protect them from failure, given the changing financial landscape. Our regulators are now faced with new challenges in the areas of technology, liberalization and globalization. In light of these events and in order to ensure the continuing soundness of our financial system, we intend to establish a single regulatory agency to supervise and regulate the entire financial system. This will include, among others, the banks, non-bank financial institutions, insurance companies, brokerage houses and other institutions carrying on business of a financial nature.

One of the outstanding issues that must be addressed with expediency is the plight of those depositors who were affected by the failure of the Southern Finance Company Limited about 15 years ago. These depositors, who are mainly retired persons, were offered no hope of recovering by previous administrations. This Government intends to address this long outstanding issue. The staff of the Ministry of Finance and the Central Bank will be working together in determining an *ex gratia* payment with these depositors.

Mr. President, as I indicated earlier, the people of Trinidad and Tobago are at the heart of this budget just as they were in previous budgets presented by this Government. Throughout our years in office, we have implemented various policy measures which we believe have worked well for us. This is attested to by the favourable movements in all of our major economic indicators.

In a general sense, we intend to continue the thrust of the policies that have worked for the economy thus far. We would make the necessary changes and amendments as needed to strengthen the position of our country as a regional leader and an exemplar. It is our belief that the world is experiencing shifts in

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thinking. While governments have the responsibility to foster the conditions for economic growth, that responsibility cannot be fulfilled if they fail to recognize the human factor in the development process.

Mr. President, in conclusion I reiterate that we, as a responsible Government, intend to fully execute the task that has been entrusted to us. In so doing, we will ensure that our economic successes positively impact the level of human dignity and self-worth of every citizen of our beloved country.

Mr. President, I beg to move.

*Question proposed.*

**Sen. Danny Montano:** Mr. President, before I begin my contribution I would like to convey congratulations to Sen. Tota-Maharaj on her elevation to the position of a junior Minister, and I would also like to welcome Sen. Gillette to this honourable Chamber. [*Desk thumping*]

Mr. President, this budget, like the recent hurricane José, was much anticipated, fair precautions were taken, but I daresay like the hurricane, it passed by without scathing anything in the country, in fact, barely rustling the leaves on the trees.

The Minister has presented his fifth budget and, like the others, it is getting shorter and perhaps less clear and for the first time, I think in the history of our country, we had a budget presented with documents four and a half inches thick and the Minister had absolutely no fiscal measures to announce. In other words, he is absolutely satisfied with the way things are going. It is against that background that we must examine what the responsibilities of the Minister are, what they should be and perhaps what he “woulda, coulda, shoulda” done.

Mr. President, a budget and the budget statement on the part of the Minister should set out clearly and definitely the strategies for stimulating growth in the productive sectors, not merely congratulate himself on the achievements over the past four years. It should also set out the strategies for the creation of sustainable employment; the strategies for the protection of the exchange rate; strategies for the development of youth; strategies for the relief of poverty and for the elderly; strategies for the reduction of crime; strategies for improvement in health; strategies for improving the educational system, not merely for the provision of new schools; and strategies for the development of new housing, not merely the financing of existing units, and the provision of serviced lots.

The debate in the other place was noted for the absence of several key persons of the Government; notably, there were no contributions from the Attorney General, notwithstanding some of the controversies surrounding that office; no contribution from the Minister of Legal Affairs, now the Minister of Education; no contribution from the Minister of Agriculture, Land and Marine Resources, and the only thing we have heard from the Prime Minister in the past two years is a reshuffling of the Cabinet and the appointment of Senator Gillette: his imminent appointment as a Minister in the Ministry of the Prime Minister.

**10.50 a.m.**

Mr. President, in that regard, while I can congratulate and welcome the hon. Senator to politics, I was again extremely disappointed with the statements he made on television and radio to the effect that he is not a politician. This leaves me in a little quandary as to how someone can accept political office and not be a politician. If that statement is true, then the Senator is a businessman in a political office and, therefore, one has to ask the question: Whose interests is he there to seek? If he is not a politician seeking the interest of the people, then as a businessman, he must be seeking his own personal business interest. [*Desk thumping*] Mr. President, I ask the question.

**Sen. Mark:** On a point of order, Mr. President. Under Standing Order 35(5), the Senator is imputing improper motives to the recently appointed Senator and I think that is very unfortunate.

**Mr. President:** I agree with the hon. Minister. You are, in fact, imputing improper motives to the Senator and you should withdraw.

**Sen. D. Montano:** Mr. President, I would be happy to withdraw any statement that had an improper motive attributed to the Senator. However, the *Hansard* would show that I merely asked the question. I did not make a statement. But I will be guided by what you have said.

Mr. President, as the hon. Senator assumed his duties and, in view of the fact that the Senator said that he is there to do the people's work and so forth, we on this side, would certainly like to know if the Senator or his group of companies or his family and their family group of companies have in fact, any contracts or are in the process of negotiating any contracts.

**Sen. Mark:** Mr. President, on a point of order. Again, under Standing Order 35(5).

**Sen. Mohammed:** What is the improper motive?

**Mr. President:** Senator Montano, I again agree with the Minister. Please stay clear of those issues. We are here to debate the Appropriation Bill 1999/2000 and I would appreciate if you would confine yourself to matters relating to the Appropriation Bill.

**Sen. D. Montano:** Mr. President, I would be guided. I was merely going to proffer some advice and, that was merely to suggest that the Senator declare his interest, in the interest of integrity for all of us here, before he accepts his appointment. That is all I am saying. If there is difficulty with that then I am a little surprised. I would certainly not want to impute any improper motives, Sir.

Mr. President, to move on, this morning the Minister took it upon himself to at least explain some of the numbers in the budget. I could certainly anticipate that he would know that I would ask him one or two questions regarding the numbers and he answered three of them to be exact.

In terms of revenue, one of the things, I think, that a Minister of Finance must do when he presents his budget is to explain where his revenues are coming from and give us the underlying assumptions for his revenue collections.

In the *Draft Estimates of Revenue* for the year, there are details of the revenues. The Minister chose to explain only a few of them and I would ask certain questions. He did explain that the revenues from oil are expected to increase by approximately \$916 million. That would come from one company and that would be derived from the revenues of natural gas. I am delighted to hear that and I am very happy for the explanation.

However, I would recall a conversation that I had with the Minister of Energy about 18 months ago when we were on our way to the tea room. I asked him what was the forecast for the increase in revenues when the LNG project came on stream and he told me 20 per cent. Mr. President, the revenue is going from \$462 million for this fiscal year to \$1.48 billion next year. That is not 20 per cent. It begs the question as to what really is the truth here? Does anybody on that side know what is the truth?

With regard to—before I am accused of imputing any improper motives again—the taxation from other companies, again, the revenues are increasing by approximately \$100 million, that is 6.8 per cent, bearing in mind that the revenue actually fell by \$250 million. That is to say, the revenue estimate for the present year was short by some \$250 million. What is the basis of the Government's estimate that this is actually going to increase by 6.8 per cent? What is taking place in the economy that is going to make that happen?



Furthermore, the Minister's revenues from individuals have increased by 15.2 per cent. Even with the kind of employment figures that the Minister is boasting of, I find it hard to believe that the taxation revenues are going to increase on account of that alone by 15 per cent, bearing in mind that the major part of those persons is at the lower income levels and they would be covered largely by the \$20,000 exemption. So, how is it then that the revenues are going to increase by some \$300 million dollars?

Mr. President, also Head 2: Land and Building Taxes Revenue, this year was \$24 million and the Government projected it to be \$31 million next year, an escalation of 29 per cent. How come? What is going to happen to cause that?

The Minister's estimate for value added tax—I have always been in disagreement with him, and I have in prior years always shown that there is a direct correlation between the amount of value added tax that is collected and the gross domestic product at market prices. In the first two years we were here, I cited a list of it and the average was around 4.5 per cent and certainly that was the case for 1999. The revenue that was received in 1999 was 4.51 per cent of the gross domestic product but for next year the Minister forecasts it at 4.64 per cent. What is going to take place? What measures are in place to somehow enhance that? Not even the escalation in the gross domestic product is going to do that.

Mr. President, some of us do pay attention to some of the numbers. Under Head 03: Taxes on Goods and Services 9027, registration of locally assembled motor vehicles, the revenue for September, 1999 was estimated at \$190 million and for the next year \$175 million. I am all in favour of conservative estimates, but what exactly is going to cause the decline in revenues? Is it that the roads are finally reaching the point of being so congested that nobody can buy a car anymore? Is that what the Minister is telling us? It would seem that with the growth in the national economy, the demand for motorcars is going to escalate. How is it then that the taxes are going down?

**11.00 a.m.**

Stamp duties: in fact, with the receipts this year it was \$80 million; budgeted, \$105 million; an escalation of 31 per cent. What for? How come? What is going to take place all of a sudden that he is going to give us this fantastic increase in revenue? Profits from non-financial enterprises, the actual list here was \$341 million; in the budget it is \$634 million—an increase of 86 per cent. Mr. President, that does not include state-owned enterprises. So how is that arrived at? Are we just supposed to assume that the Minister is right and there is going to be an increase of \$300 million and have no explanation for it?

The receipts from state-owned enterprises this year was \$176 million and budgeted for next year is \$464 million—an increase of 164 per cent. On what basis? Coming from whom? And bear in mind that the next page, Head 06, share of profits from oil companies, was budgeted this year. In fact the estimated receipts for this year, 1999, will be \$300 million and for next year \$210 million. It is going to fall. So, Mr. President, the numbers by themselves simply do not make any sense and require explanation. While the Minister has said on more than one occasion he is not the nation's bookkeeper, he must tell us what is going on. He cannot just come and present us with four and a half inches of numbers and not explain some of them, the key ones.

Mr. President, he decided to explain to us the sale of assets, \$899.5 million, and he said that the bulk of that, some \$750 million, is going to come from the sale of National Enterprises Limited but he did not deign to explain where the rest of it was coming from and what else he was spending. On that score I have already voiced my view that I am disappointed that he would seek to suggest that he wants to set up an Oil Price Stabilization Fund which, in fact, I understand was a recommendation of the IMF, in order to hedge against the fluctuation in the price of oil, but would not, in fact, take the revenues from the sale of assets like this and set up a special fund to be used only for special purposes because what this amounts to is just a flogging of the family assets, Mr. President. I have said so before.

Under “Grants”, Mr. President, he has received \$25 million and is budgeting \$44,353,000 and I would like to ask, in view of the fact that the Tobago House of Assembly is eligible for grants but only with the approval of the central government, how much of this is actually going to be shared with the Tobago House of Assembly? Are they going to allow the Tobago House of Assembly to access any international grants? I would be grateful for the Minister's responses on the numbers.

The Minister spent the first 16 pages of his statement in the other House giving us an idea of the accomplishments of his Government as he sees it and then he spent the remainder of his statement telling us how, basically, he was going to spend the revenues that he expected to collect. It is only here this morning that he decided to give us some brief overview of the economy. However, let me try to put the status of the local economy in a context so that we can really understand how this economy should be performing and what we should be expecting from the Government.

My numbers come from the documents that were presented as well as some information that I was able to get from the Central Bank. I have had to try, as best as I can, to get an approximation from some of the numbers in here because the details are not as specific as I might like. In looking at the economy, the oil and petrochemicals sectors account for approximately 21 per cent of gross domestic product but, in fact, employs only 3.3 per cent of the labour market. On the other hand, Mr. President, the private manufacturing and services sector, which excludes agriculture and Government, accounts for approximately 56 per cent of GDP.

Now, I cannot be held directly accountable to the absolute accuracy of the numbers but they are generally accurate. However, the extent of the labour absorbed by the private sector is approximately 50 per cent of the labour force. So one can quickly see, Mr. President, where a government's focus must be, bearing in mind that in the oil and petrochemicals sectors, all the big deals that have taken place, all the fiscal incentives and so forth are negotiated on a one-on-one basis with the Government and, therefore, the Government cannot really tinker with that a whole lot in its budget each year.

Government's revenues from the oil and petrochemicals sectors are approximately 15 per cent of its total revenues but the total revenues from the private sector individuals, including that, is roughly 43 per cent, far more significant than the oil and petrochemicals sectors. Notwithstanding that, Sir, the oil and petrochemicals sectors are the cap, the icing on the cake that really give us the surpluses that we are looking for. I can tell you also, that according to the Central Bank, the average of Government's foreign exchange revenue over the past few years has been averaging at about 4 per cent of gross domestic product, it is that significant. This revenue, because of the coming on stream of LNG, when looking at the numbers this year, is likely to jump to 7 to 8 per cent of GDP.

So, Mr. President, one can see that the contribution to the local economy by the petrochemicals sector is extremely significant but it is not something with which the Government can really tinker on a year-by-year basis. [*Desk thumping*] Therefore, the focus on any budget on a yearly basis has got to be on the private sector to stimulate growth and indigenous investment. That is where it is. Mr. President, I would ask you, what did the Minister say about the private sector? What did he do that is going to stimulate growth within the private sector and the level of employment from the private sector?

Let us look at the whole economy. Let us just see where we are and what this Government has really been accountable for and whether they have had anything

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to do with the status quo. The production of oil averaged, in the second quarter, 126,000 barrels of oil per day. The average from 1999 so far has been 124.7 thousand barrels per day, compared to the first nine months of 1998 of only 121,000 barrels per day. In other words, oil has gone up slightly. In other words, Mr. President, the reduction in the production of crude oil has been halted and is slightly on the increase.

Refinery throughput has increased to 148,000 barrels per day, an increase of 8.6 per cent over 1998. Did the Government have anything to do with that? Drilling activity was down during the first six months to only 30.8 thousand metres. That is 29.3 per cent less than 1998 and this was due very largely to the depressed oil prices. Methanol production was up 15.1 per cent when compared to the corresponding period of 1998. Exports of methanol are up 25.8 per cent for the first six months compared to 1998 and by the end of 1999 another methanol plant will be coming on stream. Did the Government actually have anything to do with that, Mr. President? Methanol prices have fallen from \$179 per metric tonne in January of 1998 to \$94.00 per metric tonne in June of 1999 but had risen to \$113 per metric tonne in July of this year.

Nitrogenous fertilizer: two new plants came on stream in the second half of 1998 and exports have grown by 33 per cent. Trinidad and Tobago has now seven ammonia plants. Production of natural gas liquids increased by 81.5 per cent in the second quarter and export volumes have tripled to 1,416.7 barrels. Mr. President, the Atlantic LNG Plant came on stream in April of 1999 and has a capacity of 3 million tonnes per annum. The only other plant of its kind in the Western Hemisphere is in Alaska and this plant was built in the late 1960s. This plant is seen as a huge success because the gestation for the plant was six and a half years as opposed to the international average of 14 years. Six and a half years takes us back to the last administration under the People's National Movement. Did this Government have anything to do with that?

Iron and steel is in a highly competitive international environment. Prices have softened by approximately 25 per cent for billets and 20.8 per cent for wire rods since January of 1998, but the price has increased since December of 1998. Sugar production has fallen to 68.3 thousand tonnes, a drop of 3.6 thousand tonnes from 1998 and, Mr. President, I can assure you that the Government had something to do with that. [*Desk thumping*] Cocoa production, a total of 285.3 thousand tonnes in the first three months of this year as compared to 1,138,000 tonnes for 1998—a serious decline, Mr. President. Coffee, measured 220,000 tonnes compared to 1998, 352,000 tonnes.

Mr. President, according to the *Review of the Economy* published by the Ministry of Finance, unemployment is expected to fall to 13.5 per cent. I know that the Minister quotes the Central Statistical Office as saying that it is 11.5 per cent at the end of June. I do not know which number is right but certainly we can look forward to a decline in the unemployment rate. We had set in motion everything for that to happen. [*Desk thumping*] The fact that it is happening a bit slower than the forecast is disappointing. I am saddened to say that in the manufacturing sector 8,900 jobs were lost according to the Ministry of Finance.

Prices have stabilized as our major trading partners have managed to bring inflation under control and too the level of imported inflation is being held in check. In fact, locally, prices overall increased two basic points from September of 1998 to August of 1999, however the cost of food has risen 8.4 basic points. Unhappily, the price of food is the one item on the Central Statistical Office's index that has the greatest impact on the poor, the unemployed and the elderly on fixed incomes.

The public debt: the total debt of the Central Government has reached, as at September 30, 1999, \$22,618 million which is approximately 55 per cent of GDP. This compares with \$21.768 billion in 1998. This is according to the Ministry of Finance documents.

**11.15 a.m.**

Mr. President, according to the information there, there is an additional off-book liability of approximately \$4.9 billion on account of WASA, the airport and the Trinidad and Tobago Mortgage Finance. If we add the two, the total will be \$27.5 billion, or approximately 67 per cent of GDP. Debt service payments are expected to increase to \$4.7 billion over the next year, an increase of \$4 billion from the previous year.

Government's deficit for the first nine months of the year was \$860 million financed primarily by overdraft borrowings from the Central Bank and you would recall, Mr. President, that in July of this year, the Government was forced to raise the borrowing limits from TT \$7.5 billion to TT \$10 billion.

The result of that deficit and the borrowing from the Central Bank had a severe impact on the liquidity within the banking system and forced interest rates down by one point. But, that is not necessarily a good thing because what that does is, it tends to put pressure on the exchange rate which it did, and the Central Bank had to step in to bail out the exchange rate to the extent of US \$95 million

during the nine months of this year. It also had to raise some \$600 million in Treasury Bills as an attempt to try to soak up the liquidity within the banking system.

Bank credit during the period expanded by 7.6 per cent. The private sector savings fell in 1998 to 12.7 per cent of GDP and rose to the former level of 15 per cent in 1999. The forecasted levels of private sector savings are forecasted in the year 2000 to fall to 14.1 per cent; in the year 2001, to 12.3 per cent; and in the year 2002, to 9.3 per cent. What did we hear about savings in the budget?

Foreign currency deposits peaked in May at \$4.276 billion, or approximately 26.3 per cent of total deposits within the banking system. The Minister of Finance says that by the end of this year the foreign reserves will reach a point of approximately 5.2 months of import cover.

What is really happening in this economy is not a question of savings, because that is not savings; that is hedging against a lack of confidence in the TT dollar. Where it is now, at the level 26.3 per cent of total deposits in the banking system, what we are virtually seeing is the dollarization of our economy. Estimated growth in GDP for the year 2000 is 5.8 per cent; in the year 2001, 4.2 per cent; and in the year 2002, 4.3 per cent.

It is against that backdrop that one has to look at where we are and what is possible for this economy. So, the short question is: Is the economy in good shape, or is it in bad shape? I do not think there is anybody here who would argue the fact that the economy is in fairly sound condition but the soundness of the economy, I have just indicated—all the yardsticks; all the economic indicators that I have used—all the measures that have stabilized those indicators were set in place long before this administration got here.

I could congratulate the Minister for one thing and one thing only, and that is, if he did not know what to do, he should have done nothing at all and just left it alone because it would work and that is what he has done. But it is the duty of a Finance Minister every year to challenge not only himself but the *status quo*, in an attempt to make things better. He must be daring and innovative and he must look forward, when others are looking backwards. The entire budget statement on the part of the Minister was retrospective. We heard nothing about the future.

I would like to suggest a number of things. The Minister has missed the opportunity to set out incentives for indigenous investment. You can be reminded, Mr. President, that sometime ago, what he did was that he reduced the rate of taxation on interest income to 10 per cent, but that he also increased the rate of interest on foreign exchange deposits from 0 to 10 per cent.

What he could have done, as a measure to promote savings and to strengthen the exchange rate, was create a preferential bias to hold TT dollar instruments. He could have created tax incentives on the part of multinationals as well as local companies for local TT dollar investments. Instead, what we find is that the saving in foreign exchange is increasing, not decreasing; so he is just not paying attention to that at all.

What he could have done was, extend the tax credits under section 48 for investments by local companies. What he could have done, also, was review the Fiscal Incentives Act which is now hopelessly archaic; and he could have reviewed all the incentives that have been given to pioneer industries and expanded the lists to promote indigenous local investment.

What he could have done, also, bearing in mind that the economy is doing well and that the revenue stream is virtually certain—and he admits that—in order to stimulate sustainable growth and employment, he could have set a threshold allowance for small and start-up businesses, similar to the threshold allowance that is given to individuals. He could have given that to small businesses. Instead, what he has done is continued to rely on the business levy. Insofar as the business levy is concerned, the Minister is on record as saying that the emphasis will be and has been on the top 800 taxpayers in the country; that the Board of Inland Revenue will continue to emphasize their scrutiny of the top 800 taxpayers.

But, instead of removing the business levy and focussing on those companies that are not paying any income tax at all, he has merely said that we are not going to bother with them at all. The Minister has stood in this Chamber and said that those businesses, year after year after year, pay little or no income tax and that is the justification for the business levy. Yet, we hear no statement that a focus will be made on those types of businesses.

He says that he has budgetted \$97 million to come from business levy but I do not know how that is arrived at, and I rather suspect, knowing how it is calculated on the tax returns, I dare say that the bulk of that is really part of the income tax that companies have paid and I doubt very much if that \$97 million is, in fact, from the companies that are not otherwise paying tax over and above the business levy. I believe it includes all of that. So, I do not think that to do away with that is going to do away with \$97 million in revenue.

What he could have done, in order to stimulate savings, was set out incentives to local companies that intend to go public. He could have given them a three-year window where, if they register with the Securities and Exchange

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Commission an intention to go public in three or five years, then they would be given a tax holiday or a tax credit over the period with the proviso that they not pay out any dividends in order to strengthen the companies so that they can go public, and going public would widen the length of companies and promote savings in the country.

Mr. President, what he could have done, also, was this. In order to stimulate growth, he could have removed the tax on interest on loans granted for industrial expansion. These loans should be tax free. They would reduce the cost of indigenous investment. Investing in a manufacturing enterprise here is high risk; it is capital intensive and the market is highly competitive. Our manufacturers now are being forced to compete on an international market. Let me explain to you how difficult it is.

We have an island economy and those of you who are in business would understand that with everything that you try to manufacture, for the most part, you have to import your raw materials. The lead time in terms of importing is usually several months, many weeks at least. The result is that the need for financing in an island economy is significantly greater than in a country like the United States, or Europe, or Canada, or even Latin America, where you can pick up the phone and within two days, what you need is in your factory. Not so here. It takes months; it takes much planning. So, the cost of doing business is very high.

In order to achieve efficiencies in the manufacturing and in order to try to maintain a competitive advantage on the international marketplace, two things happen. One is that you sacrifice your exchange rate and two, you sacrifice your labour rates. That is what happens. What you can do is this and I can cite the companies involved in the sugar industry.

Because of the failure of Caroni (1975) Limited to produce sufficient sugar to meet the local demands of the companies using sugar, companies are allowed to import sugar but they have to pay a surtax, a tariff to Caroni (1975) Limited. In other words, the people making soft drinks and sweets here, have a higher cost of sugar than in the United States or Latin America, and you expect them to compete successfully on the export market. Maybe they can do so, but the only variable expense they can really play with is the labour rate. That is what has been happening and yet, let me advise you again, the cost of financing those long inventories, because they have to import large amounts of sugar, they cannot just depend on the vagaries of shipping and it does not work that you can simply say, "Well, I need 1,000 tonnes a months", and expect that you will get 1,000 tonnes every single month from your supplier. Inevitably, what happens is that you get



3,000 tonnes and then you get nothing for six months, so you have to make sure that you have sufficient stocks to carry you through the peaks and valleys.

The cost of financing that ultimately falls on the backs of the working class. In fact, what should happen is that in an attempt to alleviate the problem, to remove the tax on development loans could cause reduction of the cost of that financing.

Also, we are in the year 1999, technology is the order of the day and, certainly, there are companies here that are now into high-tech enterprises, some of them actually designing and developing their own software that I know for a fact is being sold as far away as South Africa. But, if ever for our twin-island nation there was a pioneer industry, that must be it. But, do they get any kind of tax incentive? No, Sir. None at all. Has anybody thought about that on that side? He has had four years to consider the opportunities.

No, Mr. President, it is brave young individuals who have invested fortunes in research and development to bring their companies to this point and yet, Mr. President, for their huge investment in research and development, they get no immediate tax relief at all.

**11.30 a.m.**

That is the next thing. If one is going to go into a system of relief for high-tech companies, at least he could deal with accelerated allowances for research and development, but is anybody thinking on that side? Is anybody thinking about next year? What has happened is that the Minister has just taken the whole thing as if it is on autopilot.

Mr. President, furthermore, the Minister said that he reduced the rate of income tax and increased the collection of tax. I can tell you that because it is so difficult to finance a business in an island economy, there is a direct inverse correlation between the income tax rate and the compliance. It is not rocket science. The Minister, himself, has alluded to that, but with the kind of revenues he is forecasting here, could we not have had some realistic forecast for what should be happening with income tax rates or companies?

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

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

*Question put and agreed to.*

**Sen. D. Montano:** Mr. President, I would like to quote from a message of His Holiness, Pope John Paul II on January 1, 1999 for the celebration of the World Day of Peace. It said:

“Another fundamental right...is the right to work...but efforts must also be made to enable the poor to take responsibility for their own livelihood and to be freed from a system of demeaning assistance programmes.

On the threshold of the year 2000, it is our duty to renew our commitment to safeguarding the dignity of the poor and the marginalized, and to recognize in a practical way the rights of those who have no rights.”

Mr. President, I am not a Catholic. I am an Anglican, but this statement is true beyond being a statement from a religious leader. It is one of those truisms that can apply to mankind in every country everywhere in the world. What can be said in terms of what the Government is doing with regard to that statement when they have cut the URP allocation from \$130 million to \$90 million?

Allow me to suggest something. That URP allocation should be increased significantly and it could be doubled or trebled without continuing the dependency syndrome. [*Desk thumping*] I will explain to you how. We are on the year 2000 and we need innovation. Is it not possible—and, in fact, it is so, because I have discussed this with my friends on the corridor—to privatize a significant element of the URP? This is how we could do it. The URP can be a very significant vehicle in the continuing and ongoing maintenance of one's infrastructure but, of course, in recognizing the fact that every sophisticated society in the world has some form of unemployment relief, this is also a measure.

Suppose what we do is this: We say to some of those fellows, “Look, you form yourselves into a co-operative or a company and you tender for the paving of this road, the cleaning of that drain, the building of that bridge, whatever it is. Do it among yourselves, but you can only use registered URP workers and you must pay rates at a specific rate.” Mr. President, what is likely to happen is that because one is now going to treat these URP workers with the dignity they deserve and give them an opportunity to be self-employed, they will work harder, longer and be more efficient. The Government will get a bigger bang for its buck. That is it.

Mr. President, I agree entirely that we must move away from the dependency syndrome, but at the same time, we must be innovative and create avenues to empower the working class in the society. I am not suggesting that these groups, whether they are small-time masons—in fact, these groups could be organized by

local hardware stores in the area and they could organize the URP because they might be better at organizing themselves. I am not suggesting that they have to also buy the material. I am suggesting that it be laid out for contracts only. That is all. At least it gives them an opportunity to bring much needed money into the rural and village areas on the fringes of the urban areas.

Beyond that, there is a vacancy in the leadership. Nothing is being said. Outside there are villagers that have no village economy. Mr. President, it is no secret that my wife comes from France and I have had the good fortune to visit her family on the foothills outside of Switzerland. If one goes to one of these villages, one will see what happens. They make their own bread, their own shoes, their own clothes and they do not import that much from outside of the village. Motor vehicles and so forth, yes, but the village provides for itself.

Mr. President, when one walks into the villages that we have and goes to one of the parlours and sees the bread, the bread has not been baked in the village. What happens is that they bring a URP into a village—it is a mini micro economy by itself—they bring money into the village and immediately, it goes back out again as the villagers spend on shoes, food, clothing and so forth, instead of trying to foster indigenous activity within the village itself.

Mr. President, it is the economic principle of agglomeration. We should be trying to get the money to go around as many times as possible within their own areas before it goes outside. That is what to do to stimulate the growth within the villages. Did we hear anything like that on the part of the Government?

I would say furthermore that I would have expected the Government at least to lead by saying things out loud, such as to buy local! [*Desk thumping*] There should be a preferential bias to buy from our local manufacturers. When one has a choice, support one's local manufacturers. What would that cost? What I am not in agreement with—and what the Minister had an opportunity to deal with—is the lopsided spending. What I mean by that is that there are huge amounts of money being spent on the airport and other projects that we really do not want, do not need and cannot afford, like the desalination plant and InnCogen.

Ultimately, our money has to fund those. I do not care how they have managed to finance it, but ultimately we have to pay for it. While that is happening, we are simply not looking after the infrastructure we have. Our schools are breaking down, our road system is breaking down and it is in a hopeless mess. We are putting about 15,000 new cars on the roads every year. How many new roads are being built?

I heard the Minister of Works and Transport a few days ago saying something about how he is going to turn the Beetham Highway into a one-way during peak hours. That cannot be a long-term solution to a problem like this. We have to build roads. The focus should not be on these huge capital works. What the problem should be is to maintain what one has and to keep what one has up to a high standard. That is what is necessary.

In terms of schools, yes we need new schools, but we have to maintain the schools that we have. Furthermore, the provision of schools by itself, the provision of buildings does not, by itself, increase the standard of education. Everybody in this room knows that the educational system is not meeting the demands of the next century. It is not going to. I have heard nothing about what is really going to happen in terms of increasing education. What I heard the Minister say last year was that he wanted to have a computer in every classroom. I had three children go through the secondary system here and I would simply ask for a teacher in every classroom, because the degree of absenteeism is extraordinary and discipline is necessary. That alone will accomplish tremendously much more than having a computer in every classroom and cost nothing. *[Desk thumping]*

Mr. President, there is much more that I can say. I would have thought that the Minister could have said something about offshore banking and insurance legislation to improve the making of Trinidad a financial centre in the region. We are setting up an airport to be that, and yet nothing is being done to create it as an international financial centre, yet we have everything, all of the infrastructure to make it a major international financial centre.

What is being done? There are spin-offs from that. Barbados enjoys a tremendous volume of commercial tourism when companies which have their head offices registered in Bridgetown have to visit Bridgetown to have their directors' meetings. So, there is a tremendous amount of tourism coming in and paying hotel bills and hotel taxes. There are many spin-off benefits.

Mr. President, I would have thought also that they would have created a friendlier environment for foreign investors. Up to now, any foreign investor coming here still has to negotiate work permits which could be removed at any time. I am not in favour of that. What should happen is that we should set up a system whereby investors who buy a property in Tobago, or wherever on the North Coast or in Mayaro, should be allowed a certain form of residency where they can come and enjoy their property at free will. But they are not allowed to work. Mr. President, do we hear anything like that? Nothing! After four years, no budgetary measures. Absolutely none!

I am not a gambler, but I am not necessarily opposed to gambling. What I am not in favour of is allowing them to literally get away without paying any income tax. The National Lottery and Play Whe gambling are making a contribution of nearly \$200 million per year to the state while the extent of the contribution from casinos is now \$1.5 million. That is it! I will tell you the problem. If the revenues from gambling are tax-free, one can be certain that the same people I referred to earlier who do not pay any income tax in their businesses now have an avenue to launder their undeclared profits through a casino and can legitimately walk away with a receipt and say, “I gambled this amount of money”. They can make that arrangement with the owner and yet, all of the income is completely free of income tax. That is the problem I have, quite apart from an avenue for money laundering.

Mr. President, there are articles in the media. In one case, a fellow is going to invest \$8 million in a casino. One can imagine what the profits must be in order to justify an investment of \$8 million! Yet, all of the profits are going to be tax-free. The Minister is on record as saying he is not to touch that until he has a major player in the market—something like Donald Trump at Chacachacare.

Along with the casinos come crime and prostitution. There was an article in the *Mirror* a few weeks ago, on October 1, where a young lady working in a casino was allegedly drugged and taken advantage of. That is the kind of thing we are going to be promoting.

**11.45 a.m.**

Furthermore, there was a young lady, Nekeisha Cumberbatch, who was murdered on her way home from a casino. Mr. President, to date, we do not know who the murderer was. Let me just point out to you: was it one of the players, or could there be situations where one of the players would have a grudge against one of the dealers and then “do him in”? Mr. President, that is what we are setting up. This situation needs to be controlled.

I realize that my time is up. I thank you for your time and attention, Sir.

Thank you very much. [*Desk thumping*]

**Sen. Dr. Eric St. Cyr:** Mr. President, let me begin by congratulating Sen. Vimala Tota-Maharaj on her elevation to ministerial status [*Desk thumping*] and wish her all the very best success in her new ministry and position.

Let me also welcome our new Senator, Sen. Lindsay Gillette and, wish him the very best here with us and in his publicized ministerial post.

I was looking at the *PSIP* report and noted that last year we attained a 61 per cent implementation rate on a provision of just over \$1 billion. Looking at what was put in for this year, where the increase is by a factor of 2.5, I wondered whether—the comment of the hon. Minister of Finance that it was not an election budget—we did not put in the *PSIP* a number of highly desirable public sector projects which we are going to implement this year; and whether we have not brought in the expediter who would combine with the Minister to get many things done for the benefit of the nation. [*Laughter*]

**Sen. Daly:** You catch them Eric.

**Sen. Dr. E. St. Cyr:** I want to congratulate the hon. Minister on his fifth budget presentation. Perhaps for the three-month period running up to the presentation of the budget—not only Ministry of Finance’s officials—but the Minister of Finance is extremely hard-pressed. Just the act of living through five budget presentations and still looking physically fit is an achievement. [*Interruption*]

**Sen. Daly:** What about behaving it?

**Sen. Dr. E. St. Cyr:** Are you suggesting that he—[*Interruption*]

**Sen. Daly:** Behaves physically. His performance.

**Sen. Dr. E. St. Cyr:** The country, I think, is to be congratulated on what I want to call, “The Policy Continuity” that we have been wise enough to follow. I think we all agree—there is no debate on this—that the indicators of the economic performance are all very favourable. What I think we must do is distribute the credit for those favourable indicators, perhaps, over a period of 15 or so years. At the same time, just being not tempted to touch something which is working well—just to leave it alone—I think, is a reflection of a measure of wisdom. The hon. Minister is to be congratulated.

Let me put the present budget in context. The nationalist government, which came in the late 1950s, set about to turn the economy around to providing benefits, services, *et cetera*, for the home-based population, rather than have the economy focussed on being an area where international capital is invested for the benefit of international finance capital. We pressed in a certain direction: industrializing, localizing, expanding the infrastructure and putting in place the institutions of an independent nation.

Then we had that tremendous oil boom in the late 1970s. We then came to the fourth oil shock when things seemed to have been on the verge of going quite

wrong. I want us to take up the present position of the economy in the mid-1980s when we set about seeking what was called in those days “effecting a soft landing.” Let me say the basis of where we are now would have rested on the report entitled: *The Imperatives of Adjustment*, authored by Mr. William Demas and others.

Whereas, during that period, many of our West Indian neighbours, Jamaica for example, did not manage the adjustment properly, I think here in Trinidad and Tobago, we managed to hold things wisely in place. I cannot help but mention, yet again, the tremendous responsibility which our trade union leaders have played in this phase.

We moved into the period of the NAR government when we went for some radical structural adjustment. We did this under the direction and supervision of international financial agencies, with quite good success. We got a number of the structural things in place. One of the draconian measures then was the actual cutting of public sector remuneration. We must remember that some of the current bond issues, which the present Government has been dealing with, derive from that period.

**11.55 a.m.**

We then moved into the period of stabilization during the 1991—1995 administration, cut short by one year, when we were not tempted to have an election year budget spending spree because the election that took place in 1995 came, as it were, suddenly on to us. But, there again, the country behaved quite responsibly. The present administration, I want to say publicly, has behaved responsibly in its economic policy and we see the result that is favourable in all measures.

I am sure by now the hon. Minister of Finance is wondering what I am going to say to counter all these complimentary remarks. I do want to be critical of the budget in a certain way and, for that reason, I have been pretty generous thus far.

I think, myself, that the budget statement which we had was more of the nature of reporting on the achievements of the Government over the last four years and was more of the nature of a political statement than of the nature of a budget presented before the Parliament. We did not see a description of what the strategies of the Government have been or will be in the future and, what the plans are, were not outlined. What we had instead was a record—very well done—of the achievements in the last four years.

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It worried me that the presentation took that form, because I believe that the budget, really, is accounting to the nation through the Parliament. We cannot practise our democracy with one person speaking to the entire nation, we really need the presentation to be made to the Parliament where we could go line by line [*Desk thumping*] and examine the budget on behalf of the nation in a very rational way, so that we could come to a wise decision. So, I criticize the presentation on that ground.

The second basis on which I want to criticize the budget is that I believe that a proper budget must have a very robust revenue estimate, because it is that which we are allocating. Without a commitment on the part of the Minister of Finance, that this is the revenue I am anticipating, then we are in no position as a Parliament to pin him down in terms of choices and one year later on to say, well this is what we agreed was going to be done and you have fallen short here, there or whatever. If I were the Minister of Finance, I would certainly prefer to present a budget such as he did, because then the Parliament cannot hold me to account. [*Desk thumping*] I know that if not this year, certainly last year, the hon. Minister said that the budget is a sort of shopping list and, depending on the revenue outturn, he would allocate accordingly. But then, there is no basis of holding him to what he committed himself to, nor is there any basis for channelling him in one direction rather than in the other. So, I believe, myself, that in the practice of our democracy, we really have to get back to, if not the style, certainly the structure of previous budget presentations.

Mr. President, I want to continue some of the ideas that came out from our debate on the economic policy which we had during the year, and to say here that in economic matters long-run planning is very critical. So that, the energy sector projects which were implemented during the last four years, some of them had been on the drawing board 20 years ago; the LNG plant for one, is an example. These projects have a long gestation period and so, while the economy is performing satisfactorily now, based on projects which would have been developed 10 years ago, firmed up five years ago, and only just implemented; what I am not seeing is a package of projects which is being prepared for implementation for three years, five years, ten years possibly down the road. I know that the hon. Minister of Energy and Energy Industries would be in a position to let us know what are the plans there.

I want to tie this point in to a second general comment on international investment. You see, once a country is a trading nation such as ours, the trade in goods and services is premised on long-term capital flows. Let me try to explain



this. Most of the savings of this country, or a large part of it, finds its way into international savings pools. We draw out of these international savings pools in establishing internationally oriented industries and our sector is the energy sector, by and large. So that, many of the balance of payments data now and the increase in the gross foreign reserves which the hon. Minister referred to are clearly the consequence of capital inflows for those projects.

The point I want to make is that unless there is a serious project development arm of the Government, massaging policy, identifying likely projects, identifying financing, *et cetera*, then we could come to the time when the slate of projects have all been implemented and a gap would develop there, and we could find ourselves in a situation such as we were in the late 60s.

So that, what I do not see in the budget is an articulation of what the hon. Minister is leading in the Ministry of Finance and TIDCO, to safeguard the dynamism in the economy which international investments would bring down the road.

I want to take a second major policy issue that came up in the debate, the issue of agriculture. I want to tie it to the Minister's reference to what is going to happen to Caroni (1975) Limited given on page 28 of the statement given in the other place, where, we are told:

“This will be facilitated through the restructuring of Caroni into a Holding Company and the creation of Strategic Business Units as subsidiaries.”

Mr. President, an issue as germane as this to the economic welfare of the nation, really should be more fully fleshed out in this debate. As far as I am aware, I do not know that it has been and, who knows, perhaps the new Minister of Agriculture, Land and Marine Resources would grace us with his presence and debate this issue.

I want to make two points about agriculture. First, it is that the productivity in agriculture is fundamental to our productivity in the society. It is a point that is obvious if you are in a closed economy, what is not so obvious is where we are in an open economy, but I do not want to get into the technical arguments. But I want to put it on record that even where one trades in industrial products, if our agriculture factor, productivity, is not at a high level, what we will do is lose all the benefits from that trading exercise through what economists call “unequal exchange”.

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Every nation that is strong industrially has a very high productivity in agriculture. I am not, myself, at all pleased that—certainly, when this Government came into being I thought that far greater emphasis would have been given to the rural sector, to agricultural industries and so forth. I am not given to strong language, Sir, but my sense at this time is one of disappointment that I have not seen that to this date.

So, here we come to Caroni (1975) Limited and the holding company. Let me be very candid: this is a serious political issue in the country, but we have to get some fundamentals right. We have to get fundamental, one, that of the four forms of agricultural organizations, the only form, internationally and historically, which has been commercially successful is the commercial family farm. The collectives have failed; plantations only work in the context of an international corporation such as Tate and Lyle, where in that context all Caroni (1975) Limited was at the end, was a field unit simply growing cane, producing raw sugar and shipping it off. Peasant agriculture usually gives very low returns. The only organizational form in the agricultural sector, which is both highly productive and gives a good return to those engaged therein, is the commercial family farm. Whatever we do we must keep this in mind. We must know that whatever the first step is, ultimately, we must be thinking of commercial-sized, family-run farms in that central area, the agricultural heartland of this country.

**12.10 p.m.**

The incentive to technology is there if the backbreaking work is not to fall on the sons of the farmer. The incentive to adapting to market conditions will be there if your income is not to fall. If I may say, I am becoming increasingly concerned following what happened with the banana industry and the World Trade Organization (WTO), as to how long preferential markets for sugar could continue. In other words, I would give myself a ten-year perspective when I should not think that I have protective markets to produce bulk sugar where it sells at preferential rates.

So that I am urging the Government—perhaps we should make this a national issue, rather than a partisan issue—that we should address the full re-organization of our agricultural resources in that area. In doing so, it is imperative that we think of land as an agricultural input not as an asset to be cornered for speculative purposes. *[Desk thumping]* There is another side to that. We also need to ensure that land is not alienated from agricultural production. *[Desk thumping]* You see, the food supply of generations, 50 to 100 years in the future, would critically

depend on what we do now to ensure that agricultural land remains agricultural land.

I was reading the 50-year anniversary reports in the local press on the agricultural policy in China, and one of the things that struck me is the tremendous productivity of the agricultural sector, producing lots of fresh vegetables and fruits which, if we got that right, many of our health problems, would be taken care of at the same time. They have deliberately set policies in place to reduce to a trickle, the loss of agricultural land from being an input there. I think, my colleague, Sen. Prof. Spence, has made the suggestion, and I would endorse it, that the land should really be vested inalienably in the state. So that one does not have the right to do their own—because nobody will own it, except the state.

I have said here that in addition to our long-term planning for long-term capital investments, especially from abroad, a serious policy towards our agricultural sector and our agricultural resources, I think some serious minds should be working and reporting, and the hon. Minister of Finance should seriously address this.

Let me take a third general policy area. The budget is built around, what I think is absolutely correct, the central importance of people, the human resource problem, but I have really not seen much, in terms of the practical measures, that address that central issue. I have really not seen much. I did have a conversation, some months ago, with a very responsible person and I was asking: Have you ever thought that education should simply raise the quality of an individual, so that the person is knowledgeable, confident, balanced in judgment and so forth, rather than simply preparing the person to earn money or to fit a job? To my surprise, the person had not thought of that. So I believe, from the bottom up, that our entire human resource development needs a fundamental overhaul. I do not think that we have been doing the nation good to identify success with the quantum of money, which is how I think we have pushed very hard in the past.

Mr. President, the elements that the hon. Minister has outlined with respect to education, I look forward with eager anticipation, to see the sort of philosophical thrust of the new Minister of Education. I think up to now whenever we spoke of education we have simply been speaking of the hardware—what is referred to as schools I know to be school buildings. *[Laughter]* I mean, a school is an abstraction which could be conducted under a tree, but I am really looking forward to seeing some high level thinking on this. This is not to say that the

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implementer is not going to be very useful in getting software things implemented as well as hardware.

And now to health. I think we just have to move the country away from curative medicine to preventative medicine. I mean, if we could teach people how to live, we would so reduce the pressure on our delivery services for healing. In other words, we really should be promoting health rather than medical care.

**12.20 p.m.**

I would not touch on crime because I personally think that crime springs from internal disturbance in people. If only we could change the human heart, we could probably deal with that. Though, what I see is that more hardware is being provided for: more jeeps and police stations and prisons and so forth. So in addressing the human resource problem, in which I said the Minister is absolutely right, that is the centre of the issue.

What we need to debate is how we are going to set about it and I think we have almost now, as a nation, completed a circle where we have shown we are fit to rule, and we have shown that we could change our governments, and we have shown that Prime Ministers do not come from any particular ethnic background. I think we have shown that we are a mature nation and now the issues that I am putting on the table we must address them in a mature and balanced way.

Finally, on a general issue, I want to make some brief comments. Sen. Montano, without using the words that I had written, started to allude to the businesses here in Trinidad and Tobago which will stimulate and involve the villages. We have been thinking that because of the history of the Caribbean, the focus of economic activity has up to now been production for export, and you source everything you need from overseas. That gives a particular twist to the whole concept of the functioning of the economy.

Increasingly, we have to turn this thing around and think of the needs of the people which could be met out of the ingenuity of the people, out of the resources of people produced and distributed right here. The economists have been referring to this as the residential sector, as distinct from the export sector, and I do think that as a nation we have to put centre stage the culture, the needs of the local residents and organize ourselves to service these needs. One of the key elements there, of course, would be housing. But you see, if our concept of a house is a penthouse on the 24<sup>th</sup> floor somewhere in Manhattan, then we will ring the waterfront with that sort of thing.

I am really challenging the nation. We have established that we are a nation, and I hope I did not say anything that is too touchy, but I think that we have established that we are a nation. We have established that out of many people, there is one nation. What I want us to do now, is to look at the values we share, the goals we have, and to zero in on some of these intangible things.

We have critically, in our economic policy, to address head-on the issue of how much of our resources and our attention are we going to devote to producing commodities for export versus how much of our resources and what policy adjustments we need to make to give attention to the needs of the population right here. One of the serious problems in our nation is that as the external trading sector is booming, income distribution becomes very skewed. In other words, those who are doing well in the export sector are doing very well and large, large numbers are left behind with very many consequences. Those are four areas of policy concern.

I want to ask a few specific questions of the hon. Minister. I have not had an opportunity to look at the presentation which he made today, but from the presentation on October 8, 1999, I want to ask something about pensions. That is on page 23.

Yes, I think it is quite a shame that since 1986 we have not adjusted the pensions of our retired public servants. I knew a man who retired in a very high position many years ago that was when his salary at retirement was \$1,000 and his pension \$500.00 and when the inflation took off in the 1970s, \$500.00 could not provide his transport.

Seriously, Mr. Minister, you have made a start and this is good, but I believe that to properly address this issue we have to index an officer's pension to the salary of the post at any time from which he retires, and that is the ultimate solution. I know that if we get our agricultural sector right, our eating right, and our health right, this could give you many public servants 80, 90 and 100 years old, but there are actuaries who could deal with that. But as a principle, I do not think that adding \$75.00 and \$250.00 is really the solution. We have to index a pension to the salary, as it adjusts through time, of the post from which an officer retires and that will be an ultimate solution.

Specifically, I see in the budget statement where the Minister says:

“Accordingly, I propose to increase the basic pension of all public officers who retired on or before thirty-first of December, 1998.”

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I have met someone who retired on January 31, 1999 and the person is saying: “Oh, had I not waited that extra month.” The person has perhaps traded one month’s salary against, probably \$250.00 per month in future years. I am wondering whether there should be any cut off or whether we should not say: on or later, so that we—because if we do, you could find somebody who retired on December 31, 1998 in a specific post getting a certain salary and somebody who retired one month later seriously disadvantaged. So if you will be kind enough to look at that.

I want to discuss the proposed oil stabilization fund.

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

*Motion made,* That the hon. Senator’s speaking time be extended by 15 minutes. [*Sen. Prof. J. Spence*]

*Question put and agreed to.*

**Sen. Dr. E. St. Cyr:** Mr. Minister, this is really a good proposal, but when I read how you put it, I did not agree with it at all. What it says is that you will do this great thing which we should have done since 1976, but only if the price of oil exceeds \$16.00 a barrel. What I think you should do Sir, is start the fund. I think you should budget \$100 million this year and start the fund. Had we had an oil stabilization fund in the 1970s, much of how we handle—

**Sen. Kuei Tung:** Thank you, Senator for giving way. The concept has also been expanded as well, incidentally, to other commodities so if the budgeted ammonia price—I know I said it is an oil price stabilization fund, but I really want to bring it into an energy sector price stabilization fund so if we do get the benefits—I just want to mention that so that you do not have to restrict your comments entirely to oil.

**Sen. Dr. E. St. Cyr:** This makes it even more interesting because gas is really the present staple. You see, Sir, I know that was an excellent way to not have the criticism. [*Laughter*] What we should do is start a stabilization fund and if you are going to put those commodities in, probably \$200 million to start and you could have that fund and you will invest it, of course, properly, internationally. [*Interruption*] I did say properly, internationally. What is not always quite realized is that there is expertise that can guarantee that you never lose. You know when to buy, when to sell and so forth. In fact, and I am not sure how proper this is, but I would just say it because we need to get some of these things into the records.

In 1976 I think it was, just before the late Frank Rampersad left for the Commonwealth Secretariat, he invited me to his home and we had tea together and in that conversation, I was saying, the country is in a position where we should no longer be thinking of revenue and expenditure, but where we should be thinking of portfolio management. In other words, we had sufficient foreign exchange in those days to have invested that internationally in a fund and allow the fund to generate \$1 billion, \$2 billion, or whatever it was. We could easily have gotten 50 per cent return and you could budget properly so you did not have to follow the price of oil. You stabilize the thing and you could plan wisely because certainly, when the financial complex was being put up—and there again, I do not know, but we need to get some of these things into the record—one of the things that we were doing was racing against time to get that facility completed before the oil boom ended.

**12.35 p.m.**

Mr. President, if we had a stabilization fund which was generating an even flow we could take it and so forth, and the Government could plan and implement more wisely. So I think the hon. Minister has gotten the point here. I do not know whether the expediter is the proper person to put on this task right away. I think we should get this fund in place right away.

Mr. President, that is my contribution. [*Desk thumping*]

**Mr. President:** We will break for lunch at this stage. This sitting is now suspended until 1.40 p.m.

**12.37 p.m.:** *Sitting suspended.*

**1.40 p.m.:** *Sitting resumed.*

**The Minister of Energy and Energy Industries (Sen. The Hon. Finbar Gangar):** Mr. President, as I start my contribution to this debate on the country's 1999/2000 budget statement, once again, I congratulate my colleague, the hon. Minister of Finance, for his vision in presenting such a people-oriented package to the national community. Even a cursory reading of the document labelled "*A Blueprint for Human Development and Sustainable Growth*", will show that this Government continues to demonstrate concern for the populace, through the many novel proposals advanced to take this country forward into the new millennium.

Mr. President, before I go any further, I also congratulate my senatorial colleague, Sen. Vimala Tota-Maharaj, on her elevation to the ministerial post of Minister in the Ministry of Health. [*Desk thumping*] I also congratulate my

newest Cabinet colleague, Sen. Lindsay Gillette, on the assumption of his position as Minister in the Office of the Prime Minister. I thought that Sen. Montano in his opening remarks this morning, sought to give a rather ungracious baptism to Sen. Gillette, and I hope that it will not be a trend in the future.

Mr. President, getting back to this budget debate, it takes place at a time which is very critical in world history. We stand at a time when this century is coming to an end, and we are faced with a new century with all its challenges of the unknown and public expectation of the quality of life. Many of the perceived problems of the Y2K compliance will soon be brought to test, and it is of special concern to the energy sector which over the period of time has become highly automated and system reliant. I want to ensure this honourable House, at the start of this debate, the energy sector in Trinidad and Tobago, at this point in time, is virtually totally Y2K compliant.

Mr. President, over the past 12 months since the Minister of Finance presented his budget in this honourable House, we have had major change, upheaval and turmoil in the world economic order, particularly so in the energy sector.

**1.45 p.m.**

This period has been characterized by mergers, acquisitions and by impending mergers among several large major oil companies. We have had the most famous of them all, which has had direct impact on Trinidad and Tobago, and that is the BP/Amoco merger. We have had the other mergers where ARCO has now been absorbed in the BP/Amoco fold and we have, of course, the impending merger of Exxon and Mobile, also in the service industry where Halliburton and Dresser have gotten together.

The results of these mergers have not been all positive for Trinidad and Tobago. Mr. President, I dare say that in this country we have had some measure of fallout. For example, in the BP/Amoco organization, there has been some loss of job opportunities. Also, as the Minister of Finance has said, and of course Sen. Montano and also Sen. Dr. St. Cyr, we have had in this last 12 months a great depression in commodity prices, particularly those which are derived from natural gas, either as a primary source of fuel or as a feed stock.

For example, we have had a very depressed situation with respect to ammonia, a very depressed situation with respect to methanol and also with iron and steel. We all know, of course, the calamitous situation with respect to the oil price which, in February of this year, dropped to its lowest level in decades when it dropped to \$9.81—Brent North Sea. So it is against this background that one must



view the performance of the energy sector in Trinidad and Tobago as we complete the financial year 1998/1999 and as we move into the new millennium.

To put the performance of the energy sector in this country in its proper context, one only has to look at the document produced by the Government, the Ministry of Finance, which says, and I quote:

“Provisional data reveals that the economy is poised to grow by 6.9 per cent...”

1999.

“The high growth rate was predicated mainly on the developments in the oil sector, which is expected to triple the value added achieved in 1998. Projected data for 1999 show a 14.0 per cent rise in output compared to 4.4 per cent in the previous period. Consequently, the contribution of the Petroleum Sector to total GDP is forecast to climb to 25 per cent from 23.5 per cent in 1998.

On the other hand, the non-petroleum sector is set to record a growth rate of 4.7 per cent, marginally below the 5.0 per cent attained in 1998.”

So that puts the performance of the energy sector in 1998/1999 within the context of my contribution this afternoon. The *Review of the Economy* goes on to say:

“The upsurge in the Petroleum Sector is credited mainly to the robust improvement in the Refining (including Atlantic LNG) (111.9%) and Petrochemical (27%)...”

So, Mr. President, the performance of the energy sector over the past four years, particularly so over the last year, must give nationals of this country reason not only to be proud but to underscore the contribution which the sector makes to the economic well-being of Trinidad and Tobago; and it is also a tremendous statement for the manner in which we, in this Government, have managed the energy sector, the oil and gas subsectors.

Within the domestic environment we see that the energy sector's labour force in the first half of this fiscal year stood at approximately 19,000 people and, moreover, in addition to this permanent labour force, we have the attendant employment generation through the construction of new plants and the expansion of existing petrochemical plants which continue to provide temporary employment on a large scale for skilled and semi-skilled workers. The point I am making in my preamble to this debate, Mr. President, is that the energy sector continues to be the engine-room of growth and the catalyst for economic

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development in Trinidad and Tobago. I am happy to say that the two previous speakers in this debate, Sen. Montano and Sen. Dr. St. Cyr, have both recognized this particular factor.

As at January 1999, proven crude oil reserves in Trinidad and Tobago were estimated at 605 million barrels of oil. And at this same point in time proven reserves of natural gas stood at 19.8 trillion cubic feet. That was at January 01, 1999. When one looks at the comparative figures from when this Government assumed office in 1995, the proven reserves of crude oil stood at 500 million barrels in 1999. Today it stands at 605 million barrels. Also, again in 1995, the proven reserves of natural gas stood at 8.5 trillion cubic feet. As I speak today, it is 21.1 trillion cubic feet. So one can see that we have continued to develop our hydrocarbon sector in a most efficient and expansive manner.

The current thrust of the Government, as we move into the new millennium, hinges upon about six main policy initiatives: the expansion of hydrocarbon exploration and production activities; the wider commercial development of the country's natural gas reserves; increasing the operations in the sector, particularly as they relate to the state enterprise sector; enhancing the promotion of the role and use of natural gas and improvement on health, safety and environmental standards and the initiation of training, research development, and transfer of technology. Those are the main pillars on which the Government's policy with respect to energy in this country is based.

One of the first things I want to talk about this year in my budget contribution is the question of crude oil prices. The history of what went on this year in the crude oil market is well documented. We went through some of the worst aberrations in the oil market for decades and we all know what is the importance of crude oil pricing in the national budget. We had significant problems earlier in this year when the price of crude oil dropped to \$9.81 in February. Hon. Senators would recall that in the 1998/1999 budget our revenue projections were based on an oil price of \$14.10.

Based on the upsurge in prices in the months of July, August and September, culminating in the month of September of this year when the benchmark crude Brent went to \$23.22, we have had an average crude price for the fiscal year 1998/1999 of \$14.91. So, it would appear that we were fortunate in that we surpassed our projections as far as oil price was concerned where we budgeted on \$14.10 and we realized \$14.91. That underscores, as I said, the wave of fluctuation which characterizes this particular commodity.

In 1998/1999 oil price was affected by a number of factors, some well known, some not well known to the community of Trinidad and Tobago and in my portfolio as Minister I have been actively educating the general public of Trinidad and Tobago as to what are the factors which influence oil price. We all know of the Southeast Asian crisis which started in mid 1997. We all know that OPEC recklessly decided to increase production by almost one million barrels per day in the same time frame. We also know that the 1998 winter in the Northern Hemisphere was one of the warmest on record.

Some of the other factors which adversely affected our oil price were as follows: sustained and large increases in UN-authorized Iraqi oil exports in 1998/1999; the Russian bond default crisis which resulted in a significant decrease in internal demand in Russia, making 800,000 barrels per day available for export at very cheap prices; and the decision by the Chinese government to drastically curb imports in the fourth quarter of 1998. The most important conclusion one can draw from these factors is that Trinidad and Tobago, although so dependent on oil as a major contributor to its revenue base, has absolutely no input or impact, because of the smallness of our production, on what the price should be.

A number of the constraints which I have outlined here have, in fact, gone away and that is why we are experiencing now, Mr. President, oil prices in the low twenties. The prognosis for the future is, in fact, much better than it was a year ago. In fact, most international agencies are now predicting long-term prices in the range of \$18.00 to \$20.00 a barrel. We in this Government have had to agonize in the face of the expert advice on what we were going to do.

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

We have elected to take the side of caution and we have based on our budget on a revenue assumption of \$16 per barrel, an assumption which many people seem to think is very conservative, but with which we on this side feel we can live and we have made provisions, as the Minister of Finance has stated, for an oil and commodity price stabilization fund, in the event that oil prices do remain at the levels which are now currently being experienced.

I will now turn to the general performance of the energy sector over the past 12 months. As I said, we have had a tremendous performance where we have increased our natural gas reserves from 8.5 in 1995 to 21.1 trillion cubic feet to date and we have increased our oil reserves from 500 million barrels of oil to 605

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million barrels, all of that during the lifetime of this administration, so I would like Sen. Montano to view that.

These figures indicate an increase in Trinidad and Tobago's crude oil and condensate reserve position by 71 million barrels of oil in 1999. Additional reserves were booked for Trinmar's heavy oil and Amoco's Mahogany and Amherstia fields.

We have had a tremendous year of success where additional gas reserves were discovered in the British Gas/Texaco block through exploratory drilling of two wells, the Starfish 9 and the Starfish 2 by British Gas in the last quarter of 1998. A further discovery was also made in its Turtle 1 well in June of 1999. BHP well, the Angostura 1, was drilled in block 2C during May, 1999 and substantial new gas reserves were found. So that is the overall global picture.

With respect to crude oil and condensate production, this year in 1998/1999, we averaged a crude oil production of 125,560 barrels of oil per day, a 3.7 per cent increase above the 121,093 barrels of oil per day achieved in the corresponding period from October 1997 to September 1998.

What we see here is that although Trinidad and Tobago is known as a mature oil province, we have tried our best, not only to stabilize our oil production around 120,000—130,000 barrels per day, but we have also been able to generate a slight increase. This was due in part to several initiatives undertaken at Trinmar where we increased production from 31,969 one year ago to 37,326; a substantial improvement. I will talk about Trinmar a little more in my contribution as we speak about the sale of Texaco's one-third portion of this particular company.

With respect to some of the state companies, with respect to crude oil in Petrotrin, this company had to weather the storm of record low crude oil prices in late 1998 and early 1999 and weak refining margins. On the upstream, the company suffered losses and cash flow deficiencies as a result of low oil prices. Production declined to 29,847 barrels of oil per day from 32,030 barrels per day.

Mr. President, the long and short of the story was that based on the low oil prices by which we were affected in late 1998 and at the beginning of 1999, it was uneconomic to produce crude oil on land in Trinidad and Tobago over that most difficult six to nine month period. Despite adverse conditions, Petrotrin has been able to meet and, in some cases, surpass its budgetary targets. Latest estimates indicate that the company will realize a net income of approximately \$100 million, a considerable improvement on the budgeted figure of TT \$26 million.

Further, the company expects that its short-term loans will be reduced by \$70 million from \$600 million in 1998/1999 to \$530 million as at 1999 September.

I think the most encouraging aspect from Petrotrin has been the performance of the refinery. Refinery throughput increased to over 145,000 barrels per day, reaching a peak of 159,000 barrels per day in March, 1999 compared to 125,000 barrels per day in 1997/1998. The impact upon the performance of Petrotrin on the improvement in the gross domestic product of Trinidad and Tobago has been far-reaching.

In order to continue to accelerate our production on land, Petrotrin has taken a decision, at the urging of the Ministry of Energy and Energy Industries, to maximum its return on idle assets, minimize its exposure to risk in exploratory activities in Petrotrin and encourage the application of high level technology on land.

In this regard, we have entered into a series of joint venture arrangements with foreign medium-scale companies which have the financial resources and the technology to generate activities on land. These include Cometra in the central block; Trinidad Exploration and Development Limited in the south-west peninsula; Venture Production Company Limited; CL Financial through Primera. The net result of this, Mr. President, is that exploration on land in Trinidad and Tobago over the next three years would surpass exploration in land activities over the past 25 years, creating tremendous opportunity for new discoveries while at the same time alleviating the unemployment situation, because the first activity which companies do in oil exploration would be three-dimensional seismic surveys which are very labour intensive.

The second state company to which I will devote some of my speaking time today is the National Petroleum Marketing Company Limited, a company which has undergone tremendous change over the past four years and a company which the national community of Trinidad and Tobago is fast beginning to appreciate more and more as we chart a new course in the area of retail domestic marketing in this country.

We have engaged in a transformation process which will entail the complete rebuild of 20 new service stations; the complete upgrade and refurbishment of 20 additional service stations; an entire facelift of all other service stations and the results are already being seen by the national community of Trinidad and Tobago. To date, four service stations have been upgraded and re-opened at Rushworth Street—

**Sen. Yuille-Williams:** Is that open?

**Sen. The Hon. F. Gangar:** Yes, it has been opened. It is making a lot of money. The sales are over \$75,000 a day.

**Sen. Yuille-Williams:** The exit is bad.

**Sen. The Hon. F. Gangar:** The one at Richmond Street, at Gasparillo, at San Juan, and tomorrow we open the one at Debe. Over the next two to three weeks, we will open the other remaining service stations at Santa Flora, at Tacarigua, at Cross Crossing and at Morvant. So, within the next three weeks, we would have opened nine service stations, and I am sure even my friends on the other side would agree with me and I am sure Sen. Joan Yuille-Williams, being from San Fernando, is actively using the Rushworth Street Service Station.

**Sen. Yuille-Williams:** I have to be careful because the exit is bad.

**Sen. The Hon. F. Gangar:** Sen. Yuille-Williams is talking about the entrance and exit. I want to assure the hon. Senator that this particular configuration has been approved by Town and Country Planning, also by the Ministry of Works and Transport, and I want to assure her that the San Fernando City Corporation has no locus in approving once these other bodies have approved.

**Sen. Mohammed:** Mr. Gillette will fix it for you. Do not worry.

**Sen. The Hon. F. Gangar:** Mr. President, in addition to that, we have upgraded the CNG operations at our two service stations; again, located in the area with which Sen. Yuille-Williams is familiar; the area of Cocoyea Village and Rushworth Street. The complaints of the long-suffering motorists of San Fernando who were actively encouraged by previous governments to install CNG have been totally alleviated. I think it has been unfair to inflict on these poor people the inconvenience of having to line up every day for two hours to fill their tanks with CNG.

**Sen. Mohammed:** How long is it taking now?

**Sen. The Hon. F. Gangar:** It takes two minutes now.

In keeping with its transformation and restructuring objectives, the National Petroleum Marketing Company Limited over the next year, will spend another \$96 million for additional service station upgrades and also we intend to order and install—and I am sure Sen. Rev. Teelucksingh will be happy to hear this, as a CNG fanatic himself—at Curepe and Mount Lambert, new CNG fast-filling equipment at a budgetted cost of \$4.5 million.

We also intend, at the National Petroleum Marketing Company Limited, to purchase and replace all LPG cylinders for the domestic market at a capital expenditure of \$7 million because those we have are approaching the end of their useful life. We also intend to reconfigure and redesign our lube oil blending plant.

**2.15 p.m.**

With respect to the domestic retail marketing sector, Mr. President, we awarded a wholesale marketing licence to the United Independent Petroleum Marketing Company (UNIPET) and this company now has the distinction of being the first local and private wholesaler of petroleum products in this country. UNIPET's entry to the field followed on its response to a March, 1998 invitation to bid for a wholesale marketing licence for liquid petroleum products which was extended to all interested parties in Trinidad and Tobago. This event signifies the opening of a liberalized petroleum market which will, in time, be devoid of monopolistic practices.

As we continue to modernize and liberalize our retail marketing sector in this country, the time is fast approaching where the Government will have to take a decision on the aspect of having foreign multinational entities involved in the domestic retail marketing sector. Our current thinking is that we propose to open up the sector in due course to a limited participation by foreign multinationals, giving them the opportunity to enter the market on a limited basis, based on the assumption that National Petroleum would be in a position to upgrade its services—which it is well on the way to doing—and, also, be the major player in the domestic retail marketing sector in this country. We propose to open up the retail marketing sector to a limited number of entrants from the multinationals on a limited basis under very strict terms and conditions.

Mr. President, with respect to the other state company, the National Gas Company, this particular company has been very badly hit by depressed commodity prices, as I said before, by ammonia, methanol and iron and steel where its revenue base has been severely eroded. As you know, as the national community is aware, the NGC's gas pricing structure is a two-tiered basis, one on a fixed price and the other commodity related. We have lost badly on the commodity related pricing configuration where, in the case of gas being sold to the ammonia and methanol producer, based on current market conditions where the gas price is now at the floor, we have a situation where NGC is selling gas to ammonia and methanol producers at a cost lower than the weighted average cost of acquisition of gas. Obviously, we cannot make any money. This situation with respect to the National Gas Company is exacerbated when one looks at the gas

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which is supplied to T&TEC which represents 20 per cent of total gas sales, and this, also, is being sold at a price lower than the cost of acquisition.

With respect to ammonia, the news is both good and bad. Ammonia production increased in the last financial year to 3.26 million tonnes; an increase of 36.4 per cent. The bad news is that the price of ammonia on the world market was at its lowest ever in the last five to 10 years at \$92.61. A similar situation applies to methanol where the amount of methanol being sold has increased by 10.9 per cent to 2.1 million tonnes. Again, the bad news is that the price has dropped to \$103 per tonne, which is the lowest ever in the last few years. Notwithstanding these two factors, ammonia and methanol production in Trinidad and Tobago continue to do very well in terms of absolute figures and this has had a significant impact on our gross domestic product increase and also, our foreign exchange earnings.

This financial year also saw the completion of the Atlantic LNG project in April of this year where we have put another 475 million standard cubic feet per day on the natural gas market and, again, this has contributed significantly to the real growth in GDP of 6.9 per cent. Another significant factor in 1999 is that the Government, through the National Gas Company, assumed majority control in the Phoenix Park Gas Processors Limited plant, where our shareholding moved from 49 per cent to 51 per cent.

Sen. Dr. St. Cyr said that he has not heard or seen thus far the plans and programmes for the continued development of the energy sector in Trinidad and Tobago, and I will devote the final stages of my contribution to alleviating some of his fears and giving the national community some assurance. Our exploration and production effort in virgin territory will continue to go on with unabated speed. We will have, in 1999/2000, significant exploration works based on our production-sharing contracts where at least 8 to 10 new exploratory wells will continue to be drilled.

At present, all told on land and elsewhere, we expect to drill 56 new wells, compared to the 82 wells we drilled in 1998/1999. The number of workovers will increase to 167 from 125. We also propose to go out on another competitive bid round, the competitive bidding order has already been signed by the Minister of Energy and Energy Industries. You would recognize, Mr. President, that in our last three competitive bidding rounds from 1995 to now, more than \$690 million in signature bonuses accrued to the Consolidated Fund and we expect similar good results from our new bid round in the year 2000.



I saw an editorial in the *Newsday* today which talks about a sea of gas in Tobago, and Tobago sitting on a sea of gas, and I advise hon. Members of this Senate to take that particular comment with a pinch of salt, if so much. What I will say is that we are continuing to go further out into the Atlantic Ocean—what we call the Eastern Atlantic Basin. Currently, we have the presence in the Shell Block 25A of the Stena Tay, the world's fourth largest rig capable of drilling in water depths of 7,500 feet and we have spotted the first deepwater prospect in Trinidad and Tobago in water depths of 3,500 feet in Block 25.

We go further offshore and we are now going, as I said, in areas about 200 miles off Trinidad in our Eastern Atlantic Province, which is the last unexplored area in Trinidad and Tobago, where a number of companies have come together under the aegis of the Ministry of Energy and Energy Industries to finance the acquisition of 2D seismic data in order to facilitate a bid round in this particular area. Companies involved in that exercise would include BHP, BP/Amoco, British Gas Plc, Conoco, Elf Trinidad B.V, Agip, Exxon, Norsk Hydro, Shell, Texaco, Petrotrin, Marathon and PDVSA. So, to alleviate some of the fears of Sen. Dr. St. Cyr, we continue to aggressively pursue exploration and production opportunities in oil and gas off the coast of Trinidad and Tobago and on land.

With respect to new projects, after the slew of projects which took place over the period 1996—1999, this Government decided to take an opportunity to re-look at our gas-based investment portfolio and the rewards which we have, in fact, gained from these gas-based investments. Our feeling is that having attained the critical mass in ammonia, methanol and iron and steel, we needed to take a long, hard look at what our options are, while at the same time, pursuing other objectives.

We have continued to enunciate the policy to monetize our gas reserves, but not at all costs. Our indication and our feeling is that the gas reserves of this country are a wasting asset and must, in fact, need close monetization and close management. We are currently in negotiations with a number of parties in respect of projects which offer huge potential for foreign exchange, employment and income generation for this country, but we have to be very careful with the manner in which we proceed.

Notwithstanding the depressed nature of the ammonia commodity market, the Government of Trinidad and Tobago has reached agreement with respect to fiscal incentives and gas pricing arrangements with the promoters of the Caribbean Nitrogen Company Limited for the construction of another 1,850 metric tonnes per day ammonia plant in Trinidad and Tobago. I have been advised by the

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project promoters and shareholders that an announcement will be made early in November with the aim of breaking ground in January of next year.

With respect to the Atlantic LNG train 2 and train 3 expansion which has generated considerable interest in this country, I would like to say that the Government of Trinidad and Tobago and Atlantic LNG shareholders have been in negotiations for the past six months on this particular project. The issues become extremely difficult when one considers that with a train 2 and train 3 expansion, it will require 7 trillion cubic feet of gas over the next 20 years in order to sustain such an investment in this country.

Mr. President, the national community must be aware that if the Government commits one-third of the proven reserves of this country to a particular project, it must be fully satisfied that the benefits which would accrue to this country would, in fact, justify such an investment decision. We must be guided by a number of factors.

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

*Motion made,* That the hon. Member's speaking time be extended by 15 minutes. [*Sen. B. Kuei Tung*]

*Question put and agreed to.*

**Sen. The Hon. F. Gangar:** Thank you very much, Mr. President, and I apologize for my exuberance. As I was saying, if the Government is going to commit one-third of the proven reserves of this country to a particular project over a 20-year period, we must be satisfied that it makes sense to Trinidad and Tobago that we maximize our returns on the investment, and also, that the security of energy supplies to this country must be, in fact, guaranteed. Right now, what we call the reserves to production ratio in this country, based on proven reserves, will give us 43 years of natural gas life. The minute we get into Atlantic LNG train 2 and train 3 expansion, it automatically drops to 23 years. That gives, in layman terms, an idea of the impact which such a project has on Trinidad and Tobago.

**2.30 p.m.**

The other one is if we, in fact, go ahead with this project on the present investment portfolio, more than 69 per cent of the country's gas reserves would be allocated to one commodity, which is liquefied natural gas (LNG). We have to look at a balanced portfolio mix in these areas. We also have to look at the question of pricing as regards the price we get for our natural gas. The

Government cannot afford to have gas being sold—to sustain economies in Spain and the United States of America—at prices which are significantly cheaper than what is being sold to the local markets in Trinidad and Tobago.

A third objective of the Government, Mr. President, is to deepen and widen the industrialization thrust in this country. The Government for far too long, as I have said in more than one budget speech, has had a focus with respect to the primary production of ammonia, methanol and iron and steel. The Government now feels the time has come for it to deepen its value-added chain as far as the industry is concerned, in order to derive greater benefit for Trinidad and Tobago.

One of the main driving forces of an Atlantic LNG trains 2 and 3 expansion is the production of adequate volumes of ethane at the appropriate price; which would make a world-scale ethane base, ethylene, petrochemical complex viable. Mr. President, those are the issues which need to be negotiated with respect to an Atlantic LNG trains 2 and 3 expansion.

Both the shareholders of Atlantic LNG and the Government are committed to terminating discussions at the end of this month, one way or the other. We will look to see how that goes.

Mr. President, you would recall on November 09, 1998, the Government of Trinidad and Tobago signed an agreement with Norsk Hydro for an aluminium smelter project. Again, because of depressed conditions in the world commodity market, Norsk Hydro has asked for a deferment of this particular project. The Government, thus far, has been reluctant to grant the extension of the project agreement. So far the Government has received expressions of interest from another group of multinational companies engaged in the energy sector to promote an aluminium smelter project in Trinidad and Tobago. The Government is having discussions with another group of investors with respect to having a petrochemical complex based in Trinidad and Tobago producing high valued chemicals, for example polyurethane. We continue to build on the petrochemical sector in this country, although we have shifted focus on industries in which the country can have more value-added opportunities for the benefit of our industrial development.

Mr. President, before I close, there are a few areas I want to talk about very briefly. The other one is the National Quarries Company Limited which is the last state enterprise which comes under my portfolio. This company continues to do very well. It has posted its third straight year of profits and paying its royalties, whereas for the last 18 years under the other administrations—particularly the

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People's National Movement, under the stewardship of Dr. Rowley—it posted major losses in each year of its operations. Not only that, it could not pay its royalties. The new board and this Government are not only making a profit, but it is repaying royalties, which were not paid, for 18 years under the PNM administration. [*Desk thumping*]

Mr. President, the national energy policy is now complete. This was the result of a collective effort of Trinidad and Tobago. The Government tabled the Energy Policy Green Paper in this honourable Senate. There have been numerous consultations throughout the length and breadth of Trinidad and Tobago. The Government has finalized its energy policy formulation. Very early in this session of Parliament it will be tabled as a White Paper; as our final energy policy document.

The Government has also completed the drafting of the new Minerals Act which would be brought to Parliament shortly. As I have said, the minerals and quarrying industry in this country has been like the wild west: there is only one parent Act, the Mines and Borings Act; which dates back to 1907. We have completely rewritten a new Minerals Act which will be brought to Parliament shortly and will seek to bring the mining industry in this country under much closer scrutiny.

With respect to other initiatives—Lake Asphalt—since the time of Sir Walter Raleigh we have been drawing asphalt from this particular mineral resource. After 500 years, we do not seem to be able to know what to do with it. The Government has taken a decision that it would divest, either wholly or partially, the shareholdings of Lake Asphalt to private investors. The Government is also looking at giving out more than one licence for this particular lake. There is more than 10 million tons of asphalt in that lake. It is intended to be mined, under more profitable circumstances, for the people of Trinidad and Tobago. So far, Lake Asphalt has an accumulated debt of more than \$44.6 million; most of it owed to its parent company, Petrotrin. Every day the debt increases. We must do something about this aberration.

Mr. President, it has already been explained that Texaco has offered its one-third shares in Trinmar for sale to the Government of Trinidad and Tobago. The Government is in the process of appointing an independent firm of consultants to value the assets of this particular company. We hope to make an offer to Texaco (Trinidad) Limited for these particular shares before the end of this year and conclude the sale before the end of March 2000. It is not the intention of the

Government to hold on to these shares but to make them available for nationals of Trinidad and Tobago to participate in the ownership of the energy sector.

In closing, I would like to re-emphasize the role which the Ministry of Energy and Energy Industries now plays in the education process in Trinidad and Tobago. As you know, the Government has been instrumental in utilizing funds from its production-sharing contract and agreements to fund the computers—in Trinidad and Tobago—in every school. So far we have distributed more than 1,000 computers to more than 250 schools in this country; dramatically increasing the level of computer literacy in Trinidad and Tobago. The impact is there for all to see that we intend to make this country the most computer literate country in this part of the world, before the end of the year 2000.

The Government has also embarked on a National Energy Skills Centre which, by next year, would be preparing more than 2,000 graduates per year for direct entry level jobs into the construction and industrial centres of this country. Twenty-three scholarships are offered per year, based on the production-sharing contracts, to nationals of Trinidad and Tobago at universities of their choice to do undergraduate and postgraduate education.

Mr. President, in the last hour, I have tried to give an account of my stewardship as Minister of Energy and Energy Industries. The results speak for themselves, not in terms only of impact upon gross domestic product, unemployment rate, inflation rate and investment rating, but also the direct contribution which this sector makes to the lives of people of Trinidad and Tobago.

**2.40 p.m.**

It is said that no one in this country remains untouched by the work in the energy sector and it is important that it be provided with strong leadership as we go along. Of course, one of our objectives also is to educate the population of Trinidad and Tobago more and more about the energy sector; the energy sector belongs to them. We have instituted an educational programme which is creating waves in Trinidad and Tobago, it is a top-rated programme in this country, designed especially for our secondary and primary school students, “Energy Alive”.

Mr. President, with these few words, I close by saying that the management of the energy resources of this country, because of its criticality in the lives of the people, must have strong independent management, devoid of much of the conflicts and that particular leadership and that particular management style has,

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in fact, been brought to bear on the energy sector in this country. The results are very clearly demonstrated, not only in what I have said this afternoon, but also in the data which have been provided in the various Government documents. The facts are there for everyone to see.

Thank you very much, Mr. President.

**Sen. Prof. Julian Kenny:** Mr. President, first of all, I extend my warm congratulations to Sen. Vimala Tota-Maharaj on her elevation to Cabinet rank. *[Desk thumping]* We have worked very closely on many matters and she is a great listener; now we expect her to do.

Mr. President, I also extend my congratulations to Sen. Gillette. I am going to suggest, in the course of my contribution, that some of the things that I have said over the past several years which are now in a logjam might be the first one to take that acoustic torpedo. I will come back to this in a minute.

I find it very strange, I have very mixed feelings about congratulating the Government on some changes which have taken place, because, on one side, I am told that there is a Ministry of the Environment which is going to be greatly enhanced, and therein lies my concern. *[Laughter]*

I will now address the substantial issues. In the past, on these budget presentations, I have always spent some time and prepared a long essay which, I, of course, have not read, but I hope I am permitted just to read a few points from one. Again, this is the logjams which we must address and I will come to them in a minute.

I agree with the Minister of Finance that a budget is really about development of society and development of people. No one can fault the Minister for saying that, but there is a problem with this sort of preoccupation with the millennium. The millennium means nothing to scientists, except possibly, as a computer problem. Time is entirely relative and it depends on the calendar that one is choosing. I expect on January 1, on the morning when I wake up at Blanchisseuse and I look at the sun that it will be exactly the same as the last millennium, that the problems would be exactly the same. I suggest that this continuous preoccupation with the millennium deflects us from facing some of the really serious issues which we need to address.

The development of any society relies on clear enunciation of policies. We are coming to the end of a term of the Senate and I was sort of hoping that the hon. Minister of Finance might have waxed a little rhetorically about the vision—because everyone refers to this millennium—and in my view, the critical vision is

our relationship with the environment which sustains us. We really must address the issues.

When I read the *Medium Term Policy Framework*, I found it a very interesting document. The section on the environment comes last; I think it ought to come first. If you are talking about developing people, you are talking about the relationship with the environment, you are talking about water, you are talking about space, you are talking about arable lands, you are not necessarily talking about crime; these are the things I expected to see in a budget presentation.

Mr. President, when I went through my four previous formal statements prepared, there was a recurring theme in them, which you permitted me to expand on and this is the environment and the issues that face us. I would like to address this as a central matter, partly because we have borrowed large sums of money to do something about the environment and, at the end of four years, we are no further ahead, we are exactly where we were when I first prepared this document for my first actual contribution in the Senate.

It takes me back to childhood, and I do not like to repeat myself, but I am told that the only way that one gets a message across is using the Chinese torture, that is drop by drop. I remember as a child being terrorized by people older than me, about how they tie you down and then there is a bucket above you and you just simply go mad. Now, I am going slightly mad because I have spent a lot of my life arguing for a more humane approach to the environment. There are signs that we are, at least, thinking of it, but I am afraid that I am going slightly mad and I find myself repeating. If I may, I would just like state a few points.

When I made my first contribution in 1996 when we were discussing the budget, I said I would not expect everyone to agree with my perceptions of the priorities of what ought to be attended to in the short term. I must however list at least some to facilitate discussion of environmental matters at national level. The points which I made were:

One, the reforestation and rehabilitation of watersheds. I do not see a major thrust in the budget; I see a \$15 million compensation fund for flood damage for farmers. Of course, this is very nice, this is admirable, but the problem of flooding is a problem of mismanagement of our watersheds. After the four years here, it has not been addressed.

The second point I made was immediate action on clean up of lead contaminated sites. I hope that Sen. Gillette listens carefully to what I have to say, because he has two experts beside him: one in the Ministry of Health and one in

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Housing and Settlements. Seven or eight years ago a business interest, irresponsibly and to me criminally, discarded several hundred tonnes of lead slag which resulted in the death of two children. Nobody ever faced a manslaughter charge. I noticed that somebody who kept a pit bull which savaged an old man is being charged, or at least consideration is being made to charge him, with manslaughter. Now, you can kill somebody with lead over several years and my point is Mr. Minister, that that lead is still in the ground at Demerara Road! The children are still living there. I make this appeal, we cannot leave this century or this millennium without getting in there at least a firm commitment to get that lead slag removed.

The third point that I made four years ago was of urgent attention to the growing problem of vehicle emissions. Now, it is not a growing problem, it is a free fall crisis. Even PBG vehicles are running around the roads with black smoke pouring out of them. It is not going to kill you immediately, but slowly, as you get your lungs coated, you are going to start suffering from asthma and other debilitating diseases, and then, of course, a few will get emphysema or lung cancer which will kill them. So this is one of the third points made.

The fourth point I made, and I am so pleased that Sen. Dr. St. Cyr hammered the thing home, was security against further alienation of arable lands. We are allowing our arable lands to go. Now, this is foolish.

The other point I made at the time was, I suggested enforcement of certain judicial decisions which we need not go into.

The sixth point made was quarry site rehabilitation. Sen. Prof. Spence and I worked on this back in 1992. We came up with detailed plans on what to do to this moonscape that you get out near Valencia. I do not see this anywhere in the budget that we are looking after removing the lead slag, rehabilitating quarry sites and so forth.

The seventh point that I made was the degradation of the residential amenities. We see this kind of willy-nilly building. The Ministry of Housing and Settlements is now using the politically correct language of “spontaneous settlement”; it is no longer “squatting”. I note with interest that you now have spontaneous developments like the paving of the Queen's Park Savannah. They just happen.  
*[Laughter]*

The final point that I made was that we are losing our built heritage at an alarming rate. The one that is most likely to go under the axe fairly soon is the old building, down at what I called as a child Marine Square, which is now



Independence Square, the Union Club. I mentioned these things because I thought that there was a possibility that, as Sen. Dr. Mc Kenzie keeps reminding me, somebody might be listening.

Mr. President, the Environmental Management Act of 1995 was supposed to address all these things. Herein is the major logjam, if you would permit me to explain, because we have to break it. With regard to the Environmental Management Act, what was it supposed to do? We need not go into the fine details, but the Environmental Management Act provided for an authority and an environmental commission. The authority costs approximately \$5 million per year and it is set up in these beautiful offices up in the Mutual Building, and it does all sorts of things. But, the Environmental Management Authority is totally ineffectual.

Mr. President, I would like to make it clear that when I say these things, it is not that I am attacking the Authority, because I have very close working relations with the Authority. As Sen. John would confirm, I have done a lot of *pro bono* work. Anytime they ask me for an opinion, I give them an opinion and I get on extremely well with everyone who is there.

### **2.55 p.m.**

I must say that the Environmental Management Act is just a piece of paper, and a bureaucracy costing about \$5 million a year, totally ineffectual; it can make statements; it can threaten; under section 70 we can be fined \$100,000, but in fact, it is totally powerless because the other arm of the Act is the Environmental Commission. I have raised this in previous debates, and posed questions. In fact, the Minister of Finance in the previous budget, made provision for the establishment of the Environmental Commission.

This came and lapsed, and when we entered 1999 we were told that the commission is going to be established by the end of 1999; we have been given dates for things being lodged in sensitive areas and sensitive species rule, effluent standards and all these things. We have been promised dates—I can tell you that we were supposed to get the sensitive areas and sensitive species rules by February of 1999. Have those rules been laid in Parliament? It would be impossible for anyone to go and do what was done to the Savannah except they are in breach of the law. In fact, they were in breach of the law anyway, but had that sensitive area been declared—which it can be—under the draft rules, the people responsible would have been up for a fine of \$100,000 under section 70.

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I made this point because the Environmental Management Authority (EMA) just sits there; it does a lot of good work; it has a good legal team drafting regulations—which I see all the time and so forth—but until such time as you get the Environmental Commission, there is nothing it can do: it can only use existing law.

Recently, it set up a pilot scheme to look at litter and vehicle emissions, using the existing law. The existing law, as everyone would remember, is the visible vapour law, which I read out here and which has been adopted. It is not necessary to go into it in detail but it is an offence to operate a vehicle emitting smoke, vapour, sparks or what have you, to the annoyance of the public and there is a fine of so much. The Environmental Management Authority has appointed a number of environmental police who are going out there enforcing the Litter Act and the Road Transport Act as part of a pilot scheme, but the best they can do is give a few tickets to people and fine somebody for throwing a few coconuts into the Caroni River. It is wrong throwing coconuts in the Caroni River, but the really horrible problem of the environment cannot be dealt with by the existing legislation, and herein is the logjam. I wish the Minister well because this has to be done. This is the problem.

There is a defect in the Environmental Management Act, in that the Environmental Commission is a superior court of record; its principal officers comprise of the Chairman and Vice Chairman, who, under the existing law, are appointed by the President, on the advice of the Minister. There is a problem in law here in that if you are appointing a High Court Judge—the Chairman of the Commission would be the equivalent of such a judge—that person would have to be appointed constitutionally through the Judicial and Legal Service Commission. It is so simple. A simple amendment to the Environmental Management Act—a two-line amendment coming here—there would not be any debate, we approve it and we can get the commission appointed. The Minister, for the second year, has provided funds for the establishment of the Environmental Commission.

What is stopping us? I mean, the first six Bills that I see—a great big long thing; here we have a minor amendment—minuscule things that can be over within five minutes—which would allow the establishment of the commission. Once this commission is established then all the rules that have been drafted: the sensitive areas; the sensitive species; the effluent standards; the environmental clearance certificate; all could be lodged here and become law and the authority could now act. But right now the authority is totally and completely powerless, and it has been since it was established over four years ago. I will spend a little

time to make it quite clear as to what is the issue and the obstacle and I assume that within a very, very short period of time we would be seeing an amendment in this honourable Senate that allows us to deal with the problems of the environment.

In addition to the problem of the Environmental Commission, there is the general problem of the legislative programme of the Government. It is, of course, not for us—we cannot require any Government to do this but we can identify certain areas and we assume that any Government which is developing a broad legislative programme for the total development of society, would at least see some sort of balance in the programme. I have spent four years in the Senate, and the only pieces of environmental legislation which have been passed, were amendments to ancient legislation. The amendments that caused me to write the Attorney General and point out what has been passed by a majority vote was legislative rubbish!

I refer, particularly, to the amendments which we have recently passed to the Forests Act. Mr. President, do you remember somebody called for a division and the Government dutifully voted for what I regard as a piece of foolishness. I would just illustrate what is this particular amendment. We have a problem with trying to regulate the cutting of our forests on private lands and as I have pointed out before, there is a remedy under the Town and Country Planning Act and there is a remedy under the Environmental Management Act had we a commission. The amendment, to summarize says it is an offence to cut a tree on a slope of 30 degrees measured over one hectare. Mr. President, nowhere on any hill are you going to find a plainar surface of 30 degrees or more. It is all undulating. So that anyone who is charged will get a senior counsel—you would not even bother with senior counsel—you would get a graduate who has just come out of the law school and you would say, “listen, what do you mean by the slope of over 30 degrees? Do you mean the “mean slope” or do you mean the “slope?” So the absence of the words “average” or “mean” means that you cannot really use that legislation. But it is worse than this.

It talks about cutting a tree within one hectare. Now, a hectare—as I pointed out before in the debate and it was all voted for—is just merely a measurement of an area—10,000 square metres. If I cut a tree I could ask Sen. Cuffy Dowlat to represent me and she would point out to the state that the tree was cut—a hectare was mentioned, how is it measured? One can measure a hectare by 100 metres by 100 metres; it could be 10 metres by 1,000 metres, it could be 1 metre by 10 kilometres. It is total rubbish! It cannot be enforced. In my four years that is the

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only piece of environmental legislation that has been passed. So many other things are outstanding and I would refer to them.

**3.05 p.m.**

In particular, there is a Planning and Development of Land Bill and people are blaming Sen. Prof. Spence for holding it up. I do not know what he has done, he has gone to the committee like I have, and we argued and supported it, modifications, amendments and so forth. Yet it is being said at political levels and technical levels that it is Sen. Prof. Spence. He had attended every meeting, and Sen. Cuffy Dowlat will tell you.

I mention this because we have a major piece of legislation and it lapsed twice, it presumably will come back in this session and I assume that common sense would prevail. But in parallel with this, another piece of environmental legislation using the term broadly, the National Trust Act, I notice that the amendments are coming back. I am glad to say that it was one of the first ones to have been received, and I hope in due course that Sen. Mark will give us the relative order of priority.

The other piece of legislation which I was hoping would be passed in my time in the Senate, because it is a subject that is very dear to my heart—the conservation of the natural environment—is the Parks and other Protective Areas Bill and the Wildlife Bill that went with it. This Bill was laid here and I did my homework and while the Bill was laid in Parliament, it was never withdrawn, the ministry sent out and started consulting with other people including myself about changes in this Bill. I found the procedure extremely unusual. Here we have something very important, our national environment is being mashed up and we have legislation which really ought to have been passed, but the balance of the environmental legislation—there are no rules because they are not here. The only thing is a piece of nonsensical amendment to the Forests Act which can never be enforced.

Mr. President, I think that there is a way around many of these things in our approach to it. Law, after my several years—four years—I read law now in a sort of cold, analytical way. Some of the legislation, the spirit of it emerges and you can see it and feel it. What I would suggest to the Government with this impasse that we are having, is that perhaps we can invoke the spirit of the legislation by following the procedures that are going to come.

I mention this in particular, because there is a lot of concern in the nation about some of these mega developments that are taking place. Had the rules been

in place, the course of the development of the particular proposal would have been entirely different. I refer to the InnCogen plant—this is just one of three of the things to which I am going to refer—the desalination plant and the Toco Port. I am raising these, not because I am in opposition; these may have merit, but there is a flaw in development of this kind where all you do is hear little things, or you read something in the newspapers. The first time we heard of InnCogen, Sen. Prof. Ramchand had to ask me what is InnCogen. We saw it on a piece of paper here and it was already a done deal.

All these projects, the InnCogen plant, the desalination plant, the Toco Port in the normal course of events, had we the rules laid in Parliament, had we an Environmental Commission, the normal course of event would have been obtaining an environmental clearance certificate. That is what the law requires, but there are no rules for how you do this, or how you issue the certificate. It is in the Act, an environmental clearance certificate.

My suggestion is to adopt the spirit of the law and while I heard methanol and an aluminium smelter next, why not go through the motions of getting the environmental clearance certificate? This certificate involves public hearings. Have public hearings on InnCogen, the desalination plant, the Toco Port. Here we have what I referred to in jest earlier, a spontaneous development. These things are happening, they may have implications. If you went through the proper procedures as laid down in the law, then people would not—at least, I would not start off by saying “corruption”, “corruption”. This may be something one expects from Oppositions. When your side was in Opposition it was all corruption; when this side is in Opposition it is corruption.

I do not know, nor is it likely that I am able to know because if it is corruption by definition, it is done in a way where one conceals it. So I am not taking the corruption line at all. I am taking the other line. To be informed, to be able to speak, to be able to form opinions, the procedures that are laid down in the law really ought to be followed, pending getting these rules which have already been drafted into Parliament and having them approved.

I will speak briefly on the desalination plant, not from the point of view of corruption money. This is not my scene at all. It is a fundamental worry that I have which could only be answered or solved if I am able to get facts. One of the first facts which really alarmed me was a paid advertisement from WASA written by the desalination people, where they said that the difference between the plant in Barbados and the plant here is that in Barbados they are using brackish water of five parts per thousand salinity, whereas we are using 35 parts per thousand which

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is oceanic sea water and they are taking oceanic sea water from Point Lisas. This is total nonsense.

Occasionally, salinity around Point Lisas may arise during the dry season, but when Columbus entered the Columbus Channel and he sailed around the Gulf of Paria, he talked about sweet water. So here is a fundamental worry that I have that can only be answered if I went to a public hearing—as in a sense, I am in a public hearing now asking the question. I know as a scientist that the Gulf of Paria is what we call hypo-saline for much of the year because of the Orinoco River. In fact, down at Icacos, the salinity of the sea water for half the year is approaching fresh water.

If a low salinity water is something that makes it cheaper as it would, the energy costs are less, then why are we pretending we are dealing with oceanic water and why do we not go closer to a source of weakling brackish water, the Columbus Channel? In other words, if you are doing a development like this, in the public hearings the people would say what you need to do is to look at alternative sites for your source of water. Has this been done? I do not know.

You see one of the problems we have with the absence of the Environmental Commission, had that commission been functioning, I could bring action before the commission, an objection to where InnCogen is. The question, for example, of InnCogen, I am not raising the question of whether or not we need additional power, but if there is need for additional power, what is the best location? That is what an environmental impact assessment and what an environmental certificate will do. So that this would give you orderly development.

The studies may suggest that the best place for a desalination plant is at Icacos in terms of the quality of water. In any event, you have to spend millions on the distribution system. I think we have been misled to a great extent about how this is going to solve the problem of water. You still have to solve the problem of distribution, we still have old cast iron pipes and this is not being attended to by putting a desalination plant. [*Desk thumping*] On technical grounds, I would expect as a citizen, to go before the commissioners at a public hearing and ask the questions I am asking today, and perhaps then, in the light of the answers we get, we may place ourselves in the position to make a decision.

Mr. President, another one is the Toco Port. I am a bit concerned about this because it appears that a decision is already made regarding a ferry at Toco and there is now a preferred bidder. My concern is that Toco itself is probably the most exposed area—I am talking on technical ground—under the Environmental

Management Authority Act. The whole area going from Toco depot right up to Galera would be declared a sensitive area because the only fringing coral reefs in Trinidad are to be found at Galera, Patience Bay and Toco depot and the port is going to go somewhere there.

Looking at the needs of a port for a fast ferry, I am not going into details of the roll on, roll off and so forth, but the siting of a port. I could argue, I think, that Balandra might be a better site for the ferry port because it is not built up like Toco is. It is less exposed, there is a head land in Balandra Bay. These are technical grounds. Had we public hearings, had we followed the procedures, then the citizens of this country would get—

**Sen. S. Baksh:** Mr. President, would the Senator be kind enough to say what are the procedures we should follow?

**Sen. Prof. J. Kenny:** Perhaps the Minister and I could speak—

**Hon. Senator:** Tell him.

**Sen. Prof. J. Kenny:** The rules are fairly clear. Basically, if anyone has a mega proposal for development, what that person does is submit the proposal in writing to the Environmental Management Authority, which then sets up an assessment team to decide if it requires an environmental clearance certificate, or an environmental impact assessment, or if it can then be referred to the planning people for approval.

Once they decide that the project is of a scale that is likely to have serious impacts, it then sets out the terms of reference for an environmental impact study which has to be done by law. Once this environmental impact study is held, then the authority has to hold public hearings where anyone can go before the commissioners and raise issues, and not only that, the Environmental Management Authority has to give the citizens of this country all the background to the thing.

**3.20 p.m.**

Mr. President, I do not want to spend too much time on this matter but the rules are there. They have been drafted and I have seen them. They are sensitive areas and species effluents. All these matters are environmental characteristics and they have all been drafted. There is a legal team up at the Environmental Management Authority that costs an enormous sum of money each month and it has done all this drafting. Until such time as we have these things, the Environmental Management Act is a total waste and totally ineffectual. It means nothing because the rules and conditions are not there.

I would like to turn to a problem related to the desalination plant, without going back to the desalination plant. This country, as everyone knows, is in the wet tropics. Our highest rainfall is approximately 3800 millimetres a year up in the heights of Aripo, and in Tobago it is approximately 2800 millimetres a year. The lowest rainfall in this country is approximately 1200 millimetres, which is substantially more than in the United Kingdom. We should not have to be thinking of a desalination plant. We really ought to be thinking long-term of how do we win, hold, distribute and cut down on the waste of water.

A desalination plant has a life and if they are going to use a desalination plant down at Point Lisas, they will be dealing with water of very poor quality with lots of sediments and contaminants in it, which they are going to concentrate on and put back into the sea. So there will be some local negative effect. Whatever the Government may have been told about desalination plants, they are short lived and the technology changes. I would have it as a guess, that they are probably thinking in terms of 12—15 years for that desalination plant.

**Sen. Daly:** For all that money.

**Sen. Prof. J. Kenny:** That is the sort of life span, whereas if they manage the watersheds, they can retain the water in the aquifers. This is an old hat. This is not a country like Aruba, Grand Cayman or Antigua. This is a wet tropical country. I have made the point before, and until such time as there are public hearings, and have it explained to me, my view is that this matter is a quick fix. It is a short-term matter and we have not heard the full story—I am not getting into the corruption end of it—but here we have a problem. We know what our needs are. I have, in fact, read it out before when I raised the matter about what are our resources and needs.

The critical issue is, what we have been doing to our watersheds. It gets worse and worse and worse. Rainfall on our watersheds in the Northern Range penetrate the ground and percolate down into the aquifers. When you remove the forest cover you have faster run off and there are floods. Now, the \$15 million the Minister has agreed to in the budget for relief of farmers who lose their livelihood in floods is commendable. Now, the actual reforestation efforts in this country are pitiful. On a good year, we might reforest 20 hectares, and when the dry season comes we lose 1000 and this has been repeated over the years.

Mr. President, it is a major problem that ought to be reflected in a 25 or 50 year programme of reforestation and that is taking our watersheds and restoring them. Even the hills around the back of Port of Spain can be reforested, which



means that we can save the aquifers that feed down into Port of Spain under the savannah, provided of course, we do not pave the savannah anymore than we have. [*Laughter*] This is, to me, one of the major issues.

Mr. President, when I was a young graduate just come back from university, all full of excitement about reforestation and conservation and so forth, and here in the not too distance future, I would have attained my allotted three score and 10, I wonder about all this energy that has been spent arguing over the years—and ultimately arguing in the Senate. Can we just simply do something as Sen. Prof. Spence says? What are we going to leave for our grandchildren?

Last Sunday, I walked up to the ridge of the La Laja Heights—I must tell you I was a bit concerned with my age going up there, I am no longer a young boy—one of the party was a lady 87 years of age, and she just marched up with the rest of us and we could see all the way down Gunapo Valley and the lumber trails. Anyway, I cannot be any more passionate than I am, but we are really making a mess of things and where is the long-term policy? The medium-term policy is only in the year 2000—2002. There ought to be core environmental thrust that we as a nation decide in much the same way that our culture is so important to us. How is it so important? In much the same way, we ought to be passionate about what sustains us and the very first need in any society is, of course, water.

Mr. President, I would like to turn to the other part of the environment, which is also of concern. I mentioned this earlier and this is the built environment.

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

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

*Question put and agreed to.*

**Sen. Prof. J Kenny:** Thank you, Mr. President and Senators. I normally do not speak as long as this. My passion got away with me. [*Laughter*] I was talking about the built environment. Any country at all that has any sort of sense of being likes to preserve parts of its built environment, so that the new generations coming up will feel some continuity with the past and it will develop in them a sense of leaving something for the future—some guidance for the future.

Mr. President, the transformation of Port of Spain, to me, is rather sad, in that the form of all our public buildings is now a sort of a Miami Art Deco form. Every building has a great big ugly antrium arch and there is a sort of sameness to it.

**3.30 p.m.**

Now, if we have any sense of history and any sense of belonging, we would want to make a firm, long-term commitment to preservation of examples of the different parts of our history, of our built heritage. We do not have all that much but it is going at an alarming rate and in the end we might convert Port of Spain into, as we have converted the Foreshore, a sort of a quasi Miami-type style and, in other words, as a capital city, we are nowhere. There is nothing here of interest to someone walking around our capital city and buildings are being bought up and demolished.

Many of these buildings may not have any great architectural significance but the rate at which some of these buildings are levelled, there is not even a chance for the architects to go and record at least the facades of the buildings. Bagshot House Hotel is one such example. The one that really distresses me is the Union Club, not that I had any connection with the business community, but there was a barber there by the name of Tony and, when I had hair, I occasionally went there and had some of it removed. There is the ambience of the building one noticed as soon as one walked into it. It is just like the Queen's Park Hotel. It had a certain charm to it and what has replaced it looks superficially like the old Queen's Park Hotel but, clearly, it is Miami glass and concrete.

Mr. President, you know, I am rather distressed at what has happened in the Savannah because that is part of our built heritage. I very innocently took at face value the statement that they were paving a front of the Grand Stand for the parade but, clearly, there is a plan for the use of the whole southern part of the Savannah.

**Hon. Senator.** By whom?

**Sen. Prof. J. Kenny:** Well, if we had our environmental clearance rules, anyone who wanted to do a physical development, that place could be declared as a—it is a sensitive area. Then when we have public hearings, I would want to know who, how much, why and what. Instead we have this creeping, spontaneous development, and I will not inflict my personal tastes on any Senator here, but every time I go by the place and I see the big Du Maurier and Craven A ads and I look at what, in my view, has become a slum—It looks like a slum. I have walked through it. It now smells like a slum. Now had we rules, we would have been in a position to at least have public hearings on what was going on.

It is not all gloom in that the hon. Minister of Culture and Gender Affairs, I have been working with her Ministry on a couple of things and we have an ear. I

think there is a sensitivity to what we are speaking about. I was a little puzzled in the estimates about the Naipaul House. I got the impression that there was no provision for this year in which case I think it ought to be corrected. I am not speaking out of turn but the Government has actually received a proposal from us to develop the Heritage Site at the Five Islands and the committee is working at it. Very shortly we hope to be able to get our final report in.

These are parts of our built heritage, much of which is under the care of the state, and this is the thing that puzzles me. It is not just the Union Club. The savannah is the responsibility of the state. [*Interruption*] Well, we have had the Minister who is now the Minister of the Environment who was—I cannot blame him but it was under his watch that what was clearly illegal was perpetrated on the citizens of this country. It is the law. You cannot go and dig grass in the savannah. It is a breach of the law and I was, quite frankly, amazed at the number of high people who were supporting this because what they were doing is supporting breaking the law. [*Desk thumping*]

If you have a law it is not simply about hanging people. Law, whether it is protecting a bit of turf or getting rid of citizens who have done naughty things, my understanding is that we adhere to the law. It is the rule of law that is supposed to be the foundation of our society. So I was really quite alarmed at being told, “This is for the military parade” and hearing the head of the Defence Force supporting something which is unlawful. The head of TIDCO was supporting something which was unlawful and I do not want to go through—the friends—even in this Senate we have heard support for what was a breach of the law. Now I think this is becoming dangerous in the society.

Mr. President, I have very limited time available to me and I would just like to speak briefly on the disadvantaged in this society. I know that Sen. Mark is in charge of making the public sector dynamic, consumer oriented—

**Hon. Senator:** Not any more.

**Sen. Prof. J. Kenny:**—and I now know we have a Minister who is going to somehow make sure that Sen. Mark’s plans become operative. Mr. President, it is a hard reality that a citizen of this country, writing to a Ministry or to a state agency, simply is usually ignored. One is expected to go to the office. In other words, if you have a problem with your national insurance there is no point in writing a letter. If you have a problem with the Board of Inland Revenue—the Taxpayer Assistance employees have told me to my face, “Do not bother to write to us because we never reply. Come to the office”.

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Mr. President, I do not mind doing this because I am still reasonably fit, but there are many people in the society, many of whom are living on an NIS pension which is less than an old age pension; it is just a little over \$400. When one goes to some of these places and sees these pitiful folk being brought along, some half-blind, not being able to get their cataract surgery done because they have to get in line for the next, you know, two or three years, one sees people who have problems of age, they do not have health insurance and they have to wait for the hospital. For a simple thing like paying your rates or having a query of the rates or a query of income tax, no one replies to you.

Sen. Mark, this is a reality. How do you change this? As a citizen, having paid taxes over the years, I write about rates for my house—no reply. I write to WASA—no reply. They may phone me from WASA and say, “Come up to St. Joseph or come to” wherever. What are we doing to people who are lame, old and living on next to nothing? When they go to the hospital—I have been to the hospital and I have watched this pitiful progression. So somehow we have to think of our older citizens. It is not only the pensions, it is the way we treat them. [*Desk thumping*]

Look at what happened with the visually impaired. I call them blind and they do not mind me calling them blind. Look at San Fernando. I was absolutely appalled. I was ashamed to be a citizen of this country but it has got to that stage. People are working under a galvanize roof with no ceiling, and you know what it is like in this climate. We can spend \$60 million on a beauty show, we can commit \$2 million or \$3 million to paving a savannah for fetes and our disadvantaged, our poor, desperate poor, our aged folk are really on the scrap heap and I think that [*Desk thumping*] we really have to make a long-term commitment, we have to make a powerful statement, “We will no longer tolerate this in the new millennium”.

Finally, Mr. President, one of my major concerns that I end with is transportation. When I read the *Medium-Term Policy Framework* again, it does not become apparent to me that there is a real attempt to handle the problem of motor vehicles, the personal transport. Sen. Montano referred to it. The numbers are increasing. The roads are not being mended and this is not sustainable. I know that there has been talk about monorails and this and that and so forth, a rapid transit system, but a country of this size cannot continue buying cars at the rate at which we are buying.

We are buying second-hand cars from Japan and the problem, of course, with making it easier for people to buy a second-hand car as a foreign used vehicle is

that these vehicles produce the emission problem which, in turn, creates a health problem. The health problem we are going to feel later on. It is not like being mauled to death by a pit bull. If you breathe vehicle fumes the statistics say you are going to lose people.

Mr. President, my final comment is that I was rather taken by the refreshing change of attitude to the beaching of a number of pilot whales at Manzanilla. I was taken by the compassion of my fellow citizens. [*Desk thumping*] For the first time we have seen they had not gone down there to butcher. I mean, some went down there to try to get some meat but we saw this deep human compassion for another mammal. There is a lesson in there for all of us but perhaps you will allow me to also point out that there are other lessons. It is a pity the Attorney General is not here because he likes my little scientific homilies.

You know, the beaching of the whales tells a lot more about mammalian behaviour. Of the 26 whales there, I think 12 of them died and one which did not die was a pregnant female. Can you imagine a pregnant female simply going up on the beach and killing herself? Now, the lesson that we ought to learn from that is that whales are rather like us in that they are, at a fairly primitive level of social organization, led by leaders. The whales actually talk to each other and communicate. If the leader becomes disoriented—the leader may be old or may become disoriented, he may be diseased—the leader may, in fact, do something very stupid like going up onto a beach, then everybody follows.

So the two lessons one learns from this is that there is a body of compassion in our citizens for the things around us and, secondly, a lesson comes from animal behaviour. We must be very, very careful of who leads us. Thank you, Mr. President. [*Desk thumping*]

**Sen. Mahadeo Jagmohan:** [*Desk thumping*] Mr. President, I thank you for the recognition to be able to speak. I join with those who spoke before me in extending our congratulations to Sen. Vimala Tota-Maharaj on her elevation to the rank of Minister in the Ministry of Health and, of course, of Cabinet rank I am told. [*Desk thumping*]. That is an achievement. I also want to congratulate the new Senator. It is the first time I have seen him—I know nothing about him—Mr. Gillette. I understand he is a high-profile person in the country. I wish him well. [*Desk thumping*]

One very remarkable, outstanding or significant thing that has happened is that the hon. Minister of Finance has been given one of the bigger portfolios in our ministerial system and it tells a story. In a way he is in charge of the

Government. Mr. President, I am not fortunate when I raise points in getting the attention of the Minister of Finance in any budget debate. I have traced this over the years. He pays no attention to me. That is not his fault. As a Hindu person the law of karma has placed me there and that is my predicament.

**Sen. Kuei Tung:** I want to assure the hon. Senator that I pay careful attention to every comment he has made.

**Sen. M. Jagmohan:** That is good to hear. Mr. President, this document which the Minister of Finance is claiming to be his budget statement of 1999/2000 is woefully lacking in the normal economic and financial information necessary to regard it as a budget statement or budget document. It has nothing in it that gives any semblance of economic analysis of the economy of Trinidad and Tobago. It does not even pretend to establish with sincerity the normal income and expenditure pattern that should be gone into in order to give guidance to the nation and the world at large with regard to the fundamentals of good budgeting.

**3.45 p.m.**

Perhaps the Minister thinks, or he was at least advised to go the route he has gone in this regard with the purported budget statement for 1999/2000. It is sadly short in necessary details. It is so superficial that one might be tempted to describe it as a pretence at budgeting. A national budget is always expected to give, with utmost honesty, an accurate account of the performance of the economy in the previous financial year, in this case, for September 1998 to September 1999.

The Minister of Finance should have given the fiscal measures that were initiated by him and a very thorough explanation of divergence or necessary changes made from the original plans and projections. No one, particularly the Minister, should ever, ever think that the population could be fooled with a poorly written and presented budget.

I have been listening and also reading budgets by several finance ministers over the years. This one is surely hiding from the Parliament and the nation the reality of the present economic situation. On the basis of post-budget press interviews and statements, the Minister of Finance is reported to have said any inaccuracy or inefficiency in his so-called budget statement was not his fault. Instead, he has implicated the public servants in terms of figures that now seem to be misleading the Parliament. As a matter of fact, the Minister has uttered words to the effect that we should ignore the figures, but he came with additional figures in a second purported budget statement. Why should we? Tell us why to ignore the figures in the budget? What is the rationale to consider ignoring the budget figures?

I say that the financial irresponsibility of the Minister of Finance can cause or lead to recession in Trinidad and Tobago. Those who read old economics books would not understand this. Those who are presently studying economics would have some idea of what I am attempting to say. I partially quote the Minister as saying at the end of the budget presentation, “I have increased no taxes and I have introduced no new taxes”—words to that effect. That statement cannot fool anyone.

In this regard, Mr. President, oil companies should be made to increase their taxes to Government, particularly on gas. My friend, Minister Finbar Gangar is not here. I do not know why Ministers do not stay in the Chamber all the time. *[Laughter]*

**Sen. Kuei Tung:** Where is Danny?

**Sen. M. Jagmohan:** He is not a Minister.

I wish to take a brief look at the Ministry of Local Government. Many aspects of the structure and operations of the Ministry of Local Government have now changed under the UNC Government. There were times under previous regimes, particularly the People's National Movement government, when the Ministry of Local Government was stable in all senses. Stability and prudent management have been slipping away from the management and control of councils and permanent staff, both monthly-paid and daily-paid. Chief Executive Officers of city corporations, borough councils and regional corporations look forward for stability in the tenure of employment at these organizations.

This does not seem to be anymore. It makes people feel terrible to learn that most shifts or transfers of monthly-paid staff are done by telephone calls and instructions overnight. That is not in keeping with the dignity of the public service. Chief Executive Officers; Administrative Officers II; Road Officers I, II and III; Works Supervisors I, II and III; Accounting Assistants and Accountants II are a worried group of officers in local government. They have no way of knowing when they would be unceremoniously transferred or demoted, as has happened so many times during the past four years. Or, they are put to sit idly somewhere with no work to do—frustration. The practice is very, very frustrating. The families of some of these officers in many homes who face this dilemma are very uneasy and anxiously waiting for the next general elections. The rest is left to the imagination.

The daily-paid staff at corporations are very hard-working under any and all administrations. They are loyal to their employers. Within recent times,

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indiscriminate and swift transfers have been made from one sub-district to another in the case of daily-paid workers. Such actions demoralize the enthusiasm of workers, thus having adverse effects on productivity of labour.

The recognized majority unions, that is, the Public Services Association, the National Union of Government and Federated Workers, the Contractors and General Workers' Union and the Amalgamated Workers' Union are always there to defend the cause of officers and workers, but the procedures in dealing with grievances are lengthy and time-consuming, resulting in frustration of officers and workers. What has made matters worse, ministerial interference in what is purely a civil service exercise is bringing untold hardship on the working class in the public sector.

It is now clearly noticeable that substantial portions of the duties and responsibilities of officers and staff at corporations are given out to contractors. Nothing is wrong with contractors doing work; many of them are efficient; they have good equipment and we need them. But, it must not be done at the detriment of permanent, qualified and efficient staff and they are not allowed to carry out the jobs being contracted to persons who do not have the equipment and competent staff for the jobs. I am wondering when this will stop. This practice is also demoralizing staff at all levels. Will the Minister and the Ministry address this matter now before it is too late?

Vacancies at corporations should be promptly filled in order to effectively carry out work programmes. Corporations operate with work programmes and when they are understaffed, it is a serious hindrance to realize their goals and targets.

There is a sad lack of maintenance of roads and bridges under the control of the many corporations. Why is this so? Is it because of lack of funding? It does not seem so. Markets, pavilions and recreation grounds, as well as cemeteries, are neglected in the areas that appear to be strongholds of the People's National Movement. Will the Minister of Local Government tell this Senate and the country why this is so?

**Sen. Cuffy Dowlat:** Ask Jerry Narace who has control of the money.

**Sen. M. Jagmohan:** Mr. President, I have a weakness to listen to female voices but in this instance, no.

I turn to housing. Before I go on to other points, we have learnt from the daily press and very graphic and vivid pictures on the television screen that the



demolition staff of the National Housing Authority, yesterday and the day before yesterday, engaged in demolishing occupied homes of single mothers and children of very tender age.

**Sen. Mohammed:** Like a thief in the night!

**Sen. Cuffy Dowlat:** No. No. Never like a thief in the night. They did not do that.

**Sen. M. Jagmohan:** In previous years, the present Minister of Housing and Settlements, in the Opposition, was very vocal and strong in his condemnation of previous governments when demolitions of one kind or another took place.

**Sen. Cuffy Dowlat:** And we continue to be so.

**Sen. M. Jagmohan:** Mr. Sudama is not left out of that kind of accusation, but Mr. Sudama has a certain role which I will come to in a short while. Mr. Humphrey lambasted government whenever the National Housing Authority crew went to look at houses which were definitely built in contravention of all known existing laws. What does he have to say now? Is he not adding to creating more vagrants and criminals?

**Sen. Cuffy Dowlat:** No.

**Sen. M. Jagmohan:** Minister Humphrey has a heavy burden now and we condemn that action.

Mr. President, the People's National Movement always recognized and accepted that the Government's approach to housing must be as multi-sectoral and broad-based as possible. We always realized and recognized that any government with an honest social conscience has a responsibility to provide for the needs of economically challenged, or poor people, who cannot provide houses for themselves. No one, and no one I say, has any argument to break down this concept and this belief that I have just enunciated.

It is clear that the Government is adamant in its intent to deprive poor people in obtaining shelter. [*Desk thumping*] To say that they are providing serviced lots is not the answer. How many very poor people who are in need of homes can afford \$25,000 or thereabouts for a serviced lot. The Minister of Housing and Settlements has a very heavy burden to carry.

Why is state machinery not used to prevent squatting in the Tarouba Village area on the periphery of the City of San Fernando? The Member of Parliament for Oropouche is now some sort of facilitator for squatting in the Tarouba area near

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San Fernando. It is clear the population shift in certain constituencies is deliberate in order to establish squatter settlements in certain constituencies, where the Government may wish to win seats in the upcoming elections.

**4.00 p.m.**

Mr. President, I am sorry, but it is my nature. Decency demands that when one speaks, others listen. *[Laughter]* It is now a national concern that the John John Towers are not being occupied after all the politicizing and everything else that took place. *[Desk thumping]* They are not occupied and they are going through a gradual state of deterioration and physical decay because they are closed up. It is a national concern that the Aranguez Villas are completed and they were advertized for sale, but they remain closed with no occupancy despite the fact that they were advertized for sale.

The People's National Movement was going to put mechanisms and machinery in place so that the poor could have availed themselves of rooms, apartments or whatever in those buildings. Perhaps the Government now intends to sell them to middle income and upper class citizens of the country. We are not against middle income and upper class citizens of the country. We need them as much as we need everybody, but we must definitely support people who are poor and unable to provide shelter.

Mr. President, if you recall, Sir, during the last budget debate I raised this concern. Before I make the point, permit me to quote from a *Newsday* article dated October 19, 1999 on page 9. The caption is:

“NHA workers fear for their jobs—meeting tomorrow.

Some 1,000 National Housing Authority (NHA) workers fear that their jobs are in jeopardy, following a statement by the Minister of Finance in his 1999—2000 Budget Speech.

The Minister said, “In order to facilitate the acquisition of home ownership, all new apartments constructed by the NHA will be sold”. He also said the sale of existing rental units will commence soon.”

Mr. President, I will not read the whole article. Another paragraph lower down says:

“Christopher Streete, President of the Housing Section of NUGFW told *Newsday*: ‘This proposal to sell off the housing stock not only represents a threat to all our jobs, but it raises the important question of who is going to look after housing the people of Trinidad and Tobago. There are still thousands of families who are too poor to buy suitable housing’...”

I will skip a part and quote a smaller part again:

“The President of the PSA Housing Branch, Steve Moore explained: ‘It is of particular importance that the two NHA unions work closely together on this issue, which could put at risk the central role of the NHA as a housing provider.’”

In other words, they are saying that the hardship would be unbearable when houses now being built are sold off, but Mr. Moore and Mr. Streete are alluding to the sale of other houses.

There is a sad lack of concern for existing NHA-tenanted houses. Physical maintenance is at its lowest level in the history of low-income houses presently. We do believe this move is to frustrate the occupants for political reasons. The decision of the authorities to sell certain tenanted houses and apartments is, in my view, a long-range plan to pauperize the occupants for political reasons. That is, when they attempt to raise loans and mortgage loans and purchase those houses or apartments, they will pay from whatever little earnings they have and they will be unable to provide food, books and clothing for their children and medicine for their relatives. That would be pauperizing the people.

The poorest of the poor people who are out of some form of employment for most of the time cannot purchase those houses which they are occupying for quite some time. Such an action, we believe is purely prejudiced and planned victimization of the occupants of houses and apartment.

Mr. President, I continue my brief presentation with what could be regarded as a cursory look at labour and industrial relations in Trinidad and Tobago. The silence of the Minister of Labour and Co-operatives for several previous months has many people puzzled as to his intentions. Presently, according to newspaper reports, there seems to be several problems within the labour movement. As a result, worker morale is less than satisfactory in certain sections of the workforce in Trinidad and Tobago. Who can challenge this? Not that we are happy about it. We are unhappy about it. I will explain why, Sir.

The feelings at the grassroots level are that the Government wishes to destabilize the once vibrant labour movement in Trinidad and Tobago. Personally, I do not believe it. If the feelings are authentic, then I appeal to the Government to rethink its posturing with respect to the destabilization of the labour movement—and our good friend, the Leader of the Government Business, has a very genuine nexus with the labour movement. Maybe not presently, but he came from there, and I draw his attention to these points I am making.

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If the formal labour movement in Trinidad and Tobago is weakened, then surely our democracy will be in danger. We must have a unified and vibrant labour movement. It is the labour movement that is greatly responsible for the upward swing of our economy time after time over the years. In case the Leader of Government Business has any doubt about this, all he has to do is cast his mind back to when he was a member of an effective negotiating team which procured tremendous benefits for working people in the banking sector and the non-banking sector as well. It is my hope that Sen. Vincent Cabrera will take note of some of these observations.

In the last budget statement, the Minister of Finance promised a grant of \$250,000 for the institutional strengthening of the labour federation, meaning the National Trade Union Centre, which goes by the acronym NATUC. Where is the money? Was it given to NATUC? Is it a forgotten promise, or did the Minister mean to fool the labour movement? If he meant to fool the labour movement, he has not succeeded.

The largest group of workers in Trinidad and Tobago is the government daily-paid workers of central and local government and certain statutory boards. In the last budget statement, the hon. Minister of Finance indicated that talks were in progress and a final document to initiate a pension plan for government daily-paid workers would be a reality. Well, he presented the budget at the beginning of October last year and he said it would be a reality, but so far, there is no approved or signed pension plan.

What has gone on, Mr. President? Why fool the workers? The current so-called budget statement, in a way of speaking, is thunderously silent on the matter. Why, Mr. Minister of Finance? Why? Does the Government care about the 30,000 or so workers? I want to remind the Government that the multiplier effect will account for around 100,000 people—at least 60,000 will be of voting age or even more. Draw your conclusions from that. Workers are now frustrated. They are anxious to vote at the next general election. Mr. President, we all know why.

There is a loud cry by workers and students alike from the deep south of Trinidad for the establishment of a centre to be known as a branch of the Cipriani College of Labour and Co-operatives to be based in San Fernando. Such a centre will most certainly assist the working class as well as students who would wish to avail themselves of the opportunity to attend classes in labour, industrial relations, the co-operative movement studies and similar disciplines.

To travel from Point Fortin, Erin, Santa Flora, Fyzabad or Siparia to Valsayn five days a week to do the three-year diploma course at the Cipriani College of Labour and Co-operatives is a tall order; a difficult exercise for poor students and those men and women who are at work. The Minister keeps promising such a facility for South Trinidad—the Minister I am talking about in this case is the Minister of Labour and Co-operatives—but there is no apparent intention whatsoever to establish such a centre in San Fernando. I do not know. We have a Minister with responsibility for distance learning, or whatever else the good gentleman is. I wonder if this would fall under his portfolio; whether he would ever take notice of these observations.

I want to make it very clear, Mr. President, that I myself come from the grassroot level and, on a daily basis, I am in contact with people who would like to have this kind of opportunity, and they are appalled. We were told that crime would be solved in three months with 100 jeeps and it is four years now we are asking for this branch of the Cipriani College of Labour and Co-operatives studies in San Fernando.

The co-operative movement came about in Trinidad and Tobago and indeed, worldwide—of course, we know it began in Nova Scotia Canada—because of the real need for poor people to ease their burden of the high cost of living. Trade unions, governments and other organizations cannot strictly control the cost of living because the governments, trade unions or labour unions are not producers of the goods and services that the working class needs. Perhaps if we adopted the philosophy enunciated by Sen. Montano this morning, with respect to operations in the villages to satisfy the needs of the people, maybe some relief will come to ease the burden of the high cost of living, but absolutely not a word on relief measures for the credit union and co-operative movements.

Does the Minister of Finance really care about poor people? I wish to know, Mr. President. Will there be an answer? He is not here. He will not take me on at all. *[Laughter]*

**Sen. Cuffy Dowlat:** Yes he is here. He is right behind you.

**4.15 p.m.**

**Sen. M. Jagmohan:** I am not very fortunate with the press. I love the press people but I am not so fortunate to get what I say printed or published. Again, according to my Hindu belief, my karma is taking me there. So be it.

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Mr. President, I move further afield in view of prevailing circumstances and a recent uproar in the country, in a certain regard which I will not speak about in detail. The budget also gives the impression that it is intended to deceive and it has indeed deceived.

With respect to labour—which is controlled by the Ministry of Tourism—there is an acute shortage of lifeguards at the major beaches. Many times residents proceed to the beaches to have a sea bath but because of their consciousness of the danger of the waters, they return to their places of abode sad and disappointed because there are no lifeguards to give them some assurance of protection.

Mr. President, a great deal is being said about moneys which would be spent on a number of large projects. I am not seized of all the facts of the desalination plant, the Toco Ferry Project and InnCogen. I have an idea of the Piarco International Airport Project. Could we not find some money to purchase some new vehicles for the regional corporations? The regional corporations are fighting to refurbish vehicles 19 and 20 years old.

I have some friends who work in all the regional corporations in Trinidad. What is the Government doing? I suppose with the permission of the Permanent Secretary or the Minister of Local Government they are moving from corporation to corporation. If a corporation wants a part of a vehicle they will take it from another corporation and so forth. The corporations are trying to survive on that basis. No new vehicles! There have been some increases in the allocation. The Minister of Finance said: “Do not bother with figures, they are inaccurate because the civil servants did them.” I am saying the civil servants are dedicated and efficient people, who will not commit themselves to inaccuracies, but perhaps will take instructions from the hon. Minister of Finance or his aides or assistants who will direct them.

Mr. President, no new vehicles is an indication that the turf is being left open for contractors to be hired to do the work. Therefore, less daily-paid workers would be engaged to be made casual, regular or permanent workers at corporations. Substantial jobs and permanent workers should be maintained. A permanent staff is very crucial for the stability of this country.

A number of employers—statutory boards and government departments—are deliberately running down vehicles while putting permanent workers to be idle and their jobs are being given to contractors and workers who are less efficient and not conscious of what is expected of them.

I took a brief look at a given aspect of tourism, I will not delve in detail. There is an article by Professor Ramesh Deosaran on page 10 of the *Sunday Express* of December 27, 1998. I will read a small part:

“The frightening state of recent murders and violent robberies is yet another sign that crime will likely get worse in this country, putting in serious jeopardy our rosy plans for tourism, business investment and economic expansion. The massive insecurity now experienced by the population cuts across political, ethnic and economic lines, a situation which now demands a quickened political bipartisan approach to crime.”

I say no more on this, Sir.

I am alluding to the fact that if crime continues, effective tourism would be a failure in Trinidad and Tobago, but we pray that the crime problem is resolved—Will it ever be resolved?—and that the tourism industry be successful.

Most companies are now shying away from structuring their workforce to include permanent workers, so they do not have an obligation for terminal benefits. By terminal benefits, in this instance, I mean severance and gratuity payments. Most importantly, a pension plan for retired workers will almost become obsolete in large corporations and different large employers.

Within recent times officials of Petrotrin—when there was a spate of layoffs here and there—told the nation they are not in the business of retrenching workers, they said so. In fact, we read on the newspapers—my friend the Minister of Energy and Energy Industries is not here—every week some company has been the beneficiary of a farm-out arrangement whereby some operations of the oil industry are given to a contractor somewhere. Does this not mean that the Government is getting rid of workers by one measure or the other? That is what it means.

The Minister of Finance has failed to assist the poor in the country. Although at a recent meeting with the businessmen of San Juan, the Minister indicated that he is not as rich as some people think, because he, too, was very poor. We were all very poor—most of us. We are conscious that he was poor, but he has lost the feelings for poor people.

What mechanism has the Minister put in place to assist the poor in lowering the price of food for the poor people of the nation? He is likely to tell us that VAT has been removed from some food items, but I make bold to say the removal of VAT means nothing to the poorest of the poor in terms of purchasing the basic

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commodities. What does that mean? A form of subsidization should take place for those who are in receipt of public assistance, old age pension or those public servants and daily-paid workers who have retired and do not have the income to purchase the required amount of food so that they get the necessary nourishment for a normal life.

The Minister has put absolutely no measure in place, but in the budget statement he said he wants to give the poor people something good before he demits office. Yet, he boasts of feeling sorry for the poor of the nation. He said that is so because he too was poor at one time or the other.

**4.25 p.m.**

Mr. President, I have a very crucial matter that deals with the labour and industrial relations of the country. If our charming Senator was still the Parliamentary Secretary in the Ministry of Education, I imagine she would have influenced principals, but she is elsewhere now. There are so many Early Childhood Centres (ECCs) in Trinidad and Tobago. In the budget statement, it said that we are going to have a whole lot more centres during the next year. I want to state that I have great respect and regard for the organization Servol and the priest that heads Servol, but there is an injustice that needs to be corrected immediately.

The teachers at the Early Childhood Centres were trained at the university by the relevant department, and then trained elsewhere to teach in these centres. They are doing the same work or duty that the Assistant Teachers II and III do at primary schools. Shall I say, the primary school teachers, the salaries are not the best, it is not what it should be, but they are getting about five times more than these teaching in the Early Childhood Centres. Some of them receive \$400, \$500 and \$600 per month, and they work the same number of days and hours as our primary school teachers, and they are supervised by all kinds of supervisors. This is a serious imbalance in the education system. We appeal to the Government to address this without delay. Will this not dampen the enthusiasm of teachers at the Early Childhood Centres? Somebody should say something about this. I rest that point there, Sir.

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

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

*Question put and agreed to.*



**Sen. M. Jagmohan:** Thank you, Mr. President and I thank you Senators for your graciousness. Mr. President, I am sorry, Sir if I encroach on the tea time of the Senators, but I will be guided by your ruling, Sir.

I want to draw this matter to the attention of the Minister of Finance. I was loud and vocal when he brought a Bill to give people the chance or opportunity to establish casinos. I am arguing that there are too many casinos in Trinidad already. He needs to examine this. In San Fernando, within every city block, there might be a casino. Late at night, the impression around those places is not what we want for Trinidad and Tobago, particularly for the young people. Mr. President, I shall not use the allotted 15 minutes.

I am taking a look at the labour aspect at Caroni (1975) Limited. There are 10,000 workers or thereabouts at Caroni (1975) Limited. The posturing of the present management, particularly the Chief Executive Officer at Caroni (1975) Limited, is one that creates fear in the minds of people. At Caroni (1975) Limited, if there are 10,000 workers, the multiplier effect would be 50,000 people. Fifty thousand mouths to be fed, bodies to be clothed and sent to school and medicine provided. I am stating that every aspect of prudent management should be gone into at Caroni (1975) Limited to protect the workforce.

Mr. President, it is time now—the young minds of this country, the future young people of this country, are in the hands of teachers, lecturers and professors. I am saying, while we accept that the first teacher of the child that is born, who then becomes a tot or toddler, is the mother, the teachers who teach in school definitely should have an upgrade of their remuneration for the services they render. The time is now, to create a separate agreement.

It would seem as though the matter is settled, but it is not, with the doctors, nurses and other medical professionals at the hospitals—I am only dealing with the personnel aspect, I am not dealing with the other aspect—who are leaving the country in droves to go to other places and greener pastures to work, and there is evidence which could be supplied here. Something should be done now to stabilize the medical profession—nurses and doctors.

The public is fed up and dissatisfied with the kinds of shows that are beamed on the television screens in Trinidad and Tobago. Most of them allude to violence one way or the other, or the wrong kind of physical manoeuvres that suggests several things, some not so good at all. *[Laughter]*

The Minister of National Security is not here, but something has to be done, a cost factor is involved. The type of carnage on the road, the reckless speeding of

motor cars and other vehicles means that we need more policemen on the streets. In order to do this, money has to be spent, additional policemen are to be hired and trained, so that, there will be a 24-hour presence along the main highways and byways of Trinidad and Tobago. It can be done.

Mr. President, sometime ago the Attorney General came to this Parliament and with fanfare he announced the establishment and operation of the night court, which he said would assist the backlog of cases in the other courts. My latest information is that these courts are not operating because they do not have the personnel, they do not have the staff, therefore, people are suffering. We are urging the Government to do something about this.

Mr. President, while so much is being said and done about everything in the country, persons who acquire education and wealth must be admired and supported, but we are having tremendous difficulty in Trinidad and Tobago with regard to people being able to live in harmony with one another and to be at peace with themselves, their neighbours, the community and their sisters and brothers. We of the People's National Movement are urging that machinery could be put in place—at the same time maintaining our religious freedoms and political affiliations and also maintaining our integrity—to assist in this regard.

I thank you very much, Mr. President.

**Mr. President:** We will break for tea at this stage. The sitting is suspended until 5.10 p.m.

**4.34 p.m.:** *Sitting suspended.*

**5.10 p.m.:** *Sitting resumed.*

**Sen. Nirupa Oudit:** Mr. President, thank you for this opportunity to speak in this debate. May I also congratulate Sen. Vimala Tota-Maharaj on her promotion. I am sure she would do an excellent job as well as the absent Sen. Gillette, the bureaucracy buster or the Minister in charge of bureaucracy busting, on his appointment.

I want to spend a few minutes talking about some issues in the budget that are of personal importance to me. The first issue is integrity-based governance or values-based governance. The second issue would be project management and maintenance—which we do not seem to be doing any of at all; and the third issue is what innovations and creativity have we brought to the budget of this year?

I left Trinidad on Monday morning for Barbados and at that time there was a tropical storm heading towards Trinidad and Tobago. I left Barbados on Monday evening to return to Trinidad and Tobago—because there was a hurricane watch in Trinidad and Tobago. When I arrived home I spoke to, at least, three people about preparations that they had made for the tropical storm, and in each instance, no one had done anything. The response I got was that hurricanes never hit us because God is a Trinidadian. When I look at the opportunity that we have, as a country, to have \$14.6 billion to spend in a country of 1.3 million people, I have to agree that God is, indeed, to some extent, a Trinidadian.

Now, if all goes well with our revenue inflows—and I think there are all indications that it will—the economy is very robust—there are a lot of plans for energy inflows, but from hearing the Minister's speech, I think those plans are based on very hard facts. If all goes well with our revenue inflows, we are going to have a fair amount of money to spend. This is not a new situation for Trinidad and Tobago; we have been in this position before, where we have a good bit of money to spend, but historically, we do not spend our moneys very well. What would be different and really good for our country and the people is for the Government, in the last year of its first five-year term in office, to spend this money well in the interest of the country.

While I am casting no aspersions here on any one, in terms of their personal integrity or any wrongdoing, I will say that whenever there is a lot of money in a country there is a potential for corruption. We have seen this in many countries so many times and it is rather surprising that no one yet, in the debate, has raised the issue of corruption and whether the Government is going to make a very clear statement on corruption. Not from the point of view, again, of being implicated or implicating anyone in any way, but the idea is even if we look at neighbouring Venezuela, where so much money has come into that country from petroleum inflows, and has flown out as rapidly as it comes in to Nigeria, and when we look at Trinidad and Tobago, we definitely do not have an oil boom but we have a gas boom, and at the end of the day it amounts to the same thing.

So, Mr. President, I would really like to see some sort of statement emanating, maybe, from the Prime Minister himself; something to the extent that the Government insists on disseminating this money or in spending it in this budget. The Government insists on honesty, integrity and fairness in all aspects of its governance of the people of Trinidad and Tobago and expects reciprocity from all with whom it conducts the business of the nation. I think that would be an excellent framework within which to present a development plan for the year.

The second issue that I would like to touch on is the fact that having \$14.6 billion, it creates expectations and the expectation that I have for the Government is not only should we be planning. We have been planning for as long as we have been a nation—we are not short on the quantities of plans that we produce, but have we ever been planning for a success as a country, and what has the Government been doing differently now, to show that it is planning for success?

I would like to suggest two very simple areas: the first one is, it is not rocket science to plan for success. If we take the areas of health and public transport, have we been planning for success in those areas? Mr. President, it concerns me very much to see that in the budget allocated to the Ministry of Health, we are investing \$1 billion which is going to the health sector. Of that sum, we have \$142 million which is expected to be involved in capital expenditure, which is more than its 330 per cent increase over the spending on capital expenditure for health last year. If we were only able to spend \$32.6 million in an entire year, what are we doing differently to be able to spend \$142 million this year? What are we doing differently to efficiently be able to spend that money this year?

We can always extend the argument that there are many projects to be done and because this is an election year and possibly the last year for a Government in office, that you want to get everything on the road and finished with, but the whole point is, if one does not examine why the Government has not been able to get some projects up and running, in 1998/1999, what is different about this year? What is the guarantee? The concern that I have is when there is a large amount of money like that, \$142 million, it is much easier to overspend; it is much easier to waste and it is much easier to have different sorts of corruption being involved in spending that money. Again, I would say that there is a very detailed expenditure towards supporting the budget and how the money is going to be spent with respect to the San Fernando General Hospital and so forth.

It is a lot of money and the challenge that I would pose is that all those projects could be accomplished, sometimes much more efficiently with less money.

**5.20 p.m.**

The next question is, what is being done differently? I know we have a new Minister in the Ministry of Health, that to some extent is what we are doing differently, but would that be enough for health? The other issue with health which really concerns me as a citizen of Trinidad and Tobago is that it is only four years after the Government has been in office and we are talking now about fast-tracking activities in health.

Even this week, the Minister in the newspaper is reported as saying that there is a backlog of as much as three years for surgery of cataracts, gall bladders and simple procedures like these. Four years for a Government to come to the stage of identifying that there is a problem. That to me, I suggest very humbly, is really not good enough. The idea of fast-tracking things now after all that time. If you are really efficient and committed to doing a good job to your population and you have good managers in the Ministry of Health, you should know that after one year and you put something in place to handle it. It is disappointing that that does not happen; maybe as it is the last year something will happen.

The other area deals with roads. My heart really went out to the people of Laventille last night when I saw on the news, tyres on the road burning; immediately I thought this is probably Soweto in South Africa and they are showing some clips of pre-apartheid days. But then they went on to say it was Laventille and when one looked at those roads really, \$600 million spent on road development last year and we have not gotten around to fixing basic roads. Again, I would ask, is it a question of project management? Are we managing our projects properly? If we are, we could be spending less money.

Action was only taken on the Solomon Hochoy Highway after there was a very significant public uproar and that should not be. If there is an efficient Ministry working in that area headed by competent people, you would hire a contractor and evaluate his performance on a monthly basis, and if he does not work, you fire him. The idea of having professional project management systems in the ministries would go a long way to making sure that the money we have to spend is efficiently spent.

The other area about which I would speak very briefly is that of maintenance. Do we put in place—I have not looked through the Draft Estimates of Expenditure to see if there is a percentage of the budget allocated to maintenance. Do we have in place a structured programme for maintenance of roads, schools and hospitals? It seems to me that we are only addressing infrastructure improvement when there is a crisis and again, we are spending so much money in this budget to put up new hospitals, schools and new police stations. Are we putting in place at the same time a maintenance programme to ensure that five years from now we do not have schools that are totally unfit, with toilets not working and so forth?

It is very simple, but it is professional management and it is about time that we should be doing some things differently and I would suggest maintenance. I hope, maybe when Sen. The Hon. Sadiq Baksh is speaking, he might address this,

or the issue of maintenance for that particular ministry, and perhaps Minister Brian Kuei Tung, as well, will be able to give a ballpark estimate of how much money is spent on maintenance, what percentage of the budget.

The other issue on which I would like to touch very briefly is job creation and reducing poverty and the idea of having an innovative and creative solution instead of the same old solutions. The budget speaks about job creation; I think 470 jobs in total as a result of the Atlantic LNG Project which is a \$950 million project, and Tobago Hilton which is a \$50 million project. So we are going to have 450 permanent jobs created by spending \$1 billion. Again, a word of warning. Energy-based projects employ people in the short-term while you are constructing them, but they are normally designed to be very self-run, computer-run and automated and they do not employ too many persons. I think the Tobago Hilton is a good start. It is really interesting that for \$50 million invested in the Tobago Hilton we are getting 290 jobs, but 160 jobs from Atlantic LNG which is a \$950 million project.

Again, these figures tell a story. It means that we really need to be focussing more on permanent job creation in the non-energy sector. In support of my suggestion for job creation, I would say the Minister last year had as his subheading “A Blueprint for Human Development, Savings and Encouraging Savings” and it was a very noble aspiration. I think some efforts had been made in that area to improve savings but again, what have we seen?

We have seen pension plan improvements, we have seen ESOP shares. What have we seen for the low to middle income people in the country as an incentive to save? I am particularly concerned about this now because if we are going to be spending \$1.8 billion in PSIP projects which are going to be construction and short-term projects, it means that spending should be accompanied by a kind of cultural support; encouraging the savings culture to go along with that so that people who are working on these projects, after they are out, they are not on the breadline and have some money in the bank.

What is being done, especially for small and medium income earners, as far as the savings are concerned? I would think that is particularly important where we are spending money in the short term. It helps not only to reduce inflation because if we are spending \$1.8 billion, nobody is saving, consumer spending goes up, and inflation goes up. If you have a strong savings plan in place, if for example, we are teaching people, we are trying to impact on the savings culture which I would propose is not a culture that we find throughout Trinidad and Tobago—people do not naturally save; maybe some do, but some do not—how are we

trying to impact on that? Perhaps we should be influencing it in schools. Perhaps we should do something simple like take the interest rates off the savings account, or something like that.

The Minister spoke about not giving more taxes and not taking away anything, but I have heard it said by people in the street that you do not have a budget unless you get something or you give something. So perhaps you can take the tax from savings account, it is a simple measure. Also, if the ministries save that money that could be lost off the capital spending in the ministries, they can still accomplish the projects that they have set out to accomplish. I am willing to bet that with proper management it can happen.

When we talked about innovation and creativity, one of the important points that was made in the budget in support of job creation, is the creation of the community development programmes. When one looks at those programmes the first thing that is listed is the handicraft programme. While handicraft is a very important part of small business development, of training people to be employable and so forth, we have to realize in the year 1999 we have to be equipping our people in the community centres with more than the ability to do handicraft.

We have housewives sitting at home and trading on the stock exchange, stocks and bonds on their computers right here in Port of Spain, Trinidad. It means that the level of sophistication, the kinds of jobs that are available, the kinds of exposure that you can have through a computer and the Internet, have to be made available in the community centres. We cannot depend totally on handicraft, we have to bring people in the rural areas up to the level of 21<sup>st</sup> Century development.

I know it is very late in the day, Mr. President, so I am not going to be too long, but I have a very important point to make on the issue of women in sport. I saw a passing reference in the budget to women in sport, but some of our programmes would involve getting more women involved in sport. It was not expanded on and I would look forward to the Minister of Sport and Youth Affairs speaking about that. However, I would again want to reiterate that if we are taking a more holistic approach towards development in our spending as Sen. Dr. St. Cyr has said, we would be very much aware that getting women involved in sport is a very important, tried and true way of increasing women's self-esteem, making them more employable, maybe helping them to get away from the cycle of domestic violence and so forth.

It is a very commendable project that is planned, and I hope it would be given a good chance of success that we would not only be saying we will take \$2 million and give to women's sport, or if you play cricket, football or basketball, the ministry will give you a grant. That is not really going to help. What we need to do if we have \$2 million to spend—we have right now in Trinidad a population of 1.3 million maybe half of them are women. One per cent may be involved in sport. The plan should be to get many more involved. Reach out to them, give special incentives so that we really make a significant difference to what happens. We should take a more active approach because again, we are planning for success instead of simply planning.

The last suggestion I would make in support of the 1999/2000 budget is a suggestion for education to which \$1.4 billion has been allocated and most of this has been allocated towards increasing the hardware support like building more schools, and refurbishing existing ones. I would suggest that in view of the problems we have in the society with violence and especially domestic violence, and also we are becoming a more violent society, that we should try to teach children in schools about conflict and anger management. We may not call it that. If we are teaching children in primary schools about this, we may call it: Let's learn how to fight right, or something like that, but the idea is that we teach people from an early age to be able to manage their disagreements in a civilized way. To me, it is a significant way of encouraging people to get away from using a cutlass to solve their arguments which is still so prevalent in the society. I would suggest, and make a special note to personally ask the Minister of Education to implement something like this in schools. I think it would go a long way towards impacting positively on the cycle of violence we have in the society.

With these few comments, I commend the Minister on a good budget, good money to spend, and well distributed, but let us implement it in such a way that we show some sort of real success and not just go through the motions and when we come again next year, we still have "x" number of schools to build and "x" number of hospitals to repair. We can make a transformation instead of a simple change and I think with all the changes that have been made in the Cabinet, maybe the Prime Minister is sensitive to this and the sensitivity would have come because the people in the country are asking for it.

I wish the Minister good luck, and I thank you Mr. President.

**The Parliamentary Secretary in the Ministry of Social and Community Development (Sen. Nizam Baksh):** Mr. President, thanks for the opportunity to contribute in this debate on the 1999/2000 budget. I also take the opportunity to



congratulate my senatorial colleague, Vimala Tota-Maharaj on her elevation to a Minister, and also to congratulate Sen. Lindsay Gillette on his appointment as a Senator in this Government of national unity. I also congratulate the Minister of Finance, the hon. Brian Kuei Tung for his budget presentation and Government's thrust on "A Blueprint for Human Development and Sustainable Growth".

**5.35 p.m.**

Mr. President, as the Parliamentary Secretary in the Ministry of Social and Community Development, I am particularly pleased with this budget's emphasis on social development, which will undoubtedly redound to the economic and social benefit of our people. It is evidenced by budgetary allocations in the Ministry of Social and Community Development. This Ministry is definitely the driving force for human development. I see it as the flagship Ministry for the direct delivery system, for meaningful change and one which will create the greatest impact on the lives of our people.

Mr. President, I therefore, compliment the hon. Minister of Finance on his proposals for human development and sustainable growth for 1999/2000, which will assist in securing the stability of our economy and ensuring the sustainability of the growth process. These include:

- (1) Increase of the basic pension of all public officers who retired on or before December 31, 1998. It is anticipated that approximately 19,500 individuals will benefit from the increase which ranges from \$75.00—\$250.00 per month;
- (2) Consolidation of cost of living allowance for retired Government pensioners. An estimated 21,500 pensioners will benefit from this measure. Persons who benefit under the widows and orphans pension scheme will be afforded the same facility;
- (3) Provision of technical assistance in employee adjustment programmes aimed at bringing minimum dislocation to the most vulnerable in the society; and
- (4) Upgrading terminal malls to accommodate consignment outlets for goods produced under handicraft programmes.

Mr. President, allow me to outline some actions, which our Ministry has already initiated to meet these growing problems and, which this budget will allow us to bring to fruition. I will just name some of these:

- (1) The St. Michael School for Boys;

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- (2) The establishment of a remand home at Aripo;
- (3) The establishment of a probation hostel at Couva; and
- (4) The establishment of a halfway house for children after leaving children's institutions at Centeno.

This programme and the facility will equip the residents with life-coping skills to facilitate reintegration into society, and will also provide avenues for training and employment to pave the way to independent living.

Construction and refurbishment of community centres and complexes: Mr. President, the Community Development Division continues to be inundated with requests for more community centres. As communities become aware of opportunities for improvement in the quality of their lives, they are seeing a greater need for community centres. The construction of new community centres seeks to address the needs of the communities. Many have been pursuing the acquisition of community centres for a long period.

Mr. President, I know that very often fingers are being pointed at this Government, accusing them of not working in certain areas. I remember my community leader—and you know that I am from a village where there are village leaders, they have very sensible sayings—indicated to me, that when you point fingers, remember one is outward but three are inward and that three are pointing back to you. So we have to be careful when we are pointing fingers.

Mr. President, I will list some of the community centres that we will undertake to construct during the ensuing term in the areas where we are accused of not working. There are 23 community centres and out of that sum, 11 will be built in opposition areas such as: Warden Road, Ecclesville, Mon Repos, St. John's, Robert Village, Sixth Company, St. Mary's, Marac, Eastern Quarry, Paharry, Archamville. Refurbishment of civic centres/community complexes: Point Fortin, Mayaro, Sangre Grande, Plaisance Park and Maloney—five out of seven in opposition areas.

The refurbishment of existing community centres: This programme seeks to address the improvement of the physical condition of community centres with the view to upgrading these facilities, in order to optimize the use which can be made of these buildings.

The community centres have been a focal point of community activities in respective communities, and contribute to the social, economic and total improvement of life in the community, through the implementation of a wide

range of programmes. I will give some details on repairs to the existing community centres. We will be undertaking the repairs of 53 community centres and 33 of these will be located in areas supported by the PNM. So that this is a Government for all the people of Trinidad and Tobago.

Honorary wardens in community centres: The honorary wardens in Community Centres Programme was implemented as a measure to ensure that the nation's community centres were not underutilized or remained as proverbial white elephants; that these centres are kept in good and functional condition and be made available to persons, organizations and agencies requesting their use. More than that, the honorary wardens programme was implemented as a means of ensuring that there is a continuous flow of programmes in the respective centres geared to the holistic development of individuals, groups and communities where these community centres are located. Sixty-four honorary community centre wardens have been installed in eight administrative districts throughout the country.

The community education programmes: The hon. Minister of Finance made a statement with regard to the community education programme. The community education programme is four pronged, in that it supports:

- (a) Domestic (short courses/skills development) programme;
- (b) The community leadership development/enhancement programme;
- (c) The community awareness and sensitization programme; and
- (d) Entrepreneurial (micro enterprise) enhancement/development programme.

These are all part of the programmes in community centres.

During the period under review, 232 short courses were conducted in eight community development administrative districts throughout Trinidad and Tobago.

Mr. President, we also have the Community Action for Revival and Empowerment (CARE) programme. A total of 96 CARE programmes totalling in the sum of \$798,000 was approved by the Ministry. Ninety-six approved projects represent the period March 1, 1999 to September 30, 1999. These projects were distributed among the eight administrative districts in the Community Development Division to geographically cover all of Trinidad and Tobago. I will just list some of the items here:

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Self-esteem development	4
Religion	2
Provision of furniture and equipment	30
Health	2
Construction	1
Sport appreciation	4
Culture	14
Skills training/micro entrepreneurship	15
Education/literary improvement	7
Youth development camps	7
Community consensus building	8
Agriculture	2
Total	96

Mr. President, and the list goes on. We also have the establishment of a drug rehabilitation programme at Piparo. This facility will provide long-term residential programmes for the rehabilitation of 45 male and 15 female addicts. The clientele will comprise drug-abusing homeless persons and drug abusing offenders.

Refurbishment of Caura health facility: This will reduce the number of substance abusers and homeless persons by providing improved and sustainable rehabilitation programmes and treatment services.

**5.45 p.m.**

Establishment of a centre for socially displaced persons; establishment of community micro credit systems; provision of neighborhood day care services for the elderly; adopt a home and elderly programme; establishment of community-based homework centres for children, in community centres; as well as community mothers' projects.

This latter is a pilot project which will provide in a community setting for children of the pre-school age group who come from single-parent or low-income families where the parents have no existing support system and are unable to pay for the child care services.

Expansion of community-based parent outreach programmes. Mr. President, you will appreciate too that the church, which has always been a source of inspiration and hope for individuals and families, needs to expand its services as well, as this will certainly assist in curbing the disturbing occurrence of dysfunctional family behaviour which has reared its ugly head in this society.

Disability issues: this is a new unit of the Ministry and they are now looking at designated parking spaces in public car parks, malls, *et cetera*, for the handicapped. They are looking at the public transport system to facilitate the transport of disabled people; street ramps, which I see is already underway; access in public washrooms; education and skills training; equal opportunities for employment; poverty eradication.

There is a unit in the Ministry of Social and Community Development named the Change Management Unit for Poverty Eradication and Equity Building. The objective here is for community empowerment strategies. Programmes undertaken by the unit are geared to promote community empowerment as a poverty eradication strategy and ensure the full participation of community stakeholders in their own development. Some of the initiatives undertaken by the unit are as follows. The conduct of regional participation planning workshops—the unit, in collaboration with the Ministry of Planning and Development hosted several regional participatory planning workshops designed, one, to empower community leaders to engage in the participatory planning process in their own communities, and; two, to obtain the views, strategies and priorities of community representatives regarding poverty eradication and equity building in Trinidad and Tobago.

The Adopt a Community Programme promotes a dynamic tripartite partnership between corporate citizens, specific core communities and Government agencies. Through this project 14 corporate sponsors have adopted 28 poor communities and provide resource in areas of education and training, income generating projects and apprenticeship, sports and culture and infrastructural development. Achievements of this programme so far include education and training. Education grants, both primary and secondary, were given to well over 300 children across the country in areas including Brasso Venado, Mohess Road, Belmont, Success Laventille, Cumuto, Mayo, Basterhall and Endeavour; 20 MIC and 6 Hospitality Industry scholarships to students of Mayaro; transportation assistance to school students of Brasso Venado, Los Attajos and Allen Road.

Infrastructure projects: these include electrification projects in Caratal through the National Self-Help Commission; income generating projects in Mohess Road, Brasso Venado and Cumuto. In Success Laventille, in the area of education, we have an after school development programme and homework centre. In Mayaro there is the establishment of a trade school. In La Brea there is the establishment of the pan academy under the tutelage of Pat Bishop and the establishment of a pan sinking company. I have a long list of those areas that are beneficiaries of these programmes, Mr. President, but I will leave that.

Only today, on page 13 of the *Trinidad Guardian* the report of the Determination and Measurement of Poverty in Trinidad and Tobago stated that the level of poverty was 35.9 per cent. At that time Trinidad and Tobago ranked 47th. The Minister of Social and Community Development has indicated that this report was, in fact, a study based on the 1992 survey of living conditions conducted by the Ministry of Planning and Development. More recent studies, notably the United Nations Human Poverty Indices for 1997 and 1998, placed Trinidad and Tobago at the top position among the developing countries. [*Desk thumping*]

In addition, our Government policy in the area of poverty eradication has emphasized community empowerment initiatives and the full participation of communities in development strategies, which impact very directly on the situations of the poor. Such programmes, Mr. President, including those under the purview of our Ministry, are the strategies of the Change Management Unit for Poverty Eradication and Equity Building, the Community Development Division, the National Commission for Self-Help and the Community Development Fund Secretariat of the Ministry of Planning and Development.

As a consequence of these programmes and the drastic reduction in unemployment, currently standing at 11.7 per cent, the level of poverty would have obviously been significantly diminished. A further survey of living conditions was conducted by the Ministry of Planning and Development in 1997 and will soon be finalized. It is expected that this survey will confirm that the Government's poverty eradication measures have been successful.

The SHARE Programme: this programme provides assistance in the form of hampers and referral services to needy families through the network of NGOs. The number of households being serviced is 7,250 on a monthly basis. The annual total is 87,000,000. The number of participating NGOs and CBOs is 113. Disbursement for this programme is \$8.76 million annually. Mr. President, there are also relief centres and there are three operational relief centres servicing a

total of 22,600 persons monthly and 271,200 annually. These three centres are the Spree Simon Co-operative Society, South Port of Spain Co-operative Society and the Trinidad and Tobago Women's Federation.

Mr. President, we in this Government take note of the proverb that we must teach people to fish rather than give them a fish. We know that if we give a man a fish we only feed him for that day but if we teach him to fish he will be fed forever. As a result of that we have put in place a development programme in these relief centres. What we are doing there is developing self-esteem programmes, counselling, lectures and workshops, micro and small business training projects, skills training programmes, cottage industries such as jams, jellies, pastries, preserves and condiments and these are being marketed through shops, offices, groceries, banks, small wholesale traders, et *cetera*. I make a request here that the national community should join with this Government, hand in hand, in a combined effort to alleviate poverty in this country.

In conclusion, Mr. President, let me say that our Ministry is cognizant of the fact that a total quality nation cannot be achieved in isolation and we, therefore, encourage and look forward to working closely with all the social partners, both in the Government and non-governmental sectors and with the nation as a whole. Let me conclude with the quotation that the world is moving so fast these days that the man who says it cannot be done is generally interrupted by someone doing it. This was said by Emerson Fordick. Thank you very much, Mr. President. [*Desk thumping*]

**Sen. Rev. Barbara Gray-Burke:** Mr. President, I crave your indulgence this evening to make a brief intervention in this debate on the Bill, "an Act to provide for the Service of Trinidad and Tobago for the financial year ending September 30, 2000". Before I do so, let me warmly congratulate my colleague, Sen. The Hon. Vimala Tota-Maharaj. Let me also congratulate our new Senator, Hon. Lindsay Gillette. May God walk with them. Now I congratulate Sen. The Hon. Brian Kuei Tung, the Minister of Finance, for presenting a budget that will benefit all the citizens of this country. [*Desk thumping*]

Mr. President, contrary to what I read and listened to on the radio, including what the distinguished Leader of the Opposition had to say, this is one of the best budgets delivered in this House. [*Desk thumping*] Since I have been listening to budgets, I believe it is about 40 years I have taken womanhood upon myself, as a married woman with a family, what I used to hear in budgets under previous administrations was that the price of sugar, rice, flour and gas was being raised. So people were running to purchase these items because these are basic

commodities. Shopkeepers and grocers used to hide the goods in order to make a kill. I remember buying extra gas bottles and kegs of car gas to stock up. So poor people were really suffering in the past.

Mr. President, time gone by, the father of the nation used to be killing us with big speeches and figures too bad [*Laughter*] and the majority of the population could not understand. What they understood was dollars and cents leaving their pockets [*Desk thumping*] because of the high prices that they had to endure. This is what was impacting on their lives. The hon. Minister of Finance has been presenting budgets since 1995, always clear in intent, simple to understand and providing a vision.

As we enter the new millennium, the hon. Minister of Finance must be complimented for removing this mystic of a budget, clearly and correctly. He did not set out to impress the layman, because the layman must understand, with fancy drafts and figures. Mr. President, the 1999/2000 Budget was not wrapped in any mystery. It is the kind of budget presentation that the ordinary people of this country can identify with and understand. This is what is important, to understand. [*Desk thumping*]

**6.00 p.m.**

Mr. President, the budget did not impose any new taxes, nor did it increase VAT, import duties, excise duties or licence fees. Could we dispute that? Instead, the hon. Minister of Finance increased benefits to the government retirees who had not received an increase since 1987. What did the PNM do for the retirees from 1991—1993? I have relatives who were in need. On top of that, he projected a vision for education, health, physical and social infrastructure and agriculture. This has been a budget with a spirit of hope, love, charity, a social conscience and one that is centered and people-based.

This is a Government with a vision. In Port of Spain, every street corner is comfortable now for the disabled to access with their wheelchairs. It was a blessed day when citizens of this country gave this Government a chance so their country could move forward with a vision.

Mr. President, squatting was always something special to me. I remember living in Waterhole and a demolition squad played havoc. When I stood in Arima and saw citizens of this country receiving letters of comfort and in the near future to be regularised, I never thought I would have lived to see that; because the PNM promised to do it, but we in the UNC did it. [*Desk thumping*]



Now, in a quotation, one of my colleagues said, “I am going to give you all a clear picture about Bon Air North.” Probably my colleague did not know what I said to her. About 200—300 of those squatters up there came to my residence. When they came, I told them, “Look here, I will talk to my colleague and see what could happen.” When I talked with her, the meeting was set up—let the Parliament have it recorded—for the Monday morning. That was the Thursday night. Would you believe a breaking squad with two policemen went up there a week ago. These people stoned the police and they had to flee and duck for cover. The same people for whom representation is being made now. All this time, my colleagues were saying, “We will see what could happen.”

On top of that, one woman owned four buildings in there. She told me that herself. Let me put it on record. Another one said the representative told them to go and build. Letters of comfort were being given out. Do you know what they were doing? From July and August of this year, they were erecting shacks like they were going out of style; to embarrass this Government to say that we are so inhumane, we are breaking down.

When I discussed that at the National Housing Authority, some of them built where roads are to pass. Some of them, again, where the recreation facilities are to go. Some built where the school is to be erected. They were so good at the National Housing Authority, they gave them 10 days; 10 days went to 30 days; and they never removed those buildings.

I want to let this august Chamber know that if a place is earmarked; law is law. They were not there from January 1, they, themselves, told this to me. So, much heavy weather is being made in the Parliament that this Government is breaking down people’s houses. It is not as people are saying. The people erected the houses after January 1, so where were they before they built those houses there in July and August? These people are unreasonable and they just want to embarrass this Government.

Senior citizens have benefited from this Government. When a budget like this comes, they can live an affordable life because nothing is new. Life as usual. A sum of \$620 is intact. We must rejoice and be happy. The PNM would say that it would have done it and that the people would have enjoyed it. But, in the oil boom, the people were there with a meagre sum but today they can enjoy \$620 and I say, we in the UNC have simply done it and given the people some kind of peace within the soul; regardless of what anybody might say, the people are enjoying some comfort. [*Desk thumping*]

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Mr. President, I can tell you that there is industrial stability in this country. Why I say this is, between 1995—1999, if my memory serves me right, there was one strike, one lock out. It is because we were able to deepen the tripartite process. The Leader of Government Business, the Hon. Wade Mark and Minister Harry Partap have done a fantastic job. [*Desk thumping*]

I would like to refresh Senators' minds. Public officers had outstanding collective agreements. Christmas was coming, they were grumbling, and I was getting worried. [*Laughter*] I went to my Leader and we decided to talk about it right in this Chamber. He told me, "Look here, Burke, everything is going to be all right." The Hon. Wade Mark was able to guide the process, together with the Chief Personnel Officer, and have these things settled. This Government of National Unity has done yeoman service to this great country. We must not disregard it.

Mr. President, again, I fully support the budget. I am going to commend it to the other side and to the people of Trinidad and Tobago. I feel proud of my Government. I am not interested in any kind of accusation about corruption or no corruption. If there is a problem with corruption, tell it to the police if there is proof. If the police fail you when you make mention of corruption, go to the Director of Public Prosecutions. This Parliament cannot do the police job. [*Laughter*] "Ole talk", "commesse" and bacchanal do not build any country, as Sen. Wade Mark always says.

Mr. President, I thank you for giving me this opportunity to make my contribution. The PNM continues to wallow in an ocean of dreams, always wallowing. They always had something in the pipeline. They always were to do it. They, in the PNM, say to everything we have done, that they had it in mind. They said it, but what I say is, we in the UNC are going to continue doing it.

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

*Motion made and question proposed*, That this Senate do now adjourn to Monday, October 25, 1999 at 10.00 a.m. [*Hon. W. Mark*]

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 6.10 p.m.*