

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE SIXTH PARLIAMENT OF THE REPUBLIC OF
TRINIDAD AND TOBAGO WHICH OPENED ON JANUARY 12, 2001

SESSION 2001

VOLUME 3

SENATE

Monday, September 24, 2001

The Senate met at 10.30 a.m.

PRAYERS

[MR. PRESIDENT *in the Chair*]

APPROPRIATION BILL (BUDGET)

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2002, brought from the House of Representatives [*The Minister of Finance*]; read the first time.

Motion made, That the next stage be taken later in the proceedings. [*Hon. L. Gillette*]

Question put and agreed to.

PAPERS LAID

1. Annual audited financial statements of the National Commission for Self-Help Limited for the financial year ended September 30, 1999. [*The Minister of Finance (Sen. The Hon. Gerald Yetming)*]
2. The Provisional Collection of Taxes Order, 2001. [*Hon. G. Yetming*]
3. The Excise Duty (Tobacco Products) Order, 2001. [*Hon. G. Yetming*]
4. The Excise Duty (Alcoholic Beverages) Order, 2001. [*Hon. G. Yetming*]
5. The Value Added Tax Order, 2001. [*Hon. G. Yetming*]

ARRANGEMENT OF BUSINESS

The Minister of Energy and Energy Industries (Sen. The Hon. Lindsay Gillette): Mr. President, I seek leave to deal with Bills Second Reading at this stage of the proceedings.

Agreed to.

**APPROPRIATION BILL
(BUDGET)**

The Minister of Finance (Sen. The Hon. Gerald Yetming): Mr. President, I beg to move,

That a Bill to provide for the service of Trinidad and Tobago for the financial year October 1, 2001 to September 30, 2002, be now read a second time.

This is a money Bill and was approved in the other place on September 22, 2001. The Bill provides for expenditure of \$15.798 billion, including capital repayments and sinking fund payments under the various Heads as indicated in the Schedule of the Bill.

As was indicated in my budget presentation, the recent terrorist attacks on the United States will have significant economic, political and security repercussions for countries around the globe. While at that time it was much too early to make any assessment of the potential impact of these events on the world economy or on our own domestic economy, developments over the last week clearly indicate that there is going to be immense fallout, the magnitude of which can only be determined with time. Indeed, the uncertainty surrounding the nature of the US response and the nature of the retaliation and counter-attacks by the perpetrators, make any attempt at estimating the potential impact of these events an exceedingly difficult one.

Following the attacks, immediate effects were felt by international airlines stung by tighter security measures and nervous travellers cancelling flight plans. Over the last week, we have also seen significant plunges in world financial markets, notwithstanding interest rate cuts by the US Federal Reserve and major central banks across the world.

In the face of risk and consumer uncertainty about the future outlook, there can be little doubt that the impact of these disruptions will be felt throughout the US economy and beyond by way of sizeable job losses and lower economic activity across several industries. There is even concern that the economic slowdown evident, in the US economy over the last year, may well be transformed into a recession. This notwithstanding, there is a strong view that the US economy is resilient enough to survive the short-term impact of the worst terrorist attack in its history. Balancing the gloomy scenario is the prospect of various relief and stimulus measures aimed at assisting the country in its effort to rebuild its economy.

In the interim we recognize that the events in the global economy have a clear potential for dampening the short-term outlook for economic growth in Trinidad

and Tobago. Given our strong trade links with the United States, a slowdown in the rate of economic expansion in the months ahead seems inevitable.

Trinidad and Tobago, as an export-driven economy, dependent on international sales of its hydrocarbon resources, is sensitive to world economic conditions. The economy has been growing strongly and is projected to expand at around 5 per cent in 2001 and 2002. This outlook needs to be reassessed in light of recent developments in the world economy.

Mr. President, the outlook for the domestic energy sector is not seriously affected by recent events, as most of the output of the energy sector is sold under contractual arrangements. In addition, as a relatively low-cost producer, Trinidad and Tobago is better placed than its competitors to withstand downward fluctuation in prices of energy-based export products. In the case of oil, the likelihood and direction of any price change are unclear.

On the one hand, a declining world economy can act to depress prices, but world oil supplies are now relatively tight and this could help to offset downward pressure. On the other hand, an outbreak of hostilities could lead to a spike in oil prices, but the Organization of Petroleum Exporting Countries has committed itself to oil price stability under such a scenario. On balance, therefore, it appears unlikely that there would be significant changes in oil prices from the current levels. This means that there is little danger to the budgeted oil price of US \$22.

Methanol markets have so far not reacted significantly to recent events. While demand for methanol and its derivatives may be low at present, supplies are also low with ongoing market rationalization reducing supplies in line with the fall-off in demand. Thus, the medium-term outlook for both output and prices, like that of the oil sector, is relatively unchanged.

Under a war scenario, the price of natural gas, like that of oil and petrochemicals, is likely to increase temporarily on account of speculation, but output is unlikely to be disrupted. Thus, natural gas prices are expected to increase only marginally over the next two to three years.

In the case of natural gas liquids, since these are substitutes for crude oil refinery products, they are expected to follow the market for crude oil closely. The prices of these products are thus expected to increase very marginally over the same period.

With respect to the tourism sector, the current difficulties faced by the airline industry in the US can pose further problems, especially in light of the recent pull-

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out of several major airlines from the Tobago route. However, tourism is a relatively small contributor to domestic output.

In the case of non-oil exports, global recession could impact significantly on Trinidad and Tobago by way of a reduction of exports to Caricom. Regional economies, particularly those based on tourism, are especially vulnerable to global economic trends. About 25 per cent of Trinidad and Tobago exports are sold to the Caricom region. Of this amount, approximately 60 per cent represents the non-oil sector. There is, therefore, some level of risk for Trinidad and Tobago from this source.

Overall, the adjusted outlook for Trinidad and Tobago's economy seems slightly threatening in the wake of the events of September 11, 2001 and given the potential global slowdown. Consequently, the 2001/2002 budget fundamentals now appear to be in slight jeopardy.

Mr. President, I will continue to be watchful of events as they unfold, and will do all that is necessary to minimize the fallout to our economy from the shock of September 11. This will include the maintenance of prudent budgetary management to keep expenditure in line with revenue. By virtue of the Exchequer and Audit Act, the Minister of Finance is empowered to limit or suspend any expenditure if, in his opinion, exigencies of the financial situation require such action. I will endeavour to do so, if this becomes necessary.

We can take comfort in the fact though that our economy is on a relatively sound economic footing. Over the last five years we have made tremendous strides in diversifying our economy away from the traditional dependence on specific commodities. While there is a real possibility of a short-term decrease in foreign investment to various sectors, such investment to our petroleum and natural gas sectors is unlikely to be greatly affected.

On balance, the medium to long-term prospects for growth remain cautiously promising. Government recognizes that the aftermath of the September 11 events in the United States has wide-reaching implications and it will not be business as usual.

I wish to assure this honourable Senate that the preparation of this budget for fiscal 2002 took due consideration of developments within the international economy, particularly the slowdown of the US economy and, by extension, the world economy. However, the only recent development that was not fully factored into the budget exercise was the crisis of September 11 mainly because of its timing.

Mr. President, this budget is the outcome of an unprecedented level of consultation with most of the major stakeholders in society and the theme is, "One People, One Nation: Leaving No One Behind". In a broader perspective, this budget is set within a shared 10-year vision for Trinidad and Tobago. This 2010 vision was the outcome of consultations held earlier this year between Government and our social partners, labour, business, various non-governmental organizations including the Inter-Religious Organization.

This shared vision is for this country to become a knowledge-based society with a globally competitive, technologically driven and diversified economy that will sustain full employment, equal opportunity, growing prosperity, a secure life and a higher standard of living for all our citizens. Each successive budget during this five-year period will move us closer to achieving this vision. This budget will focus on driving the growth and expansion of the non-energy sectors, the development of our human resources and addressing the needs of the most vulnerable groups in society: the elderly and the socially displaced.

I now turn to the policy agenda that will set the tone for achieving our vision for Trinidad and Tobago and create an environment in which no one is left behind. The budget for the next fiscal year has been prepared using an oil price of US \$22 per barrel. Consequently, total revenue for fiscal 2002 is estimated to be \$15.8 billion, some \$2.17 billion higher than that budgeted in fiscal 2001. Total expenditure is estimated at \$15.798 billion or 17.5 per cent higher than that estimated for the last fiscal year. Nevertheless, based on our estimates of total revenue and total expenditure for the next fiscal year, we expect to achieve a small fiscal surplus of \$2.9 million, which effectively translates to a balanced budget.

As part of our overall reform of the public service, to make the tax system more efficient we have embarked on a total reform of the Inland Revenue Division. In this regard, several initiatives will be undertaken. A dedicated project team has been appointed to target individuals and entities that do not pay their taxes. A tax fraud investigation unit will be established to deal with fraudulent declarations. An inspection unit will be set up within the Inland Revenue Division with a view to preserving the integrity of the staff and the establishment of a tax court will be pursued.

In addition, we propose shifting the payment dates with respect to value added tax and other taxes, except PAYE and health surcharge, as well as increasing the rate of interest payable by the Board of Inland Revenue on refunds of overpayment of income tax and corporation tax, from 4 per cent to 10 per cent per annum.

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With respect to VAT refunds, an interest payment of 1 per cent per month is applicable. I also propose to amend the VAT Act so that only services that are currently physically performed outside of Trinidad and Tobago will be zero-rated. Services provided to any foreign or local recipient in connection with real or personal property situated in Trinidad and Tobago will now be standard-rated. In addition, a late-filing penalty of \$100 per month for every month that a VAT return remains outstanding will be imposed. Also, the law will be amended to give the Board of Inland Revenue the power to raise an assessment within six years after the end of the tax period for which the assessment relates, or within three years of the filing of the return, whichever is the later.

In this fiscal year, we will continue the reform of the Customs and Excise Division. The projects to be undertaken will expedite processing of import declarations and random cargo examination, allow for speedier clearance of goods and provide an improved payment system through the debit card system.

To improve transparency in the Customs and Excise Division, a regulatory audit unit has been designed to complement the post-clearance initiative employed since January of 2000. A cargo vessel tracking system is currently being developed and a new cargo clearance system and cargo examination teams will be introduced.

By the end of this fiscal year, the Revenue Stabilization Fund will contain a cumulative figure in excess of TT \$1 billion. In the coming fiscal year, 60 per cent of the excess revenues from the petroleum taxes will be allocated to the Revenue Stabilization Fund, 20 per cent will be directed to the Consolidated Fund and 20 per cent will be used to finance a part of the Government's dollar for dollar plan. It is, however, not the intention that excess oil revenues permanently fund the dollar for dollar plan, as progressively this programme will be financed as part of recurrent expenditure.

The dollar for dollar education programme fund was created under section 43(1) of the Exchequer and Audit Act. Moneys will be expended only for the purpose of the programme from the fund. The Ministry of Finance will issue warrants for the withdrawals from the fund based on requests from the Ministry of Human Development, Youth and Culture—the administrators of the programme—to settle claims from accredited institutions only. In addition, the dollar for dollar fund is a public account subject to examination by the Auditor General.

With respect to the Revenue Stabilization Fund, the intention is that the excess revenues in the fund will serve as a buffer in case the country is affected by a fall in petroleum prices.

I now go on to deal with the issue of legitimate contracts. Strict measures will be taken by the Ministry of Finance to have all state agencies include in their contracts, clauses regarding penalty interest and the timing of payments for services provided by local contractors and suppliers. Accordingly, government ministries and government-controlled agencies will be charged a penalty of 1 per cent interest per month on outstanding balances after a 30-day grace period on all new legitimate contracts.

Trinidad and Tobago's monetary policy will continue to be supportive of low inflation, a stable and competitive exchange rate and further strengthening of the foreign reserves position. While our banking sector remains sound, well capitalized and competently managed, we have to ensure the integrity of the entire financial system.

Within the next 15 months we will bring all insurance companies and pension funds under the direct supervision of the Central Bank. Following this, a study will be carried out to determine the feasibility and mechanisms to bring in other non-bank financial institutions, including credit unions, under the supervision of the single regulatory authority.

As I mentioned in the other place, this Government is very committed to protecting the savings of all credit union members. In this regard, the Ministry of Finance is currently drafting legislation for regulating and supervising the financial activities of credit unions, including provision for the guarantee of member savings similar to what exists under the Deposit Insurance Corporation. It will be irresponsible of me to allow credit unions, as a whole, to expand the range of their services, until I am satisfied with their financial condition and that the appropriate regulatory and supervisory regime is in place.

10.50 a.m.

Mr. President, some aspects of the fiscal regime governing insurance business are, to some extent, outdated.

In the new fiscal year, I propose to remove some of the nuisance taxes and processes. To this end,

- Beginning January 2002, a new approval process will be introduced to eliminate the need for annuities to be individually approved by the Board of Inland Revenue;
- Stamp duty on life insurance policies and annuities will be removed;

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- The discretion to refund insurance premium taxes, which is currently vested in the President will be conferred on the insurer; and
- An amendment will be made to the Insurance Act to give the Board of Inland Revenue the power to waive interests, to waive or reduce penalties and interest with respect to the Insurance Premium Tax and to audit insurance companies to ensure that the current insurance premium taxes are remitted.

Mr. President, market discipline is essential for the smooth functioning of our capital market. Accordingly, Government will:

- Commission a Central Securities Depository and implement a system of electronic trading on the Stock Exchange;
- Implement international standards for reporting and information disclosure, inclusive of listing standards and will facilitate the adoption of a code of good corporate governance practices; and
- Amend the Stamp Duty Act to provide for the payment of a 5 per cent stamp duty on the underlying market value of share transfers executed off the floor of the Trinidad and Tobago Stock Exchange.

Mr. President, Government is very committed to improving the rate of national savings. To this end:

- A reconstituted pension reform team has been appointed by Cabinet to deal with the country's fragmented pension system, the issue of pension fund surpluses in our occupational pension plans and quantifying Government's pension liabilities for public sector employees;
- Some of Government's indirect shareholdings in the Atlantic LNG and Phoenix Park will form part of the next tranche of National Enterprises Limited's shares issued on the Stock Exchange; and
- The 5 per cent tax on interest income will be removed.

Mr. President, the energy sector continues to be the backbone of the economy. In fiscal 2002, the following are expected:

- The development of a Master Plan for Natural Gas;
- Start-up of LNG Train 2 in the fourth quarter of 2002 and Train 3 by the second quarter of 2003;

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- Construction of the Atlas Methanol plant before the end of 2001;
- Start-up of the Caribbean Nitrogen Company (CNC) Limited ammonia plant by June 2002; and
- An investment decision for the establishment of additional ammonia facilities.

Mr. President, a total of US \$2.8 billion in direct foreign investment in this sector is expected in the coming year.

Work is in progress on several other energy and energy-based projects including:

- an Ethane Based Petrochemicals Complex;
- an aluminum smelter plant;
- a commercial scale gas to liquids plant;
- development of a cross border field jointly with Petroleos de Venezuela on the south-eastern coast of Trinidad;
- initiation of a new Competitive Bid Round involving seven blocks on the south and east coasts of Trinidad; and
- a 2D Seismic Survey in the deep waters off the east coast of Trinidad.

In addition, Mr. President, a Cabinet-appointed Committee has been established to make recommendations for changes in the fiscal policy regime for the energy sector.

Mr. President, notwithstanding the positive developments in the energy sector, Government's aim is to progressively reduce the dependence of the national economy on oil, in order to minimize our exposure to international oil price volatility.

Accordingly, in order to deepen the process of diversification, a multi-pronged approach consisting of five key drivers has been identified in this budget.

The first driver is the construction of a National Science and Technology Park at Wallerfield. This involves an initial investment of \$55 million this year, which moneys have been allocated in the Public Sector Investment Programme (PSIP).

Key activities to be undertaken in this park include the establishment of call centres and back office operations, facilities for undertaking pharmaceutical and biotechnology research and providing software and computer-related services.

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The second driver involves the development of a one-stop-shop for the agricultural sector together with additional investment in infrastructure and a package of incentives to stimulate growth in this area.

Mr. President, Government will incorporate a new organization, the Agricultural Development Corporation, to provide technical services to operators in the sector, issue guarantees in respect of agricultural loans to commercial banks, manage the regime of fiscal incentives and secure opportunities and facilitate business development.

This package of incentives has been enhanced to include:

- tax exemption in respect of interest on approved loans; and
- an initial capital allowance of 60 per cent, or tax deduction of 25 per cent of approved new capital expenditure for approved agricultural projects.

In addition to the above, the following will be undertaken:

- a \$21 million programme for repair and rehabilitation of agricultural access roads;
- acceleration of the land tenure regularization programme to facilitate greater access to credit to small farmers;
- establishment of a Research Fund to target projects geared for commodities and production management systems;
- provision for water management and flood control infrastructure; and
- operationalization of the Disaster Relief Fund to provide relief to farmers affected by adverse weather conditions.

The third initiative entails the development and promotion of Trinidad and Tobago as a major hub for conference tourism in the region. This initiative involves the construction of an International Conference Centre, consisting of a 400-room Marriott Hotel, an improved Breakfast Shed, a National Centre for the Performing Arts; a shopping complex; the Association of Caribbean States office tower; office buildings; and a 1,400 space car park.

Since the tragic events of September 11, the Marriott has reaffirmed its commitment to the project.

The fourth driver involves the construction of housing, commercial and service facilities including a cineplex and a world-class cardiac centre at Invaders' Bay.

The cardiac centre will provide the necessary impetus for promoting Trinidad and Tobago as a health tourist destination. Steps are being taken to establish the necessary framework and incentives for attracting private sector investment.

The fifth driver is the provision of further incentives to the manufacturing sector to facilitate re-tooling, expansion and new investment within the sector. These incentives are:

- Expansion of the First Schedule of the Income Tax (In Aid of Industry) Act to include all manufacturing activities;
- Increase in the initial allowance relating to machinery and plant under the Income Tax Act from 50 per cent to 60 per cent;
- Reclassification of Baker's Plant from Class A listing to Class B, increasing the applicable wear and tear allowance from 10 per cent to 25 per cent; and
- A reduction of the existing corporation tax rate of 35 per cent to 34 per cent.

While this rate of reduction may appear to be small at 1 per cent, this will, in effect, release approximately \$60 million to the corporate sector, and furthermore, it is simply a point in the direction in which the Government will wish to take the rate of corporation tax, and ultimately, Mr. President, the objective is a rate of 30 per cent.

In addition, Mr. President, Government in consultation with the business community will, as a matter of urgency, review and streamline the provision of the Income Tax (In Aid of Industry) Act to promote research and development activity and the development of the range of support measures for the manufacturing sector.

Mr. President, as part of our overall diversification thrust, we will also institute measures to assist other non-energy sectors of the economy. As regards the micro, small and medium-sized businesses, access to finance is the most pressing concern. In an effort to redress this issue, in the coming fiscal year, subventions of \$4.2 million and \$4 million have been allocated to FUNDAid and the Small Business Development Company respectively.

This is to complement the activities of other organizations such as the Development Finance Company.

Further, Government will review the Venture Capital Act during the first quarter of the fiscal year with a view to more effectively addressing the needs of small businesses.

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With respect to the tourism sector, Government will inject \$30 million per year over a three-year period to promote Trinidad and Tobago as a preferred tourist destination. A strategic plan for the sector will be developed and legislation will be amended to encourage local investment in the sector.

In the coming months, consultations will take place between the Tobago Chapter of the Trinidad and Tobago Hotel and Tourism Association and Tidco to facilitate the development of strategic alliances between the airline industry and overseas tour operators. This takes on added significance as a result of the September 11 crisis.

In an effort to encourage the promotion of international sporting events, we will implement the tax allowance of 150 per cent of actual expenditure incurred up to a maximum of \$300,000 to those companies willing to provide financial assistance to sportsmen and sporting activities.

Mr. President, in an effort to bridge the technological divide, Government will fast-track certain elements of e-commerce development over the next year. Five Community Internet Access Centres as well as home-based Internet kiosks will be established to provide Internet and e-business access to persons in rural communities.

Two other initiatives, "EnterpriseNeTT" and TTedu-online would also be launched to provide small business persons with necessary e-commerce facilities.

Mr. President, our agenda for infrastructure development will involve the expansion of the nation's road network, the modernization of all our urban areas and seaports, and the expansion of the telecommunications sector. These initiatives will be complemented by:

- The further expansion of the Port of Point Lisas;
- Reconstruction of the jetty at the San Fernando Waterfront;
- Purchase of a new inter-island vessel;
- Operationalization of the desalination plant; and
- Rehabilitation of existing buildings and the construction of new public buildings.

Mr. President, I want to clarify a statement made in the other place. A total of \$45 million is earmarked for refurbishment of a number of public buildings including the replacement of the roof of the Red House.

Mr. President, I have attempted to meet the needs of the Tobago House of Assembly (THA). For the new fiscal year, we have allocated \$598 million from recurrent expenditure and \$110 million from the Capital Programme to Tobago.

Mr. President, we have also agreed to allow the THA to access grant resources from multi-lateral financial institutions as well as to raise loans, but under specified conditions still to be determined between the Government and the THA.

Under the Capital Programme, Government has allocated \$14 million for the construction of three new primary schools—the Scarborough Methodist, Buccoo Government and Castara Government, and \$12 million for the completion of the Mason Hall Government Secondary School.

In addition, an allocation of \$300,000 has been made for the refurbishment of six community centres in Bon Accord, Bethel, Lambeau, Pembroke, Mount St. George and Patience Hill.

Mr. President, in order to provide a higher quality of education, in fiscal 2002, among other things, we will:

- Maintain our programme of construction and upgrade of our educational institutions as well as the supply of equipment to schools.
- Provide school books, transportation services, and security at high-risk schools as well as computers in primary schools.
- Expand the existing school meals programme to include a pilot breakfast project.
- Operationalize, on a phased basis, the local school boards as well as tighten supervision at all levels in the nation's schools.

With regard to the Students Revolving Loan Fund, Government will grant a moratorium and waive all interest due on principal to date, on condition that the principal amounts are repaid within the time frame from September 14, 2001 to June 30, 2002. Thereafter, the services of a debt collection agency, with international affiliation, will be engaged to recover the debt owed to Government.

Mr. President, a committee has been set up to review the operations of the Students Revolving Loan Fund and the University Students Guarantee Loan Fund Scheme with a view to rationalizing these facilities in the context of the dollar for dollar plan.

Mr. President, making quality health care available and accessible to all is a priority of this administration. This year we will spend \$130 million under the continuing Health Sector Reform Programme.

We will also continue our hospital upgrade programme, with improvements at the Point Fortin Hospital, the Scarborough Hospital, and the Mayaro and Couva District Hospitals. In addition, 17 new facilities will be constructed to service communities such as Toco, Cedros and Success Village, Laventille.

Mr. President, apart from the Health Sector Reform Programme, Government has allocated a further \$10 million under the Capital Programme for addressing the backlog of maintenance needs at the major hospitals throughout Trinidad and Tobago.

Under a special programme for chronic diseases, \$2.5 million will be provided to increase the number of dialysis machines and a similar amount will be made available for the treatment of adult cardiac disease.

Mr. President, given the scale of the programme required to reverse the current HIV/AIDS trend, the Ministry of Finance in collaboration with the Ministry of Health will be putting measures in place to access funding under the World Bank's Caribbean Multi-country HIV/AIDS Prevention and Control Programme. For fiscal 2002, Government will provide \$10 million to effectively begin an all-out assault on HIV/AIDS.

Mr. President, with respect to alcohol and tobacco, the following measures will apply:

- A 15 per cent increase in the excise duty on tobacco products, the import duty on tobacco products of Common Market origin, and the tobacco tax on extra-regional tobacco products, respectively;
- Of the revenue generated \$2 million will be allocated to the Cancer Society and \$8 million to the Ministry of Health for cancer treatment;
- A 15 per cent increase in the excise duty on locally manufactured rum, beer and other alcoholic products and a similar increase in the import duty on rum, beer and other alcoholic products of Common Market origin; and
- A 30 per cent increase in the import duty on rum, beer and other alcoholic products from extra-regional sources.

In addition, Mr. President, the legislation would be amended to restrict the sale of alcohol to persons under the age of 18 years. Persons who are found in breach of the law will be liable to a fine of \$2,000 and have their liquor licence revoked for a period of one year.

With respect to liquor licences, I wish to advise that the Liquor Licences Act will be amended to clarify that an applicant for a new licence or the transfer or renewal of an existing licence, can appear before the Licensing Committee in person or by an attorney-at-law. This amendment, however, does not remove the court's inherent jurisdiction to require a person to attend before it where it deems it necessary.

Mr. President, with respect to tobacco, the age limit at which cigarettes may be sold will be raised from 16 to 18 years. Persons who are found in breach of this law will be liable to a fine of \$2,000.

Mr. President, all establishments that sell alcohol and/or cigarettes, will be required to post visible signs on their premises stating that alcohol and/or cigarettes will not be sold to persons under the age of 18. Persons who are found in breach of this law will be liable to a fine of \$400.

Mr. President, while some members' clubs operate quite legitimately, others have become full-blown casinos. These clubs enjoy substantial profits but pay no corporation tax. They are taxed only on the gambling tables and other devices. As a result, I propose to increase the taxes payable on gambling tables and other devices by 100 per cent.

Mr. President, later this year, Government will begin to provide some 30,000 housing solutions for low and middle-income families under Project HOME over the next five years. As part of the project, 25 lots of land will be granted to Habitat for Humanity and a similar quantity to two non-governmental organizations for the construction of low-income housing for poor families.

Mr. President, we cannot allow the indiscriminate occupation of lands to continue. Accordingly, our anti-squatting measures will now take effect, and persons who have illegally occupied State lands after January 01, 1998, or those who are still literally "grabbing" lands that are not theirs, will have to bear the full brunt of the law.

Mr. President, in fiscal 2002, Government will increase the physical tools for crime fighting. In this regard, we will:

- Purchase 100 new vehicles for the police service;
- Construct new police stations at Gasparillo, Brasso, Arima, Belmont, Matura, Besson Street, Matelot, Manzanilla, Piarco, Oropouche, Roxborough and Old Grange in Tobago;

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- Undertake major refurbishment works on the police stations at Couva, Chaguanas, Penal and the Old Police Headquarters on St. Vincent Street, in Port of Spain; and
- Expand the E-999 Communication System.

Apart from increasing the number of vehicles and upgrading physical and communication infrastructure, Government will commission studies aimed at developing a fuller perspective on the state of crime in Trinidad and Tobago. A research project will be undertaken by the Government, in collaboration with the Centre for Criminology and Criminal Justice, to identify exactly how many of our prisoners are in fact repeat offenders, and will attempt to categorize them in terms of family background, offences, age, sex and educational level. Attempts will also be made to identify the scope for rehabilitation and the training skills required for building civility. With respect to youth deviance and delinquency in schools, a similar project will also be undertaken by the centre.

Prison overcrowding will be further alleviated in fiscal 2002, with the commissioning of a women's prison at Golden Grove, improvement of facilities at the Youth Training Centre, and the expansion of the Golden Grove inmates dormitory.

11.10 a.m.

Mr. President, I now turn to matters affecting the environment. Government is currently examining a proposal to establish a National Solid Waste Management System, which would include recycling and composting elements. In addition, we are exploring the feasibility of establishing a Hazardous Waste and Wastewater Treatment Facility.

During the coming year we will also implement a programme for the establishment of a system of national parks and for the conservation of Trinidad and Tobago's wildlife resources. This programme will include the establishment of a National Parks and Wildlife Conservation Authority and the declaration of three national parks at Matura, Maracas, and Main Ridge in Tobago.

In the coming year, legislation will be drafted and the accompanying measures put in place to manage pollutants such as vehicle emissions and other hazardous wastes. As a first step, during the next fiscal year, a new grade of unleaded gasoline will be introduced that will eventually replace the "super" and "regular" gasoline available at present.

Mr. President, this year I am pleased to announce one project that I feel will go a long way towards preserving and protecting the aesthetic appeal of our country.

Government will work with a designated NGO and will provide \$3 million in support of a “Tidy T&T” project to be launched later this year.

With respect to the Green Fund Levy, for fiscal 2001/2002, the following measures will be instituted:

- The environmental levy paid by a company in a year of income will be reduced from 0.1 per cent to 0.075 per cent;
- Additionally, an amount not exceeding 20 per cent of the annual receipts under the Green Fund Levy, will be allocated to the Environmental Management Agency to finance expenditure in carrying out the purposes of the Environmental Management Agency, other than its operational expenses;
- The Green Fund Board will be expanded to include three (3) environmental related NGOs and or community-based organizations; and finally
- The management of the Fund will be removed from the Green Fund Agency to the Treasury. This shift would ensure greater control and management with respect to the disbursement of funds.

Mr. President, the carnage on our nation’s roads is a cause for much concern. In an effort to minimize the loss of lives on our nation’s roadways, Government will:

- Introduce a mandatory curriculum for all private driving schools; and
- Cease the registration of imported completely knocked down and semi-knocked down vehicles.

However, the industry will be given a six-month grace period in which to sell-off existing stock of reassembled motor vehicles. In addition, all vehicles, including taxis, will be allowed to be imported as completely built-up vehicles or roll-on, roll-off vehicles.

Mr. President, our country can benefit immensely from the widespread cultural expressions and diversity that exist within our society. In the new fiscal year, we will:

- Finalize plans for the construction of a Millennium Cultural Complex;
- Establish a centre for the performing arts, in addition to that situated at the International Conference Centre, and complete the renovation of Queen’s Hall;

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- . Enforce legislation to protect our authors and copyright holders from illegal commercialization of their works;
- . Grant a tax deduction of 100 per cent of actual expenditure up to a maximum amount of three hundred thousand dollars (\$300,000) to companies involved in sponsoring local educational and entertainment productions; and
- . A tax deduction of 100 per cent of actual expenditure incurred in making such productions up to a maximum amount of three hundred thousand dollars (\$300,000) to companies that produce local educational and entertainment productions.

Mr. President, to increase the disposable income of taxpayers, the following fiscal measures will be instituted:

- . Reduction of the individual income tax rate bands from 28 per cent to 27 per cent; and 35 per cent to 34 per cent. It is our intention to further reduce individual income tax rates in the future if economic circumstances allow.
- . Removal of VAT on salted fish, deodorant, toothpaste, feminine napkins, tampons, bath soap, laundry soap in bars, including blue soap, as well as baby and adult disposable diapers. We are convinced that poor people will be assisted by this measure.

Mr. President, cognizant of the fact that VAT is a regressive tax, that is, it has a greater impact on poorer people, next year I intend to undertake a careful review of the VAT exemptions and zero-rated items with a view to rationalizing the list and possibly reduce the rate of the VAT to make life easier for the poor.

Mr. President, poverty remains at socially unacceptable levels. As a result, Government will increase and expand programmes aimed at alleviating this situation.

In this fiscal year a micro project fund and a micro credit fund will be established, utilizing grant resources from the European Development Fund. Approximately TT \$34 million will be available over a six-year period for the financing of community-based social services and micro-enterprise initiatives.

This year, Government will implement a number of projects aimed to deal with the vulnerable members of our society:

- . With respect to the homeless, a new permanent shelter will be constructed in Eastern Main Road, Laventille. This facility will

replace the Riverside Car Park Shelter. In the coming year work will also begin on a similar facility in Chaguanas, while plans for an Arima centre will be further developed.

- . With respect to street children and orphans, Government will support the SOS Children's Village Project by contributing land, as well as a monthly subvention for the payment of salaries for the housemothers and purchase of various supplies. The first SOS Children's Village will consist of 10 houses in close proximity.
- . Government will also support the establishment by CREDO, of a home for young women at risk, including destitute girls. In addition, funding will be provided under the Public Sector Investment Programme for the refurbishment of the St. Michael's Home for Boys.
- . The disability grant will be increased from \$520 per month to \$600 per month for the physically challenged.
- . Hearing aids will be supplied free of charge to all hearing impaired persons who are so assessed by DRETCHI.
Ten apartments will be provided to the shelter for battered women.
- . The Male Support Programme of the Ministry of Community Empowerment, Sport and Consumer Affairs will be expanded.
- . The tax on maintenance allowance, separation allowance and alimony payments in the hands of the recipients will be removed and the entire process by which such allowances are paid through the Magistrates' Court will be reviewed.
- . With respect to senior citizens:
 - . The 6 per cent insurance premium tax for individuals 60 years and over will be removed.
 - . The personal tax allowance will be increased from \$30,000 to \$36,000 for taxpayers 60 years and over.
 - . Bus service will be provided to all individuals over 60 years on all PTSC buses on all routes at any time, any day; and finally
 - . Old age pension will be increased by \$80 dollars for all pensioners. Pensioners who currently receive \$720 per month will receive \$800 per month and pensioners who receive \$620 per month will now receive \$700 per month.

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Mr. President, with respect to the arrears owed to public servants, the quantification of the total debt owed to public servants is being finalized. In this regard, I am hoping that the arrears of increment to the affected public servants will be settled during the next year based on negotiations between the Government and the various trade unions, and I have made adequate provision for this.

Mr. President, today I have set in motion a range of activities, based on a vision for Trinidad and Tobago, to achieve the goal of making our country a better place for all.

Mr. President, I beg to move.

Question proposed.

Sen. Danny Montano: Mr. President, on the last occasion, two days ago, after I spoke on a finance matter, when the Minister responded he said I spoke for half an hour and said nothing. Well, Mr. President, he should know, he is the expert. Friday before last he spoke for three hours and we got nothing. He has managed this morning to condense the three hours into 40 minutes. I have been much relieved by that. What he said did not warrant more than 40 minutes if, indeed so long.

Fortunately, we in the Senate do not have a vote on the budget. It comes to us as a matter of history and we debate the measures, but we do not have a vote. Whether we vote in favour of this Bill or not, it does not really matter. It is law as of now and that is a good thing because I certainly could not support this budget. As I said last year and the year before that, and I say again this year, my primary difficulty with any of the budgets of the UNC administration is a question of trust. I cannot trust placing \$17 billion into the hands of the UNC administration because I have very strong reservations as to whose pockets it may end up in. That is the problem that I have. We see, in fact, that there are significant revelations coming out almost daily as to the indiscretions of the Government, some of its Ministers and certainly some of its appointees in the State sector.

11.20 a.m.

Mr. President, with some of the recent revelations, I would venture to suggest that it goes right to the top of the UNC administration. When we are looking at the fact that we are supposed to authorize the expenditure of some \$17 billion all told, I think that this Government has forfeited its right to govern. It has forfeited its right to spend \$17 billion of the people's money.

Mr. President, the hon. Minister, when he made his presentation in the other place, omitted, of course, to give us the fundamentals—the background—against

which his budget had been prepared. He sought to do so this morning, and he did so, quite briefly. He is only now beginning to mention that there is, in fact, an economic slow down in the rest of the world, and specifically in the United States of America which is our major trading partner. He is only now beginning to mention that, and that fact, however, existed long before the events of September 11, 2001. While it is true that the events of September 11, 2001 could not be predicted—and certainly the ultimate effects of that cannot even now be forecasted with any degree of accuracy—we knew that the world was looming on the brink of a recession, if, in fact, the world is not already facing a recession.

What did the Minister do? The Minister makes his allocations as if the rest of the world somehow is not relevant to Trinidad and Tobago. It is only this morning that he makes passing reference to the looming global recession, and he says that the projected growth now must be revisited. I can appreciate that nobody has a crystal ball; I can fully appreciate that, and I can fully appreciate that, as Minister of Finance he must base his estimates on something; he must start somewhere, and I do understand that, but in so saying, and in saying that he has forecasted his budget based on an oil price of \$22, what he has not said is that if he has to cut back; if he has to put the brakes on, where is he going to put the brakes on—in health, education, crime or theft? Where is he going to put the brakes on? I would like to know, because without knowing that, I do not know exactly where and what the budget for the next year actually is going to look like.

The Minister went on this morning to say that oil from Trinidad and Tobago is the subject of contracts and so on, and therefore is not as volatile as the world market might suggest, and that oil revenues should stay somewhat static. In so saying, he says that he has forecasted his revenues on the basis of \$22 a barrel. Mr. President, I do not quite understand that statement, because this is what we are looking at. For the financial year ending September 30, 2000—this is last year—the actual revenue from oil companies—now this is taxation revenue, so this is the tax on their profits; this is not royalties—was \$2.4 billion. We know that the average price of oil during that year was well in excess of—or \$22 a barrel. We know also, because we were here last year, when the former Finance Minister budgeted for the present financial year at the same \$22 a barrel, and he then forecasted, I think quite accurately, that based on \$22 a barrel, the taxation from oil companies would be \$1.8 billion, not the \$2.4 billion he had actually received in the year 2000.

So that was reasonable. The revised estimate for 2001 is \$2.6 billion. Then we know, of course; we know for a fact, that the revenues are significantly higher than what was estimated. The Minister of Finance says he is going to put some \$600

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million of the surpluses into the Revenue Stabilization Fund, but the point of the matter is, the taxation revenues were budgeted to be \$1.8 billion and actually realized with \$2.6 billion. Now that is what we would expect. But the budget for this year is the same \$2.6 billion. Now how can you have that if your budgeted price of oil is the same \$22?

The point of the matter is, maybe that is so, but give us the explanation. How is it that he has managed to estimate his oil taxation revenue at \$2.6 billion, identical to what he actually has realized for the present fiscal year, when the two revenue numbers are not the same? It does not make any sense. Until he explains it—and I have chastised the previous Minister of Finance for bringing a volume of documents with numbers and giving us, really, no explanations for how some of the numbers are arrived at, and I would deal with some of the numbers a little later on.

In the other place, the Minister made a three-hour speech that was full of boasts and promises, talking about budgets and mega projects, projects of \$1.2 billion in the foreshore area, and so on, and even here, his contribution in both places is woefully short of the level of analysis that is required by the Minister of Finance of, not only the world economy, but where our economy sits in reference to the world economy [*Desk thumping*] and a comprehensive analysis of our local economy. Where are the strengths and weaknesses of our local economy? What sectors of our national economy are threatened by the world recession? Therefore, which areas of the national economy need the greatest level of incentives and support from the Government sector? We have had no analysis, no discussion, and we have had, furthermore, no projection as to the areas that need support.

Any budget has got to have a comprehensive set of assumptions behind it; fundamental assumptions on which you have based your budget. He has given us one, and that is the budgeted price of oil is \$22 a barrel. He has given us that one assumption. But in terms of borrowing, he is looking again, according to the numbers that I have looked at, to finance a further TT \$2 billion, at least translated into TT dollars. But what he has not said is where the money is going to come from. Is he going to borrow it locally? Or is he going to borrow it from abroad?

Now there are significant factors involved there, because where he borrows the money from has a direct relationship to the relative strength of the currency and to the flow of the currency.

11.30 a.m.

Secondly, Mr. President, to borrow abroad is usually less expensive than it is to borrow locally. Interest rates here, in Trinidad and Tobago, are higher than they are

abroad but, on the same point, we have a liquidity situation that is building up in the commercial banks that nobody seems to be able to address. We have a relatively volatile situation building up with the exchange rate and we do not quite know where that will go. We have had no statement from the Minister as to where he feels the exchange rate should go. Should it be supported at its present level, should it go back to the level where it was, or should he allow the currency to appreciate in value as opposed to other currencies? He has made absolutely no mention of that in terms of the support or lack of support that he intends to give to the exchange rate. I have difficulty with that.

Mr. President, the exchange rate is the very lifeblood of this economy. Our local manufacturers depend on the existing level of foreign exchange and it has given our local manufacturers a significant competitive advantage over our neighbours; not only in the Caricom market, but in South America as well. It has allowed us to be able to get into the international market place, therefore, an uncontrolled rise of the foreign exchange is not necessarily such a desirable thing. On another hand, it may have beneficial effects because it would, of course, tend to reduce the cost of living. The fact of the matter is, I can only sit here and speculate as to what Government's policy is. That is the point. Are we to stand here and speculate? We have no statement whatever from the Minister about the rate of foreign exchange.

Sen. Ryan: Mr. President—

Sen. D. Montano: He will have enough time to speak, I am not going to give way. When you are ready to make your contribution you can do so, you have an hour.

Mr. President: Excuse me, both of you cannot be on your feet at the same time. If you want to take issue, when you rise say "Point of order", or ask for an explanation, in which case, if it is a point of order, the Senator speaking must give way; if not, he has the right to say he is not giving way.

Sen. D. Montano: Thank you, Mr. President.

Mr. President, instead what we got from the Minister was not really a budget. What we got was a political statement. [*Desk thumping*] It was a drawn-out political statement. It did not deal with a diagnosis of the ills of the economy and then a prescription for putting things right. It was a long-winded political statement.

I am aware that the hon. Minister must have ambitions with regard to politics. I remember, once upon a time, he was an ardent supporter of the People's National Movement and then he became an ardent supporter of the NAR and now he is a supporter, of course, of the UNC. It seems to be that—

Mr. President: Senator, do not get involved in personalities, please.

Sen. D. Montano: Thank you, Mr. President.

I am saying nothing, so Senators can relax and enjoy the little that I have to say. The additional time that the Minister spent speaking, added nothing to the clarity or the understanding of the citizens on what the Government is trying to do with the local economy. He has spent the three hours, and another 40 minutes here, and we are really no further ahead. His statement is a hodgepodge of ideas and programmes that really bear no relationship to the budgeted numbers or stated policies, much less, the economic realities of the day. It was just a hodgepodge of programmes and ideas and there is no relationship or cohesion as to what the fundamental policies of the day should be, much less are.

Mr. President, with regard to his statements on oil, I would just like to read a report coming out of London in the *Business Guardian* dated September 13, 2001:

“Output from 10 OPEC members with quotas, excluding Iraq, edged up 260,000 bpd to 25.22 million, according to...”

Opec officials.

“That put the group 1.02 million bpd in excess of official limits...”

Over one million barrels in excess of the official limits.

“Extra leakage last month was noticeable from Saudi Arabia and Nigeria...Saudi’s extra 225,000 bpd puts it nearly three per cent over quota, Nigeria’s 227,000 bpd puts it 11 per cent above quota...”

Mr. President, Iraq’s output in August was lifted by the UN and it rose to 2,000,000 barrels, up 700,000 barrels from the previous month.

Mr. President, in the light of that—I know that Opec is supposed to meet again very soon—and in light of the fact that the initiatives to control the prices have come largely from Venezuela and Saudi Arabia, the Saudis themselves are breaking the quotas. What are we likely to face? I would venture to suggest that there has been some recklessness in the preparation of the budget without sufficient regard to international events. Furthermore, the Minister speaks about a whole bunch of new projects: gas to liquids plant, ethylene, ammonia. These plans are going to have no effect on the national economy within the next fiscal year. None! I am not saying that they are not good ideas, yes, of course. I am not saying they will not add to the national economy at some point, but the reality is, how many individuals will be employed on a long term basis by these measures? Yes, it is to use the raw

materials that we have, it will use the natural gas, but that is down the line. What we want to hear about is what is going to happen over the next 12 months.

Mr. President, in the face of the rise in liquidity in the banking system and the amount of capital that is obviously available for investment, I heard no incentives for the creation of indigenous investment other than the initial allowances given to manufactures, and I will deal with that a little later on. There are no incentives for investment.

You ask the Trinidad and Tobago Manufacturers Association how many new industries or manufacturers, locally owned, have started within the last five years other than in the petrochemical sector? How many new manufacturing operations have started?

Mr. President, what is important is to present policies and measures that are going to stimulate indigenous, sustainable investment and growth that will, in turn, generate sustainable long-term employment. That is what is necessary. We have heard nothing about that, not a word. While the Minister has said that he is going to promote savings and he has removed the tax on interest on bank accounts, the fact of the matter is that he has done nothing and the opportunities are there. He has done nothing to engender and to foster the creation of wealth at all levels. He has done nothing to widen the private sector equity market. There are opportunities there, and if you think that we on this side do not have ideas as to what should be done, he is mistaken. We have many ideas.

In terms of the controlling of inflation, since January, 2000 to now, inflation in food is 16 per cent—just in food. For the working classes more than anything else, the price of food is a much larger share of their income than it is at the higher levels. We have heard nothing. In fact, the budget for agriculture has been cut.

11.40 a.m.

Mr. President, where are we going with that? The public debt now stands at approximately \$31 billion, an increase of some \$12 billion over the past six years and no major assets were purchased other than the airport.

The Minister of Finance said the PNM did nothing during the oil boom years when it had surplus revenues. I am sure that the Minister had a shower this morning. I am sure that he had all the water that he needed in his taps. I would like to ask him: Where does he think the water came from? It was the PNM who put down the Caroni Arena Dam.

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Mr. President, the dualling of the Uriah Butler Highway to San Fernando was built by the PNM during the oil boom years and he was a member of the party at that time. He has forgotten. Name the road that they have built! We have a budget that makes absolutely no mention of Caroni (1975) Limited. We see reports in the newspapers that it is going to close down, and then another saying it is not going to close down. No mention except, of course, we see in the newspapers that the subvention to Caroni (1975) Limited is about \$90 million. If you take \$90 million and 4,000 persons and you decide to give each a job, you could pay them a little over \$2,000 per month for a year. \$90 million will employ 4,000 persons for a year.

The reality is, and I said it before, this administration and successive Ministers of Finance seem to have a kind of philosophy of running an economy that is, they just do not look further down. They just do not see what is happening with the under classes. We just do not want to really see what is happening there. We will drive our Mercedes, BMWs and Pajeros but we are not looking down there at all. We are just moving on with what we have to do. There is a gross inequity in the distribution of wealth in the country and an inequality in the distribution of employment in the country. The Minister may say that the employment rate has fallen to 11.1 per cent but there were statements like that before where we were told it had fallen to 11.7 per cent and then we found there was a correction, it was actually 12.5 per cent. Now, we are told it is 11.1 per cent. Whatever it is, I am not going to challenge what the civil servants tell the Minister of Finance, but there are numbers and numbers and they can be interpreted any way one wants. But the reality is, and I happen to know that the rate of unemployment is by no means uniform throughout the countryside. I can tell you under this administration that imbalance is now even more pronounced and that is unfair. It is not right and I would assume—it appears unrecognized by the Ministry of Finance.

Mr. President, there were certain statements made about the Colonial Life Insurance Company (CLICO) as to its solvency or whatever. I understand that a report was laid in the other place that indicated that for the year 1998 CLICO was technically insolvent. I heard part of the response of the Minister on the television. He said that it was a shame that such a report should be made public because it could create a run on the business.

Mr. President, whose interest is the Minister trying to protect here? The company or the people? It seems to me that that kind of information from a financial institution is of vital importance to the people and, therefore, the Minister cannot say that that kind of statement is going to create a run on the business. Shame on him! [*Desk thumping*] Financial institutions have an obligation to

disclose their results to the public. They must do that. If in case there are no requirements that insurance companies do that publicly, then the Minister must recognize that need and rectify it. It is completely improper for the Minister to suggest that the disclosure of the fact of CLICO's insolvency was somehow improper. How could he say that? I fail to understand how a former banker could say something like that. Shame on him! He is trying to hide the truth to the detriment of the people; and the people's interest must come first!

Let me just deal with some of the numbers in the budget. The Minister is fast and loose with some of the numbers here. First of all, we were told that it is \$45 million to repair the Red House roof and then we heard \$13 million, then \$10 million. I do not know what it is. As a Minister of Finance and a former banker he should be very strict with his numbers.

Let me just give you a little background indicating the need for support for some explanations as to what is really taking place. The Minister announced that he is going to suspend the local assembly of second-hand used motor vehicles. He said he is going to give the businesses that are now doing that six months to run off their existing stocks. So be it. The present revenue for this year is \$88 million from that but the projected revenue for next year is \$80 million. That is a drop of 11 per cent. How exactly does that work? You are only going to run the business for six months, yet your revenue is only marginally less than what you have actually done for this year. I have difficulty understanding how he could budget that. I would assume that if he did half of it that would have made a certain amount of sense, but he has reduced it by only 11 per cent.

On the club gaming tax he said he was going to double the tax on the tables and that they are not subject to corporation tax. I am not sure that they are not, but he certainly would have to check that with the chairman of the Board of Inland Revenue. The last time I checked, proprietary clubs are subject to income tax but certain members clubs, of course, are not. It depends on how the club is actually structured. Notwithstanding that, the gaming tax for the year ending September 30, 2001 is \$1.8 million. He is going to increase the tax by 100 per cent which means it is going to double and the projected revenue for 2002 is \$7.8 million, an increase of \$6 million dollars which is 333 per cent. How does that happen? I would like to understand. I need this in order to give me a level of confidence in the whole business here. There are too many questions. I have already spoken about the question I have on the revenues from oil companies.

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Profits from state enterprises. The actual revenue this year—\$152.9 million; the budget for 2002—\$728.2 million, an increase of \$575 million, an increase of 376 per cent. No explanation. TSTT has been divested. How does it arrive there? The share of profits from oil companies under the production sharing contracts are up from \$210 million to \$390 million. No explanation.

Mr. President, on the expenditure side—transfers to Tidco and the National Maintenance Training and Security Company Limited. The actual transfers for 2001 to Tidco is \$15.4 million; the budgeted for 2002—\$58.7 million. To MTS—\$33.9 million in 1991, \$64.9 million for 2002. The reason that I have joined those two in one paragraph is this. There is sufficient evidence out there that would indicate that prior to the elections of 2000, both of these organizations were involved in road paving. On the last occasion I asked: When was it that MTS became a construction company? I would now like to ask: When did it become a road paving company? The interest alone is \$69.9 million which would indicate a debt of nearly \$600 million on these subventions between MTS and Tidco. What the Government has done is it has mortgaged all the assets of those state organizations—and then some—in order to do exactly what?

It goes further down. Transfers to TTPost budgeted at \$16.4 million. Mr. President, when the corporation was set up at TTPost, we were told that it was to make the postal operations self-sufficient. But, in fact, the subvention to TTPost in 2001 was \$7.9 million. It is increasing to \$16.4 million so the burden on the Treasury is escalating. For what exactly, I would like to know?

Surprise, surprise! We go a bit further under Head 32: Miss Universe; back on the list—\$15 million in 2002! I am at a loss as to what I should say about Miss Universe in 2002. If ever there was a national scandal—this thing has now cost \$100 million. To do what? Mr. President, you talk about corruption, my God!

11.55 a.m.

Let us talk a bit about the airport. The debt servicing of the airport for 2001 is \$13.7 million; the projected debt servicing for the airport in 2002 is \$188.1 million. That was just the debt servicing for the airport! The subsidy from the Government to the airport for 2002 is \$187 million. Mr. President, let me just tell you what is \$187 million. It means \$2,751 for every pensioner in the country. If they had done that instead of building that monolith out there, the pensioners would now be receiving in excess of \$1,000 a month. [*Desk thumping*] That is the alternative.

Mr. President, by contrast, the subvention in 1995 was \$7.1 million. So in six years it has gone from \$7 million to \$187 million. I am not going to work out the percentage for you; you can do that on your own. Mr. President, you know, these are not just numbers! It is very easy to stand here and say well, it is \$100 million here and \$100 million there, but they are not just numbers. Money means something very, very significant to the people of the country. When you see ladies at the market and the grocery, they take out their wallets, count their dollars, and they measure, weigh, test and then buy, you really begin to appreciate the value of money. Mr. President, \$187 million, just in subsidy to the airport, is an obscenity that I cannot describe.

The airport is going to cost over \$1.6 billion and with the interest that we have already paid, it is about \$2 billion. I will tell you what \$2 billion is. Had the Government not decided to build the airport, they could give every citizen in the country a tax holiday for one year. That is what it means! Everyone here could have a tax holiday for a whole year! I repeat, they could give every citizen in the country a tax holiday for one year. That is what it means! What has now happened, Mr. President, is that every citizen in the country has to work for one year, and pay all of their taxes, just to pay for the airport. That is the cost to the airport! We asked for enquiries, we asked for investigations but we get nothing.

Mr. President, I move on. In terms of the expenditure, Head: 45, Rent Accommodation—\$73.7 million for the rental of stadia. The rental of stadia? I thought that the stadia that we built belonged to the State. Apparently it belongs to somebody else. So we are renting them from someone? When the stadia are used, who gets the revenue? I see no budgeted revenue from the stadia, so if we are renting them from someone, and we are going to have the physical use of the stadia for the whole year—when they are used—then somebody has to pay some kind of a user fee or rental income. I mean, Mr. President, I would like to know exactly what is that position. I do not know who owns them.

Mr. President, let me just try and move on quickly. With respect to the fiscal measures, I do not know what to say about that. The Minister has changed the dates for the payment of VAT and quarterly instalments. What on earth for? I can tell you it is hard enough to keep businessmen on track with all the dates to pay the NIS, the PAYE, VAT and the quarterly instalments—everything is a different date. That is the last thing on their mind, because they are looking after their businesses. Now the Minister of Finance comes—just as you try to get the businessmen regularly accustomed to the 25th of every other month to pay the VAT—and changes it! For what? Give us a reason! He confused the whole business sector without giving the smidgen of an explanation.

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With respect to Initial Allowances, Mr. President, let me explain this to you and to Members of this honourable Senate. An initial allowance is only an allowance for wear and tear that impacts on the timing of the wear and tear allowance. It is not a grant. It is not a tax gift. It only affects the timing of the wear and tear allowance. Whether you are paying 10 per cent or 60 per cent in year one, it only impacts the residual value you would have to write-off in subsequent years. It is not an investment allowance. The investment allowance which we previously had, was removed by another regime. The investment allowance is over and above the capital cost of the equipment and the initial allowance affects only the timing of it. I can assure you that every manufacturer that I have as a client has called me and told me that is a waste of time. It has done nothing! It has done nothing to stimulate their minds for further investment. I am just giving you what they say, Mr. President.

Mr. President, with respect to the drop in the tax rate, one of the things that a budget must do, is that the Minister of Finance must set out his basic policies and policy objectives. In other words, if you are going to drop the tax rates, then tell us what is it for. What do you expect to happen as a result of the drop in tax rates? I have already indicated what would have happened if you did not have to pay for the airport. The subsidy alone at the airport could have, on its own, provided a 3 per cent drop in the tax rates. You could have just done that and you could have had a permanent tax drop of 3 per cent with no net effect.

Mr. President: Hon. Senator, your speaking time has expired.

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

Question put and agreed to.

Sen. D. Montano: I thank you, Mr. President. I am running way short of time. Mr. President, look at what is happening in the schools. In 1999, an agreement was signed with the IDB for the construction of 22 schools. The contract was that the schools would be built in years two, three, four, five and six. The Government decided to accelerate that to build 10 schools in the year 2000. What has happened can only be described as a scandal. There is a report called the Watson Report which some people would like to see sent to certain specific investigators. There is one school in Biche that is on a piece of land that makes the school unusable. If it is finished at all it would be unusable. It cannot be occupied because there is gas leaking. The last thing I heard was that the construction was proceeding, notwithstanding. The Watson Report indicates serious deficiencies in the

classrooms, libraries, playing field and the cafeterias, where they say there are serious health risks. Where is the report?

Mr. President, I have to rush. The Minister made a statement on crime—they would buy 100 new jeeps again, I suppose. Based on the report in the *Express* dated Wednesday, September 05, 2001, the murder figure for the year so far is 91; the projected figure, based on that rate, is going to be 136. For the year 2000, it was 118; for the year 1999, it was 92. The only response we have from the Government is to buy 100 jeeps. I would remind you and this honourable Senate that while there has been legislation drafted, that was as a result of a PNM initiative while we were in Opposition.

In terms of crime, there was the contract that was awarded four years ago for the refurbishment of the Coast Guard vessels. The contract was to run for nine months. To date, I understand they have repaired only seven of the vessels, two of the vessels are still sitting at the heliport. The heliport itself was formerly under the management of the Chaguaramas Development Authority, but that part of it has now been taken away from the CDA and is now being managed by the Ministry of National Security. The occupier of that spot owes significant amounts of rents to the CDA. I understand it is paying no rent to the Ministry of National Security. Not only that, it is going further—it is storing pipes from British Gas on the compound and earning revenue. The two boats are sitting there and apparently no work is going on whatsoever. That is the Government's efforts on crime. Help some of their friends, let them do what they want, they do not have to pay for it and they use the State's assets. Mr. President, that is the legacy of the UNC.

I would be remiss if I did not mention something on health. I know that I am woefully short so I will make every attempt to be quick. I have read that reports from Personnel Management Services Limited, the letter from M. G. Daly and Partners and the report of PricewaterhouseCoopers. Without getting into the details of the contracts—I wanted to but I am, obviously, short of time—Optimum Technologies was offered a contract for 10 years at \$99,000 a month, the contract value was \$11.88 million. It is a partnership that was registered four months before the contract, and one month before the tender. The question I want to ask is this: Who are the partners in OET? Do they have any relationship to any Government officials?

When I spoke on the last occasion about forensic auditing, this is what I was speaking about, not financial auditing. When you talk about the Institutional Lining Services, there was a contract for some \$22 million, over a five-year period, Mr. President. What they were doing was using the assets of the North West Regional

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Health Authority to do this work and the profit on that job was in excess of \$260,000 per month.

12.10 p.m.

When I talk about forensic auditing, Mr. President, that is what I am talking about. Who is ILS? Who owns that? Who are the operators and the individuals behind that? Furthermore, who have they been paying off, Mr. President? You know, I spoke about the difference between a financial audit and a forensic audit the other day and it seems that the hon. Attorney General understands what I am speaking about and I would quote from this morning's newspaper, the *Newsday*. It says here, talking about what the Attorney General said in the other place:

“In the present age, in which people when they steal they do not keep the money in their bank account, they would not even take the money in their own name, they would take it in different ways, so you have to check the paper trail....Accountants cannot help in this respect. They must have people who are specially trained in forensic investigations.”

The Attorney General is saying exactly what I said on the last occasion [*Desk thumping*] and the Minister's response to me was he hired the best, they figured that they would do what they want. Mr. President, you could hire who you want but you have to do it properly. You have to give them a mandate that this is how far you want them to go. He went on:

“...there has to be specialized training...”

The auditor does not investigate crime.”

That is what I was saying.

Mr. President, to move on quickly, to come back to the airport, I am sure many of us have been to the airport by now and have seen what the condition of the airport is like, and I would refer now only to the tiling of the main floor of the airport where, shockingly, no two tiles seem to be the same shade. That is what I saw. No two tiles are the same shade. Notwithstanding what they are, they are—yes, Mr. President, I understand that when the matter went to tender, the tender called for porcelain tiles and the specifications were from a specific manufacturer in Italy. As it turns out, there is a representative for that firm here in Trinidad, so that supplier, in fact, was able to tender with the exact specifications.

However, when you get a tender like that, it does not mean that that is exactly what you have to supply. It is within the general framework of the quality and so on, the specifications of the tile. Mr. President, I am advised—I am well advised,

reliably informed—that the bids were between \$8 and \$14 a square foot for the porcelain tiles. Now, porcelain tiles are used almost everywhere in the world. They are used in London and Hong Kong, just to give you an example. Some of the top airports in the world, that is where they are used—\$14 a tile. Now, the area was 440,000 square feet so what we were looking at—at \$14 a tile—was about \$6.1 million, \$6.2 million, okay.

Apparently, negotiations were entered into and a contract was imminent. Then, apparently, an officer from Northern Construction telephoned the preferred supplier to say, “We have instructions from the Minister of Planning that we are not to use those tiles, we are to use tiles from a Colombian mine and the tiles are granite so we cannot proceed with your contract.” The cost of the granite tiles are, Mr. President, \$80 a square foot.

Hon. Senator: “Oh goooooo!”

Hon. Senator: “Oh goooooo!”

Sen. D. Montano: The cost of that is \$35.2 million. The differential is \$29 million, just on the tiles at the airport. The porcelain tiles, of course, are good for the Chinese in Hong Kong, they are fine for the British in London, but we have to have granite tiles at \$80 a square foot; and, Mr. President, they flew people in here and paid them extra to install them. That \$80 was just for the supply of the tiles. That is not the installed price, that is just the supply price. Mr. President, how could that be? In the words of Theodore Roosevelt, “There can be no greater offence in the breach of trust on the part of public officials or the dishonest management of his office, and every effort must be exerted to bring such offenders to punishment by the utmost vigour of the law.”

Mr. President, how we deal with the issue of corruption tells us what kind of nation we are; it tells us who we are; and if we cannot and would not deal with it, then it says a lot about who and what we are. It is not sufficient for the Minister of Finance to give us a few palliatives to say that he has hired the best and so on and so forth. No, Mr. President. Serious work must be done and we have to acknowledge the position of certain Members of the other side from the other place for standing up on those issues, because that is what we had stood for, we on this side, and we will stand with the people and demand that the Government account fairly and properly for what it does.

You know, I wanted to go much further into this and I cannot understand how the hon. Minister of Finance could say on one day that the party and the Government needed to be purged of certain rebel Ministers and then on the next

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day offer himself as a mediator. Quite rightly, his offer was dismissed, and so it should be, Mr. President, so it should be, and we call again for investigations into the desalination plant and into InnCogen. We have heard, by the way, that Robert Linquist has been investigating those matters and we will wait to see what the outcome of that is. However, we note with some dismay, that while a request to fund that investigation was made, and made directly to the Minister of Finance, no allocation was made at all.

Mr. President, I am disappointed, I am deeply disappointed, that a man, a gentleman, from the banking sector with the reputation that the banking sector has, could come and not make an effort to at least make an allocation for the investigation of corruption. [*Desk thumping*] On that note, I can end where I started and that is that I cannot trust the giving of some \$17 billion to an administration that is going to misuse it. I thank you very much. [*Desk thumping*]

[*Sen. Christopher Thomas rose*]

Mr. President: Sen. Thomas, just let me advise you that you will be interrupted at 12.30 p.m.

Sen. Christopher Thomas: Mr. President, I want to make a few comments on the budget that has been presented to us. I first want to say that the budget for fiscal 2001/2002 has indeed been variously described. It has been described as a cut and paste budget, a distribution budget—a number of descriptions—a campaign budget, an election budget and the poor man’s budget. What is clear in the budget for me, Mr. President, is that it is a budget that has the widest coverage as being based on the most unprecedented level of consultation and it provides something for everyone. There will never be enough for everyone, [*Desk thumping*] but it does provide for everyone.

I believe most of the labels in the budget are derived from the intention and to try to answer the demands running through the widest consultation this budget has had. I would admit, however, that, as a result of these consultations, the presentation of the budget tends to be somewhat amorphous in structure as well as in profile. I would put no labels on the budget, but I would like to say that I personally think that the budget reflects in it a representation of the person who framed it, that is to say, a person who came before us in this Senate some three to four weeks ago and said that one of his intentions and goals was to alleviate poverty in the nation, or at least to assist in the whole question of poverty, and I think in that respect the budget is a very human document—it is creative and it speaks to the intention of the Minister. In that respect, I believe that—not believe,

but I feel sure that I would like to support the programmatic orientation of the budget, that is to say the area in which the budget is heading and the programmes that it seeks to provide.

In looking at this, Mr. President, I see three overall thrusts in the national budget. The first is to make, as the Minister says, a knowledge-based society; the second is to modernize our structures and our system to effect that objective and the third, from what I perceive, is to centre our human resource so that the human resource development will be central to the knowledge-based society and central to the modernization of our systems. Therefore, for me the fundamental question in the budget is: How does the budget seek to position itself in seeking to meet these objectives or to advance these objectives?

I think that the requisites of a knowledge-based society can be characterized perhaps as international competitiveness, cutting edge technology and maintaining a global vantage position of Trinidad and Tobago within the larger international climate. I think the adaptation and modernization of our system require what I have noted here as at least a systemic review and retooling and refocusing and, of course, putting people at the centre of the process, human resource at the centre of the process, requires a societal restructuring in an ongoing way, to ensure that a new literacy is developed, that more jobs are created and that skills are, in fact, based on the whole thrust of that new literacy programme.

I have therefore tried to analyze the budget from that perspective and I believe that such a budget would require to have, in my view, at least six characteristics in order to meet the objectives that the Minister has described and that I perceive the budget tends to project. I will say in the first instance the budget must conform to a larger political philosophy; it must be positioned within a larger political philosophy; it must have progressive and effective fiscal policy and financial management; it must have a fully informed diversification programme; it must show transparent monetary forecasts and projections based on what I would say is the best available data; and it must have a certain amount of connectedness.

The budget is not a stand-alone budget. It is a budget that must answer three basic questions in terms of connectedness. We are in the football season, the non-cricket season, Mr. President, so you will forgive me if I say these three questions should be like the three Ws, but I am not now talking about cricket. It should be whence, where and whither. Where are we coming from, where are we and where are we going in terms of the budget? So the budget itself must be a connection between where we are coming from, what we have done so far, what we have

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estimated, where we are now and where we are going, and, finally, it must have sustainable and equitable social programmes.

Let me take the first, the larger political philosophy. I believe, looking at the medium-term plan, the budget does fit and is compatible with that larger political philosophy. The medium-term plan for me—I would have preferred myself a larger medium-term plan, but we have to be realistic. We are talking about a tenure of government of five years—some say shorter—and the medium-term plan must, however, whatever the horizons of the Government, seek to position itself within a shorter medium-term plan. As I say, I would have preferred a larger medium-term plan where the budget could be an instrument, rolling within that plan, adjusting to changes, but given the fact that we are dealing with a period of five years, I see the budget as fitting within the medium-term plan, and very compatible with the medium-term plan.

I am comfortable, therefore, with the national budget as a reflection of the medium-term plan of the Government. In relation to the fiscal policies, I am also comfortable with the fiscal reform measures in relation to insurance, customs, pension and capital markets. I am concerned, however, with what I will call the overarching responsibility of the Ministry of Finance in terms of the new units that it will, in fact, bring to itself. I believe that if we are not careful—I know what the intention is but if we are not careful we are likely to overbureaucratize that Ministry rather than debureaucratize it in the context of what we are trying to do within the country. So that while I recognize it is a question of management preference, I do feel that I need to say a word of caution on that.

You have a super ministry. I would prefer in relation, instead of the accumulation of units, to have a more modernized system where, in the context of new technology, we have line functions and line responsibilities and systems of control with other ministries, rather than accumulate the whole question of supervisory services, et cetera, within one ministry. I am concerned also, Mr. President, about the focus of the external debt management. The Minister tells us that his target for 2005 would be to reduce the external debt from 60 to 50 per cent of GDP. Now, that is a very relative strategy, so that if in another three or four years your GDP goes up by, say, 40 per cent, the 50 per cent margin would certainly itself have gone up.

So that, in fact, the absolute debt can increase; and I think, in looking at the strategy of external debt management, we must also look not only at the relative target but we must look at the debt in absolute terms. I think it is important for us to do so because, if we look at the debt in absolute terms, we will be able to manage

or monitor what you might call the rate of accumulation, the management use, and certainly what I would call the productive capacity. I think we need also to establish a national debt capability based on what I would call the inshore technology, over which we have control, rather than the offshore external commodity prices which, in my view, would tend to be somewhat a misplaced security.

The world economic forecast—I have some figures here which I would not read—would tend to suggest that this is what we should more and more move toward.

Mr. President: We will break for lunch at this stage. This sitting is now suspended until 1.30 p.m.

12.30 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

Sen. C. Thomas: Mr. President, when we broke I was simply suggesting to the Minister that we might have parallel strategy looking at the external debt management involving both what I call relative and absolute criteria so that we would be able to look at the rate accumulation, we would be able to look at the management use and certainly the productive capacity. I also suggested that we might establish a national debt capacity in terms of our inshore economy as opposed to the offshore external commodity prices which I think is a misplaced security.

I am a little worried about the fiscal measure where export of services would be vatable. I say this because in today's modern economy with modern technology, one can do almost everything from one's study. As a result, it is easy to reach the world from one particular area in terms of the export or the import of services.

If we create and continue a VAT on the export of services, it may be counterproductive in the sense that some of our personnel and experts could quite easily relocate to other countries and, from there, can develop and sell their services without, as well as re-export them to Trinidad and Tobago where they become zero rated. Therefore, what we are seeking to do in the first instance is to build a cadre of technical and expert people in services and the vatable export services might seek to go against this in some instances. I suggest, therefore, that the Minister might want to re-look that if we are to retain, as we say, the best of our knowledge, the best of our services, the best experts in the country.

I want to turn a little to the diversification programme and first I want to say that I do not see a very clear path in terms of the acceleration of the diversification

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programme. What I do see from the Minister's statement and his presentation is to me a very progressive diversification from oil to gas and to gas products. What I do not see is an accelerated diversification programme from the energy sector to the sectors of manufacture, tourism, services, hospitality and that kind of thing.

I believe that is absolutely important, particularly where the oil is a depleting asset and, over the last few years, we have seen a growth decline in manufacture and tourism. In addition to which, the present diversification, or lack thereof, tends to be based entirely on the buoyancy of the US economy which we know may, in fact, go into very deep recession. I would suggest in that case that I hope we can accelerate the whole diversification process in the interest of a balanced economy for the future of Trinidad and Tobago.

Mr. President, before I turn to the question of the proposed drivers of the diversification of our economy, I want to say a word on the question of the foreign direct investment. What we are seeing and what we have seen traditionally is that foreign direct investment is focused almost entirely on the energy sector. The other sectors do not enjoy that influence to the extent that it should. I believe that there continues to be a disproportionate reliance on the energy sector and I have not seen too much in the budget which justifies that we are moving from there to establish inflows in the other sectors of the economy. I say this in the context of the proposed drivers of the new economy.

In the first instance we are talking about a national science and technology park. We are talking about a conference centre, Invaders Bay and we are talking about the question of agricultural development in terms of the agricultural sector. The national park, Mr. President, is not a new concept. It is a very useful concept and a progressive economic concept, but it is not new. For example, I have noted in my reading that a number of countries, Chile, Brazil, Costa Rica and, I believe, Panama and Jamaica already have national parks of some kind; national parks in science and technology.

What we would need to do—and I say it is a very good and progressive economic venture—what I think we need to do is to ensure that at the very least, our human resource is matched and made compatible in the development of the national park. I also feel this is important in the larger context of the skills development of Trinidad and Tobago.

I did not find sufficient justification in the budget for the projected job expectation and projections, and I hope that perhaps the Minister might give a little more indication to that. I would, myself, like to see some more details in relation to

the analysis of the projected economic growth. The same I would say about the conference tourism centre. We know even within the Caribbean there are, in fact, large conference centres in Barbados, Jamaica and beyond the Caribbean.

Again, the concept is very progressive, but we are competing against—or with, so to speak—a number of neighbours within as well as outside the region and, it is important that we establish, what I would call, what would be our competitive advantage in Trinidad and Tobago to have a conference centre of that size developed.

I say this because a centre of that kind would have only seasonal demands from outside the Caribbean and, within the Caribbean, our own particular resource and demands are very scarce. Even at this time as the Minister is talking about developing a large conference centre and conference facilities, the Ministry of Education has just struck off French from the CXC syllabus. That removes a whole area of servicing of a conference centre in terms of language capability, interpretation—I hope it is not so. I thought I read recently where it was removed from it. If it is not so, then I am mistaken, but I got the impression that that is what I read. If that is the case, it means a whole area of services in relation to translation technology and other areas has certainly been removed even before we seek to establish fully the question of the conference centre. If that is not so, then I take that back.

In relation to the Invaders Bay project, again a massive amount of expense is going to be involved in expenditure, and I did not really see from the presentation how the basis, the details of the investment, the details of the projection were made. I believe in relation to these three projects, Mr. President—that is to say the National Park of Science and Technology, the conference centre and Invaders Bay, a lot more detail is required and a lot more analysis is required and, in the context of what the Minister referred to in his statement as a public awareness programme, I would hope that we could see some details either through a policy paper of some kind before this massive expenditure is made.

Those of us who have visited some of our neighbouring countries, for example, in the case of Venezuela where I served for many years, I am reminded of two very major constructions, the Humbolt hotel which is way upon the Avila Hill, and the Helicoide that were intended to be very progressive economic ventures in relation to tourism, in relation to conference services, in relation to meetings; and they both turned out to be white elephants in the context.

The Helicoide is now used as a sleeping area for vagrants and the Humbolt is so far away that it is hardly used. I would hope that we do the kind of studies and

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projections to ensure that when we build these facilities they would be staffed. We must also look in terms of what one might call the capital ownership costs and the recurrent costs as part of the whole economic analysis as to the validity of these projects. I would, of course, defer to the Minister on this. Maybe that research has already been done.

In the agricultural sector, Mr. President, it is always tempting to establish new institutions when we begin to feel that old institutions are not working, and I think in this case what we are seeing here also is the establishment of a new institution on the basis of the Tidco model. We are not sure if the Tidco model has delivered. We are not sure that this new venture is going to deliver. We are not sure what is going to happen with the existing mechanisms. Again, here, I do not think we have sufficient information to make an informed judgment as to whether this would constitute a major driver of the diversification programme. Again, I defer to the Minister on this.

On the question of corruption, Mr. President, I note in the report that the Minister talked about a series of mechanisms and measures put in place. I think the legislation is not enough. We do have sufficient legislation. The enhanced mechanisms, I hope, will work. What I think is important is to ensure that matters of corruption will be handled with much more expedition than they are being handled today. I think until we are able to identify and expose issues of persons who are involved in corruption, the public confidence in the system will not be restored and, neither in governance. I think we have a very serious problem in the country where we continue to treat corruption as a social ill rather than a priority in crime. I think it is important that the public confidence be restored in that area in the system and, also in Government.

I am heartened by the proposals and programmes for culture. I think it is time that we really took a deep look at this. It is one of the more serious dimensions of a society's psyche and, when I look at the proposals for a Millennium Cultural Complex I am very heartened by it.

I worry a little about the whole question of tourism and I asked myself how strongly are we taking the question of tourism. With due respect to the Minister of Tourism, we have gone through several strategic plans. This is not the first strategic plan. It might be the fifth or the sixth. It appears that we do need to take a very serious and determined view in terms of our tourism development.

Some two or three years ago—maybe a little longer—I co-founded a programme and a committee called Caricom/South Florida Partnership for

Development. I subsequently co-chaired that with the Governor General of St. Kitts and Nevis. The Mayor of Orlando offered to the Caribbean, free of charge for three years, an office in her municipal building and, up to this day, we are very embarrassed after successive requests through us to Government that there has not even been either acceptance or denial.

That is an area that moves millions of tourists every month, and there is so much in there potentially for our entertainment sector, our music sector, for the movement of people, for visitors and for the last three years there has been not even, as I say, a response to that offer. I hope that this new strategy that is being devised will take into account all these things so that the boost that is needed in tourism will really be seriously taken on this occasion and, I look forward to that new strategic plan.

Mr. President, I want to talk a little about the monetary forecast involving revenue determination. As I have said, this is one of the areas in which I think a budget must necessarily stand or fall. I want to specifically talk about the Revenue Stabilization Fund. My calculations may be wrong, but I hope the Minister will correct me in due course. This is, perhaps, my greatest area of concern in relation to the budget.

The Minister tells us that there is a balanced budget which has amounted to \$15.8 billion. The budget is also based on a revenue on taxes, partly from \$22 a barrel of oil. The use of 20 per cent from the Revenue Stabilization Fund suggests an initial complement to the budget. An initial complement, not a supplement. This implies, in my view a shortfall in initial revenue calculation.

Since 20 per cent is not a later supplement—it is an initial complement—I am wondering whether there are not three implications in that. The first is that either the price of oil has been calculated at more than \$22 a barrel, which I doubt because the Minister has told us it is \$22 a barrel; or that we are dealing with a deficit budget which is complemented by 20 per cent from the stabilization fund. If not, we are establishing a contingency fund of 20 per cent *ab initio* for the budget.

If we are doing that, and the fund is supposed to be a contingency fund, then my question arises: Why do we have a sub-contingency fund within a larger contingency fund? The fund is essentially a contingency fund, which will be used in part to offset a drop in revenue in the future. If we start at the beginning by establishing that, we are using part of the contingency fund even before we have a variation in terms of expenditure in the future. Maybe the Minister can clarify that. I may be wrong on this, but this is how I feel, Mr. President, and I need to say that.

Let me turn to the question of connectedness, connectedness in terms of budgets. I had said earlier that the budget cannot be a stand-alone budget and, therefore, it must be connected in some way. There are three specific areas in which we would like to see and perceive connectedness. Connectedness provides for accountability, evaluation and it provides for expenditure justification. It is a simple question of what you might term diagnosis and prescription. In most standard budgets, that is what we say.

So, when we look at the budget we have to see how we can account for what we spent, and on what have we spent it. Why are we asking for additional money? There is very little in the budget to give us a programme justification for certain future expenses. There are provisions for more schools, more roads and, in some cases, Mr. President, if we look at last year's budget, there is even a repetition in terms of school building in Tobago and a repetition of hospitals and, in some cases, other facilities in Trinidad and Tobago, which means that even before we have a justification of what has happened with the funds for the present fiscal year, we are being told that we need this amount for the new fiscal year.

I asked myself a number of questions including, what is the target, for example, of the Government in terms of how many schools are they projecting over the next five years, roads and other facilities, or are we simply going to have from year to year, an allocation to build 10 or 20 more schools without necessarily seeing the target and the figure at the end of the day?

1.50 p.m.

More specifically, Mr. President, let me ask three questions about what I term "evaluation and connectedness": What has happened to the funds that have been invested in the National Insurance Scheme? We were told last year that there was going to be a pilot scheme on the basis of which the Minister of Health would, indeed, decide whether a larger National Insurance Scheme is available. We have been told nothing in the present budget.

What has happened to the proposed unit on e-commerce in the then Ministry of Industry? That was supposed to be a pilot project also, in which the larger e-commerce, the Minister talked about this year in the budget, would, at least, be involved. It has vanished off the screen; we have heard nothing further about it, so we do not know whether it was established, whether it has succeeded or whether it is not there.

What has happened to the proposed development in the agri-business and its linkages with agriculture, tourism and the hospitality sector? We are told in the

budget this year that these things are going to be advanced, but we have not been given any indication as to what has happened with the funds, how they have been used or what portion of the projected development has taken place. We are simply told that more funds are required to do these things. I believe that we should have some evaluation in those areas.

Concerning micro enterprises, Mr. President, I am very happy to see the development. This seems to be one area where we have, in my view, proper justification for the expenses. We have been told where jobs have been created, where businesses have thrived and where things have been built. I think this is the kind of thing we need to see in the budget to justify future expenses.

I would be the first to say that I understand that in a budget you cannot put all the information if the Minister is not to speak for three days rather than the time that he took, because if we load the budget with too much information, certainly there should be some indicative figures. However, I am not seeing sufficient figures in the budget, as it stands.

Finally, I want to talk a little about sustainable and equitable social programmes, which is the fifth or sixth area that I thought I would mention. I support most of those measures in the budget, the social measures that the Minister has outlined: measures on alimony, fragmented families, youth deviance, community programmes, societal awareness, improvement in driving standards, senior citizens, physically challenged and the SOS Children Village Project.

Perhaps the Minister might have gone a little further on the SOS village project. We have in so many villages in Trinidad and Tobago a host of retired teachers who might wish to join in what the Minister calls here “deficiency in the literacy and numerical skills of some students”. So where we cannot take villages to centres of literacy, we can take literacy to them, initially, through this core of volunteer teachers. I understand when the Minister said that his “agenda is not complete”—I took that term from the budget—and, as a result, there is room for that kind of thinking, but I thought it might be a useful suggestion to make.

I am a little worried about some of these other social programmes where there seems to be less equity than is being suggested. I refer specifically to the removal of VAT on certain items which, to my mind, does not benefit the poor, as the social gap still remains.

The dollar for dollar project is a useful one. I do not think it was properly handled. For one, I do not think it should be in the stabilization fund, as the Minister has said but, more particularly, I think what we are doing is ensuring that

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we give as much to the rich as we give to the poor. In more enlightened countries, you have systems of either regressive, progressive or selective assistance. What we have done here is simply to go across the board. While I recognize that the Minister had indicated that in the future he would want to look at the question of rates in terms of VAT and in terms of this particular programme, I wanted to highlight that I do not see too much equity in the present system. It is a good social programme, but I do not see any equity in the programme as it stands.

Regarding old age pension, there have been substantive increases over the years and these have helped. They may not have helped as much as they could, but you cannot help everything and everyone at the same time. It has made pensioners more secure. It has done a lot of benefit. I wondered, however, whether the time had not come to, what I would call, de-link the kind of increases in the pension from what we might want to term “benevolent government”.

Why could we not establish, what I would consider, more objective systems where, as in many enlightened countries, the pension benefits and other benefits are linked directly to the ongoing cost of living. So that one gets a percentage of the cost of living on one's pension, rather than, in fact, waiting for government to decide how much a pensioner should get this year. I think it is better for the budgetary preparation and a more balanced social sort of outlook in society. Therefore, I would suggest that, as the Minister develops what he calls his “agenda”. I know he cannot look at everything at the same time, I thought this might be something he would want to look at and give some sort of social approach to it.

I want to end by making a number of conclusions on the budget and I crave your indulgence as I read these conclusions. The conclusions run as follows: In my view the budget for fiscal year 2001/2002 is generally consistent with a medium-term plan and the political philosophy of the Government to develop a knowledge-based society through new literacy and compatible resource development. This I consider to be a progressive vision, which I support.

The present political climate may serve to discourage foreign and direct investment outside the energy sector. World economic trends require diversification of the economy, yet foreign direct investment in non-energy sectors may not be easily accomplished or encouraged in the present domestic climate and this may become a serious dilemma for the Government at the present time.

Fiscal reform measures will lead to a healthier fiscal policy and more effective financial management. The budget does not show a sufficiently informed relationship with world economic situations, although this morning the Minister

said to us that he is, in fact, revising his view of the budget in light of what is, indeed, the world's changing situation.

The budget may be a deficit rather than a balanced budget. Our large external reliance for income generation demands an awareness for serious contingency measures. I do not find this in the budget, at least, not sufficiently. The process of diversification of the overall economy is not sufficiently accelerated. The proposed drivers of diversification need to be carefully evaluated by marketing analysis and realistic job projections before the proposed volume of expenditure is undertaken. The new literacy must be compatible with the proposed diversification.

The new focus on tourism—including health tourism, sport tourism, and conference tourism—needs to be carefully evaluated. I do not know, for example, when we talk about a cardiac centre, whether we are, in fact, dealing with a new type of clientele. We have Mount Hope. Are we dealing with a new clientele? Are we looking at rehabilitative, preventative or curative treatment? These things need to be clarified.

The enhanced programme on corruption and transparency must be made to be effective. The absence of specific mechanisms to curb cost-overruns in capital expenditure is disappointing. Billions of dollars in cost-overruns could easily have settled public service obligations. The social programmes are useful, but need to be made more equitable and socially balanced.

Against those reservations and the observations for review and refinement, I support the budget for fiscal year 2001/2002.

The Minister in the Ministry of Labour, Manpower Planning and Industrial Relations (Sen. Dr. The Hon. Roodal Moonilal): Mr. President, I rise this afternoon in support of our budget statement for the year 2001/2002. I would like first to outline briefly how I intend to proceed and along what lines I intend to build an argument in support of our budget.

Let me say at the outset that I intend to dwell largely on the work of the Ministry of Labour, Manpower Development and Industrial Relations as it relates to manpower development and improved labour relations in the country.

I would also like to take the opportunity to respond to some of the issues raised by those in Opposition and also by Sen. Thomas, as it relates to job creation and so forth. Sen. Thomas raised several issues, one including job creation. I am sure his other concerns, in terms of the finance and banking sector, technology and so forth, will be dealt with by relevant Government speakers.

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I will also take the opportunity, at a later stage, to respond to a few critical issues that are now engaging national attention, arising out of the ongoing debate on the budget.

First of all, let me say that the hon. Minister of Finance has presented to this country one of the best budget statements we have heard in modern times. It is one of the most comprehensive, detailed and progressive documents to come our way in over five years and more. [*Desk thumping*] I want to say that while it is the most positive budget statement to be made in recent time, the response from the Opposition is arguably the worst response we have heard on a budget in recent time. [*Desk thumping*]

Apart from flashing paparazi-style photographs, talking about DJ hit list again and now pulling out from the political dustbins, copies of cheques and so forth, we have not heard a clear and coherent argument from those in Opposition as to what they will do if, God forbid, the population of this country brings them back in government. [*Desk thumping*]

It is important to trace the recent history of this budget and where we stand now: On December 11, 2000, the electorate of this country went to the polls. Over 307,000 voters in Trinidad and Tobago voted for the UNC led by the hon. Basdeo Panday. [*Desk thumping*]

In every constituency throughout Trinidad and, indeed, in the two constituencies in Tobago, the UNC gained thousands more votes than it did in 1995; that is a fact; thousands, including Tobago as well. [*Interruption*] Couva South—we are coming to that. [*Laughter*]

The issue I am raising is that this Government came in with an overwhelming mandate from the people of this country. The UNC came into government for the second administration, based upon our performance in the first term. We must be very, very clear on that score. We went to the electorate with the line—which for us was deeper than a line; it was something that we felt deeply and we still do—that performance beats “ol’ talk” every time. It was clear which party was about performance; it is clear which party was about “ol’ talk”. Today, it is still clear which party is about performance and it is still absolutely clear which party is about “ol’ talk”.

That is why, as we stand today in support of this budget, we can analyse our budget, but being in Opposition, we would have thought that they would have given us a statement as to what they would have done better; we had no such statements coming. What we had was a rehash of the approach of December 2000

and if they did not win in 2000 with “ol’ talk”, scandal and bacchanal, then I do not know how they intend to win again with the same type of argument, propaganda and scandal.

I want to indicate from the beginning that those in Opposition will include the PNM, but it does not exclude other forces and we will deal with them as we go along.

Let me make an introductory statement on the budget: There are two issues that came across very strongly, and Sen. Thomas alluded to them; one is the issue of technology. This is a budget statement that has as a permanent backdrop, technology, science and learning; it is information. It is indicative of a government that is intent on developing this country with a high level of human resources. It is indicative of a government that is serious about strengthening and up-skilling our labour market, so that we can position our open economy to take advantage of whatever international conditions may exist from one time to another. So technology, science, development and information came through as a strong backdrop, repeating itself all the time and this is very progressive.

When we spoke of the science and technology park, the Leader of the Opposition said that that was nonsense. To him that was nonsense and, indeed, to his party. I can imagine that it would be nonsense to his party as well; we understand that. But to this country, science, technology and development are not nonsense. This is a country where 15 of our students at secondary school level topped the world in their performance at O’ and A’ levels; 15 of our students. [*Desk thumping*]

We have on this tiny twin-island state a young lady who topped the world in business administration, another who topped the world in French. In Spanish, Trinidad and Tobago ranked the highest of all non-Spanish-speaking countries in the performance of Spanish. [*Desk thumping*] This is a product of the UNC, our innovation and our accent on education. This is a country that produces students like that, yet the Member said that the science and technology park is nonsense; clearly, he is swimming against a tidal wave if he continues to believe that technology and science are not relevant to our labour market.

The other issue that stood out in the presentation of the hon. Minister of Finance was really a deep concern for the moral basis of our society and for issues of morality. We saw it with the concern for alcohol consumption, smoking and the strict measures that we intend to take to ensure that our young people are not consuming and buying substances which they should not; and which for years we

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have allowed a system to emerge where the law was a bit lax in terms of the ability to purchase and consume alcohol, tobacco and so on..

2.10 p.m.

The hon. Minister stood strongly on that issue, and I am sure when the time is appropriate, Sen. Rev. Teelucksingh will give the necessary commendations on that score. [*Desk thumping*] I am sure because I know this is a matter dear to his heart and this is where the UNC Government stood on technology and moral issues. This is a society now that we need to challenge in a particular way to develop with educational technology, but not losing sight of our moral basis and this stood out strongly in the presentation.

What also stood out is the deep concern for our social sectors, a deep concern for labour, workers, the poor, the under-privileged, the destitute and so on. That came out extremely strong in our presentation in the Budget 2001—2002 and I will deal with that in more detail.

Mr. President, this year 2001, several major events and reports have been made public, several important events have taken place, major reports and so forth, and sadly and regrettably this is a society that seems so immersed in bacchanal, scandal and sensation and showing pictures, that we may be losing track of some of the important issues and developments taking place in this country.

Earlier this year, the United Nations Development Programme (UNDP) human development index came out that ranked Trinidad and Tobago the highest of the medium-level countries. That is something to shout about, it is something to hit our desk about. [*Desk thumping*]

Mr. President, Trinidad and Tobago, in the eyes of the UNDP is now positioned one notch away from being regarded as a developed country with certain clear, social and economic indicators that will explain what they mean by developed country status. That is something we need to deal with, that is something we need to repeat because the population may lose sight of that as we continue to put on our front pages and at the top of our news reckless information calculated to destroy either financial companies, or Government and parties. [*Desk thumping*]

While there is an onslaught on the Government, there is also an attempt to destabilize our economic system. Our economic security could be jeopardized by political insecurity and it is a point that Sen. Thomas raised and that is a serious issue that we also have to address.

Mr. President, earlier in the year, the International Monetary Fund (IMF) also issued a report in which it commended the Government for its economic performance on all fronts. Countries all over the world are being condemned by international financial agencies for their handling of the economy's fiscal monetary policy; policies on employment, investment, trade, and this country received commendation from the International Monetary Fund to be one of the few countries—It is regrettable that that may also be lost to our population because of bacchanal and scandal with which we are preoccupied.

This year we introduced the Dollar for Dollar Programme and whatever the forces in opposition to us, and whatever critical remarks we may get from our well-learned friends on the Independent Benches, we can say without a doubt that the Dollar for Dollar Plan is calculated to lift this country into the community of countries with a strong human resource base. That is what it is about. [*Desk thumping*]

Yes, we can raise issues as to whether the money should come from the stabilization fund or not, and I think that has been clarified in that we will seek funding in the initial year from the stabilization fund but after that, it will come from recurrent expenditure.

The other issue is that we can talk about the fund not applicable to second year, third year or overseas students, but we had to begin somewhere and this is a Government that has already demonstrated the political will to do something. While they talked about building an airport for 30 years, we built an airport and they are still talking about the airport. People are using the airport day and night, and they are still talking about it. We built it and we built a road leading to the airport, for those of you who want to know which road we built. And when the Leader of the Opposition first used the airport, it is reported in the press that he said he was very proud that day to return to the country and use the new airport. No other person but the Leader of the Opposition, but when he spoke in the budget, he said it was a shame, or something like that.

Mr. President: Minister, the debate in this Senate is not a continuation of the debate in the other place, so that references must not come about what took place in the other place.

Sen. Dr. The Hon. R. Moonilal: Mr. President, I am guided accordingly. On the issue of other developments taking place in the country, you would know that this country is now hosting the FIFA Under-17 World Cup Championship, a very successful event is taking place in this country where the eyes of the world are

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upon us. Over 300,000 citizens of Trinidad and Tobago have had the opportunity to look at World Cup Football for the first time in our history, one-fifth of the population. That is a serious event, it is a global event, but again, because we are caught up in a certain mood, in a certain climate of scandal and bacchanal, we are losing sight of the fact that this country is now hosting the world. Our young players excelled and should be commended and promoted for their showing in the World Cup where they played well and made Trinidad and Tobago proud.

Mr. President, in terms of specific measures in the budget, it is clear that social spending policy initiatives are covertly people-friendly, policy initiatives that are bold in terms of helping the poor and the unemployed; it is clear that those policy measures stand out and on that score we have not heard much anywhere—and I am referring now to the press where I follow most of the budget debates. We have not heard much about that and I intend to deal with that a bit.

Mr. President, in the area of manpower development and industrial relations, our Government, since 1995 has outlined a vision to promote this country. We have embarked upon a task to restructure our ministry to make it more responsive to the labour market. We have been involved in a rapid process of computerization of our ministry; we have been reengineering the manpower division and our national employment services; we have been upgrading and revising our labour laws; strengthening the tripartite process between the private sector, trade unions and the Government; and we have been redesigning the Employment and Training Programme (ETP) which I will speak about briefly.

I think it is important to reflect on our development in this sphere because work at the Ministry of Labour, Manpower Planning and Industrial Relations is integral to assisting unemployed people, those in the lower income bracket to whom we are committed by virtue of our mandate which we got from the people on December 11.

We have been involved in a process to expand our services and develop our internal capacities to deal with industrial relations, dispute resolutions, labour market placement, computer technology et cetera.

In 1992, among the very few things that the administration of that day did was to convene a National Symposium on Employment and Job Creation at Chaguaramas. A decision was taken then to establish a National Human Resource Management Information System, this information system—which was recommended at the time—was to collate labour market data on all those who are unemployed and seeking jobs and all those employers, companies and firms that are desirous of employing.

So the National Human Resource Management Information System was to match labour market supply with labour market demand. That recommendation was made in 1992. It was not until 1999 that the system came into being. This system provides for the entry, storage and retrieval of labour market information, national accounts, education, training and so forth.

So now, Mr. President, anyone, whether they are in Trinidad and Tobago or outside, can go onto our web site at worldwideweb.government.tt and put forward their resumé so that employers may use the system to recruit. They may also go on the web site to get useful labour market information as to what is happening in the labour market, what is happening in training, what are the new skills being required by industry and so forth.

This is a valuable electronic tool for policy makers, employers, workers, the unemployed, students, researchers and the global community.

Gone are the days when policy makers, students and so on will have to come into Port of Spain, take a taxi and go to CSO, find the relevant officer there, seek information, take out some money and purchase a copy of public information. Today you can just go on the Internet and find that information there. This is the Government that is committed to labour market development and technology. [*Desk thumping*]

The National Employment Service is not just a service to match labour supply with demand, we are also interested in training, so on the web site there are also points at which anyone going onto the web site would get information on where they can access training to suit their particular needs.

Mr. President, this is an important development in our labour market. As this service grows, we estimate that annually we will be able to match supply and demand so that thousands of workers will find jobs on the Internet.

However, we would all agree that not all the people who are unemployed and seeking jobs would in the first place be able to use the computer and seek that type of data. That is why we have strengthened our National Employment Service. Throughout Trinidad and Tobago, our ministry has provided the investment in terms of finance, technology and human development so that we now have walk-in centres where those at the lower rung, low income workers can go to those centres, register, and then we try to match to see if we can provide a linkage between employers who would need those workers. So we are providing that function.

Mr. President, the registration there also tells us a bit about the unemployed. Through that form we can profile the unemployed and it is no secret that the

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majority of those who may be unemployed at one time will also be in a lower training, lower skill, lower education bracket. The unemployment rate for graduates may be 5 per cent, whereas for those with education at secondary or lower, might be 24 or 25 per cent. So as you go up the ladder in terms of educational training, it reflects itself on the unemployment rate and we can get the data at our National Employment Service Centres to tell us about the labour market. That is critical for policy making. We cannot make policy unless we have information.

This is also a country where, regrettably, we talk a lot and everybody has their own ideas on how to do things, but sadly, most of the time, the data or the information upon which you can plan is missing and there is now a renewed emphasis at the Ministry of Labour on data gathering and understanding the problem better so we can solve it. We cannot have one level of policy making that will be a one size fits all, that you have unemployment policy and everybody who is unemployed should get a job if we implement it. It cannot work that way. We need now to have specific employment policy that targets certain groups, whether they be women, youths, unskilled, untrained and so forth, and that is why in this budget statement the Government is at pains to point out the need for further education and training.

In our first five years we introduced universal secondary education. That was a major achievement and my colleague, Sen. Roy Augustus, will speak about education, but just to assure Sen. Thomas, through you, Mr. President, that we do operate with education and health sector reform plans. I imagine the building of schools will also be done consistent with the growth in demand for education, targeting the type of industrial development we are seeking, the right skills, right expertise and so forth, but I am sure Sen. Augustus will deal with that in more detail.

Mr. President, the Employment Training Programme is a programme that has its roots in a devilish incarnation called DEWD run by PNM party groups throughout the country and in those days if you sought employment in the ETP—in those days DEWD and LID and so on—you needed to produce your party card. This is the history of that apparatus which was called DEWD at that time. So much so that I will give you a personal experience.

When I went into the ministry, I met people on a weekly basis, many of them talking about jobs and opportunity, and a senior gentleman—who has been working for several years in DEWD, LID, URP or whatever—came to me and said: “Doc, I am looking for a 10-days, look, I have my party card.” I said, “Sir, I do not need to see your party card or any party card, I do not need to. If you are desirous and you are

worthy and satisfy the requirements and you need this type of temporary relief, then you should get the employment. You do not need to have a card.” But that is the culture you are fighting. It is a culture that people believe to get a job, you need a party card and I never had that experience before.

I read in the press, Mr. President, where it was stated by someone in the Opposition that ETP jobs are being given to UNC supporters and the Minister in the Ministry of Labour, Manpower Planning and Industrial Relations is encouraging that and I want to tell you, Mr. President, that was good news for me. I was happy to read that because if those in Opposition are claiming that to get a job in the ETP, you need to be a member of the UNC, I want to announce that I have been meeting on a weekly basis with people seeking employment and I have letters from citizens—I have many more, I could not bring all—who write me.

2.30 p.m.

I would quote from one letter, without calling the names, of course.

“Dear Dr. Moonilal,

We note with alarm—we are asking you for help. We are very much hurt that in spite of asking for work in the ETP, we are being refused. What is very hurtful is that the PNM supporters are being given work every fortnight and we are being left out.”

That is one letter. Another letter—in fact, this one is damning.

“We congratulate you, but we are aggrieved because we are seeking work and it appears that only members of the Opposition PNM are being assisted and are taking the work in the office.”

Now this is good news. You know what is the good news here? If the PNM is accusing us of giving work only to UNC, and the UNC members are accusing us of giving work only to the PNM, it means for the first time in our history, everybody is getting work, regardless of which party they belong to.

We should congratulate the hon. Harry Partap, Minister of Labour, Manpower Development and Industrial Relations, who is guiding this programme. This is a very progressive matter. It could not have happened under the PNM. For 30 years, DEWD: come with your party card.

In the area of training, the Employment Training Programme has been involved in a massive programme of training and retraining our labour force. Today, driven by the inspiration of our Prime Minister and the mandate that we got from him, the ETP insists that if you are to get a job, you must undergo training; whatever it is.

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When we were training, some of them on the Opposition side said that we were training men to make flowers and red mango. They made a joke out of it. When we were opening schools, they said we were opening schools for “douen” and parrot. That is their level; we have no problem with that. We have to do what is right, and it is right to train lower income workers in whatever it is: cake making, flower making, masonry, carpentry, whatever, we are training.

In the Employment Training Programme we are happy to announce that in its first year, the successful year that went by, we trained over 54,000 persons. We gave jobs to 54,913 persons in Trinidad and Tobago. I want to ask, rhetorically of course, if those 54,913 persons are concerned with bacchanal and sensationalism? They are concerned with jobs and food. Almost 55,000 persons benefited from that programme. That is what we are about. The Government is about jobs, investment and growth.

We are in the eighth year of economic growth. The unemployment figures would blow our minds. The lowest unemployment rate in 18 years. You need to go back to 1981 to find anything close to 11.1 per cent. The labour market expanded by 20 per cent. It is not just more jobs, but more jobs in an increasing pool. That did not happen by guess or by accident; that happened by careful planning; by attracting investment in certain areas to create jobs. Today we are happy with our unemployment figure of 11.1, but that is not it at all. We are concerned to move unemployment into single digits, down to 4 per cent, at which point the economists speak about full employment; that is our goal. Our goal is not propaganda and bacchanal and so on, our goal is to create jobs. The people who got jobs, the 55,000 of them know what the UNC Government is all about. No headlines or photographs will change their minds. They know that we are about jobs.

Mr. President, I thought I would remind this Senate of the work of the ETP because that touches the man-and-woman-on-the-street—mothers with five and more children; those people who may not have the skill or the education, through no fault of their own, to access jobs.

You would recall in days gone by, in the dark days, prior to 1995, every year thousands of young people were left on the rubbish heap of the labour market, without secondary education, without skills, without jobs. Our friend, Sen. Prof. Deosaran may want to comment on the profiling of those who are in jail to see how many were dropouts. There is a relationship between education, training and the ability to get jobs, and crime. So we cannot make a joke out of the work of the ETP. It is fair and equitable, it is development-oriented, it is widespread and it is a product of the UNC.

On the matter of law and legislation, it is also important to register in this Chamber, our work and our policy initiatives in drafting and redrafting certain pieces of legislation designed to help workers who are unprotected, those who are vulnerable, those who are powerless at production sites. It is becoming much too painful to read in the newspapers, time and time again, about industrial accidents, where workers are injured at best, but may lose their lives; where companies and enterprises may not have the institutional set-up at the enterprise to protect their workers. They may not even have the will. This is the role of Government. This is the role of a progressive government to ensure that enterprises have the institutions and the structures and the will to ensure that we have a safe and healthy environment.

Health and safety as an issue has taken on new meaning in this period. It is not just health and safety for the traditional heavy industries, but also in areas that are developing in terms of communications, libraries, the use of computers and so on. We have to ensure that workers have the right furniture; that they understand certain risks and are protected. This is what we are doing.

We have the Employment Injury and Disability Benefits Bill that seeks to replace the Workmen's Compensation Act. We all know that our legislation is outdated. We are now coming with new legislation to ensure that our workers are protected in the event of injury or death. While we have a strong legislative framework to ensure that we do not have accidents and death; we should also have a strong legislative framework to ensure that where it does happen, that families are protected; that they have security.

I meet several workers who come to me, telling me about their problems in the workplace. If they are injured, there are no benefits or compensation. In some cases, families cry because they have lost someone at the workplace and there are no benefits. The children are without education and food. That is a society that we cannot preside over. We need to move and move quickly. This is what the Government is about.

2.40 p.m.

It is not about bacchanal and scandal. I keep repeating that. So the Health and Injury Occupation Bill that we are advancing is geared towards protecting our citizens. The Employment Injury and Disability Benefits Bill will give further protection in the event of an accident. We also have the Basic Conditions of Work Bill, which seeks for the very first time in our history to ensure that there is a floor of basic conditions of work for everyone. It is the first time.

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Some time ago we celebrated another major achievement in the area of labour, when the United National Congress Government, led by the hon. Basdeo Panday, became the first Government in our history to introduce a Minimum Wages Bill. [*Desk thumping*] Those who make \$7 an hour or more may not see that as anything important, but the thousands of workers who were making \$3 and \$4 and that the PNM could not deal with when they were in government, we have taken steps now to protect them. We have now minimum standards and not double standards as obtained before. [*Desk thumping*]

They talk about protecting workers, and workers—no minimum wage in the history of this country! They had 35 years—35 years they presided in this country and no minimum wage, no maternity protection! In some industries, the tragic reality was that when a female employee is pregnant, she will lose her job. They will send her home, and when she has delivered, and so on, and has taken care of the child and seeks to reenter the workplace, she will be prevented, because somebody else took her job and so on. That is now a thing of the past. We have maternity protection legislation which protects women. [*Desk thumping*] That is what we are about, not bacchanal, scandal and sensationalism; not at all; not pictures. Nobody is a photographer on this side—nobody. We are not into that. We are about conditions of work, minimum wages.

For the benefit of this House and for the benefit of those outside this House who may wish to question our performance in terms of job creation, let me say once and for all, we have created over 70,000 new jobs since 1995. [*Desk thumping*] It is much more, but the official statistics we will have to read. In the period 1991—1995, under another government, the labour force grew by 5.9 per cent. The number of people employed grew by 7 per cent over that period. The unemployment rate dropped by a measly 137 percentage points, between 1991—1995. But the picture becomes a bit more comforting when we move into the 1995 period and beyond.

The news is that we have reduced unemployment remarkably, not just creating the jobs, but reflected in our national statistics for the period 1996—2000, the unemployment rate dropped by 6.5 percentage points, from 17.6 to 11.1. That is the Central Statistical Office's data. Whoever may wish to question it, whether they sit on the PNM benches or they sit on any other bench, may wish to refer to the CSO data in terms of our job-creating potential and what we have done.

While we do all this good work and we present such innovative policy measures for science, technology, agriculture, manufacturing, energy-based industries, and so on, you have, of course, during a budget season, the usual

suspects. They would round up the usual suspects, people who are paid to make comments on the budget, and so on, and they would come with all sorts of “ol’ talk” as to how we performed; why we performed—the gloom. Sometimes I feel that there are some people who look on with a sort of inner joy that the events on September 11, 2001 occurred so that in some way it will smother the growth of this country and our economic development.

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. [*Hon. L. Gillette*]

Question put and agreed to.

Sen. Dr. The Hon. R. Moonilal: Thank you very much, Mr. President.

I was making the point because this is my framework to describe the performance of our Government, but also to pinpoint in the budget, measures that are meant to improve on our performance, because I think it is important for us to stay on performance and not get sidetracked and distracted by this season that we are going through, where everybody now is standing up with picture and propaganda and sensationalism, and calling for resignation. There is now a prominent politician in the land, we should call him “Mr. Resignation”. “Mr. Resignation” lost three elections and he did not resign, but he is calling for everybody to resign.

I follow the press—I do not attend everything—and over the years there was a Member of Parliament who stood for five years in office in one of the Port of Spain constituencies, attended 2 per cent of the sittings; nobody called for resignation then. He is a consultant, like myself. I was fortunate to meet him in Jamaica. I saw more of this Member in Jamaica than I did in Trinidad.

Hon. Senator: I met him in South Africa.

Sen. Dr. The Hon. R. Moonilal: He met him in South Africa. This was a globetrotter on the benches of the Opposition.

Mr. President: The Member you speak about would have been granted leave, so that what you are doing, in effect, is casting aspersions on the other place.

Sen. Dr. The Hon. R. Moonilal: Thank you very much, Mr. President. I will say nothing further about that Member, because you are correct, he would have been granted leave for all the time that he was absent from the Parliament and doing the people’s business.

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Within recent times during this discussion on the budget, we have been hearing by innuendo and have been looking on at the half-truths, where those speaking in the press—I refer to the press—have been casting aspersions on Government Members and their work, their career and their children, and so on. I have a matter I want to raise in this brief period here. The nation would know I was a candidate in the last general election in the constituency of San Fernando East. In that election—and I would seek to find my words carefully—I ran against an opponent who, when we asked him to explain his tenure, to tell us what he has done for the people of that particular constituency; when we asked for a public debate—I remember going on television and so on, and asking for a debate with the person I was running against to discuss the business of San Fernando East—that person refused. But when, in the last few days of the election and his back was to the walls, he chose to attack me personally. He chose to attack my character, my capacity to earn a decent living and to plan for my financial future.

2.50 p.m.

Mr. President, I make reference to a speech I delivered on December 7, 2000 at Edoo's Shop, Cocoyea Village, when, in response to the allegation from the person in the PNM whom I was running against, I had the following to say:

“When he could not debate against me openly for the nation to bear witness, he made a desperate attack on my character, how ironic that of all the areas to attack me he chose to attack me on my capacity to earn a decent living and plan my financial future, indeed ‘those whom the gods wish to destroy they first make mad’, after...”

[*Interruption*] Mr. President, I am quoting from my speech made on December 06, 2000. [*Sen. Dumas rises*] I will not give way, I am in my last 15 minutes now.

Mr. President: Two Senators cannot be on their feet at the same time. What are you raising, Sen. Dumas?

Sen. Dumas: Mr. President, I just wanted to suggest that this quoting of himself has to be out of order.

Sen. Dr. The Hon. R. Moonilal: Mr. President, bearing in mind that it is not out of order, could I make the connection?

Mr. President: Yes, it is not out of order. [*Desk thumping and laughter*]

Sen. Dr. The Hon. R. Moonilal: Thank you very much, Mr. President. Having successfully wasted 30 seconds of my time let me now continue quickly. I would

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continue to quote from my speech of December 07, 2000. [*Interruption*] It is important because this issue finds itself up today. The issue comes back. I quote:

“...after doing business with the banks for 12 years, as a young man not once have I defaulted on a payment, my credit rating is excellent...”

and I continued:

“...as a young unmarried man I am now planning for a family and for my yet unborn children, I do not wish to have to sell my home to send my children to school, so I use all my accumulated knowledge gained...to work hard as a consultant to several agencies in T&T and abroad, while...”

they can

“...point to my consultancy with the health authorities, let me also tell him...”

meaning the opposition I was fighting in December.

“...that since completing my PhD...I have been a consultant to the ILO, several trade unions in Trinidad, worked as a part time lecturer at the UWI St. Augustine, the Institute of Social Studies...indeed I have also advised governments in Europe and...”

elsewhere. [*Desk thumping*]

“...I have presented academic papers and done consultancy work...”

Mr. President, I do not say this in any way to boast. I have friends on the Independent Benches who will dwarf me in terms of intellectual activity, creativity and writing. In fact, I am a child to my friends on the Independent Benches in terms of intellectual work. I say this to make a point. The point is that when I was working at the Office of the Prime Minister, on contract—I was never a public servant—I had other consultancy projects in several places. For those Members who may sit on my side, to raise this matter is disgraceful. It suggests that the messenger service between Chepstow House and Cabildo Chambers is quite effective because it was raised in December by the PNM and I dealt with it there and then. It comes back up now in a sneaky way.

Mr. President, I want to tell you that—

Hon. Senator: Come back to the budget.

Sen. Dr. The Hon. R. Moonilal: This is a budget issue. [*Laughter*]

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Mr. President, I just want to raise one matter, again, consistent with that. People will want to raise the issue of my integrity, but I want to tell them that I have in my hand a letter from the Permanent Secretary, Office of the Prime Minister—I would quote very briefly for fear of my friend rising again to take away my time. It states:

“Dear Sir,

I refer to your current status as a prospective candidate for the upcoming General Elections...”

This is dated November 1, 2000.

“While there is no stated policy or legislative provision with respect to the treatment of contract officers who are prospective candidates...it would appear inappropriate for you to be in the employ of Government...”

The letter states:

“...discussions... initiated by you.”

The point I want to make briefly is that when I became a candidate in the election, I initiated discussions to leave my job at the Office of the Prime Minister because I will not take taxpayers’ money to be a candidate. That was a principled position. [*Desk thumping*] I did not have to leave. It was the right thing to do.

So, I say that in response to some of the bacchanal and scandal taking place which is promoted by sections of the press. We must understand it is promoted by sections of the press. An editor in a daily newspaper has deep adulation with a senior Government minister. It is not surprising that that newspaper is the official voice of what others call the “gang of four”.

Mr. President, now that I have raised those issues in passing, let me—

Hon. Senator: You do not like to hear the truth.

Sen. Dr. The Hon. R. Moonilal: Well, the truth offends everyone whether they are in the Opposition or elsewhere.

Mr. President, let me say that this budget is carded to growth. I have spent 95 per cent of my time on performance and 5 per cent dealing with their sensational bacchanal. I want to register that in the *Hansard*. My contribution was not on bacchanal. It had to deal with issues: growth, jobs and performance. We on this side are committed to ensuring that this country develops to increase our capacity to create jobs and bright futures for our children.

This morning I had the privilege and honour to go to Grant Memorial Presbyterian School in San Fernando to take part in their Republic Day celebrations. In that school they are proud that a past student of that school topped the island in the SEA Examination. This morning we were celebrating her distinction as I invite this nation to celebrate the distinction of young people. This budget will ensure that we have a better future and provide more opportunities to our young people so that they may grow and enjoy all that we have enjoyed in our lives and enjoy much more than the PNM has given them for 30 years when they presided over the most corrupt government in the history of the world. Today, they come now to tell us about corruption.

Mr. President, I thank you.

The Minister in the Ministry of Food Production and Marine Resources (Sen. Dr. The Hon. Jennifer Jones-Kernahan): Mr. President, I stand today to support the Budget Statement 2002 and I would like to do so in the context of my contribution, "Prospectives on Sustainable Growth and Food Security in the Agricultural Sector".

We live today in extremely challenging times. Gone are the days when whole administrations would be allowed to switch to autopilot, secure in its base and survival, fall asleep on the job to awaken like Rip Van Winkle totally lost in a new paradigm and unable to grasp concepts such as vision, performance, efficiency and inclusion.

Mr. President, the Rip Van Winkle forces are seemingly awake, but they remain locked in a brain-dead stupor with the only glimmer of awareness being single-mindedly focused on corruption. It is pathetic to watch.

3.00 p.m.

Mr. President, there is a reason for this and the reason is that these negative, backward forces have paralyzed this country for over 40 years as they assiduously and relentlessly imposed, nurtured and glamorized a culture of corruption in this country that will take decades to destroy. These are the same forces that presided over the \$60-billion squandermania that I am sure qualifies for the Guinness Book of Records and, yet, not even the brightest of them had the wit to even suggest the introduction of legislation which would deal with their malefactors. As we say in this country, "not one coulda tell the other turn back." It took the UNC administration to put legislation in place so that wrongdoers who steal from the public purse would be punished, but there will be no witch-hunt, no overreaction, no "Peter will pay for Paul". We of the UNC are saying that Paul will pay, but he

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will pay after due process and not by a lynch mob in the streets or in the media, but by properly constituted authority.

It amazes me, this sudden mania in this country for instant justice. We are the same people who spoke in hushed tones and nudged each other at the conspirators and watched the obscene rape of our Treasury for over 50 years. We have waited over 50 years for integrity legislation and we must allow the special investigative forces: the police, the Director of Public Prosecutions, to do their work in a transparent manner. We must give them time and space. To do otherwise, would be to go 180 degrees, to go in the direction of a culture where people are whisked away in the middle of the night on unspecified charges and never heard of again. [*Desk thumping*] In this era of globalization and transnationalization, relatively young nation states such as ours are required now to march to the beat of an international drum. In military terms this can be termed a forced march. Nevertheless, the steady and progressive evolution of our political, social, economic and cultural environment demands not only that we keep up, but that we generate a respectable trot in this race for survival. An important component and an extremely invaluable tool in this race is, undoubtedly, our agricultural sector and our increased focus on the viability, productivity and sustainability of this sector as well as our renewed focus on food security issues.

Mr. President, agriculture has been a fundamental human activity ever since man moved from the level of being hunters and gatherers, to domestication of plants and animals. I would suggest that despite the passage of thousands of years, the underlying motivation of man, then as now, is sustainable agricultural activity and food security. It is self-evident that food security is a limiting factor to all other areas of endeavour.

Chapter 14 of Agenda 21 on sustainable agriculture and rural development notes:

“By the year 2020, 83 per cent of the expected global population of 8.5 billion will be living in developing countries yet with capacity of available resources and technologies to satisfy the demands of this growing population for food and other agricultural commodities remaining uncertain. Agriculture has to meet the challenge by increasing production on land already in use and by avoiding encroachment on land that is only marginally suitable for cultivation.”-

Mr. President, it is well documented that the goal of increased production in agriculture is not always compatible with goals of environmental conservation and sustainability of natural resources.

Svern Sundsbo in his treatise: “Soil Cultivation in Relation to our Common Future and Sustainable Global Development, 1991 posed the problem as follows:

“ ...increasing food production in pace with the growth in population may aggravate environmental problems and undermine the agricultural resource base for future production.

On the other hand, measures introduced to alleviate pollution and to reduce pressure on the environment from agriculture may lead to lower production and more expensive food. Change and improvement will have to take place over a very broad field and this will require active co-operation between research institutions, farmers and political policy makers.”

It is clear that the issues are very complex, and sensitive humanist approaches must be advanced. The Caribbean Ministerial Conference on the Eradication of Poverty which took place at the Trinidad Hilton on October 23 to November 01, 1996 recognized that a Caribbean Action Plan for sustainable living must be designed, and be among the guiding principles for such a plan enunciated on the question of food security in the following terms:

“Caribbean plantation economics actively discouraged self reliance in food production in favour of encouraging a captive market for imported food, benefiting overseas suppliers; this deep seated ambiguity still remains to be addressed. While considerable effort is put into export oriented enterprises to provide employment and save resources to pay for imports, very little value is attached to encouraging food security and self reliance, or in promoting preferences for local foods, which are culturally and nutritionally more beneficial.

Public policy and planning civil society campaigns must now address this issue urgently. Food security must be perceived as the action plan for sustainable living for the Caribbean.”

This was in 1996. The Ministry of Food Production and Marine Resources is also addressing the issue of food security. In our draft sector policy documents, we addressed this issue in the following terms:

“This document recognizes that there are three important aspects to food nutrition security policy:

1. Food availability sufficient to meet the national demand.
2. Food accessibility by households and...
3. Household nutrition...

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Trinidad and Tobago, like other Caribbean countries, has sufficient available food at the national level, although domestic consumption outstrips domestic production, and only a few staple commodities are produced in any significant quantity. In effect, adequate food availability depends on adequate supply of foreign exchange. Whether this is an acceptable situation depends on cost, risk and population acceptance relative to the other alternative strategies for assuring national food availability.

Household food accessibility and household nutritional security are continuing problems. These aspects of food and nutrition security have not been adequately and systematically addressed with agricultural policy or national policy.”

This is the ministry’s position on food security.

It is obvious that the whole question of availability of food at a national level has become very precarious and this is a time that we feel our ministry has a very relevant role to play.

From our ministry’s perspective, adequate resolution to the problems of household access and nutrition requires the implementation of strategies that address a whole range of ministries and calls for inter-ministerial support. The agricultural sector which we have already established as an essential tool in our survival kit cannot be said to be in optimal shape. Our historical antecedents, recognized by the Caribbean Ministerial Conference, dictated our role as primary producers and underplayed the importance of domestic production and non-traditional export commodities. Only recently, non-traditional export agriculture is beginning to be a significant part of agricultural GDP.

Mr. President, allow me now to introduce an overview of the livestock and poultry subsector. The livestock subsector, including poultry, accounts for 20.5 per cent of agricultural GDP, and is therefore an important segment of the agriculture sector and a contributor to national food security.

The important sectors of the livestock industry include poultry, pork, dairy, beef and small stock. With respect to poultry, an estimated 6,200 persons are directly involved in the poultry subsector. The boiler breeder subsector producing hatching eggs, produces at present only 5 per cent of the local requirement. In the mid-1980s, 80 per cent of the total hatching-egg requirement was produced locally. There are four companies involved in processing and these annually process 62.1

million pounds of chicken. There are 600 pluck shops, which, in addition, process 44.5 million pounds.

Total annual production of chicken is estimated at 106.6 million pounds—the largest processors producing 58 per cent of the total; pluck shops, the remaining 41.7 per cent. The major concerns of the poultry subsector—and which concerns all of us—are: with respect to the regulations and measures to trade and subject to a fluctuation in prices; meeting requirements for regional trade; the volatility of the market; the poultry industry being out of line in terms of prices, the parts of chicken available and the need for policy support in the areas of domestic policy.

A deep concern of the poultry subsector, also, is the need to strengthen links with the university and CARIRI to stimulate research in the production of new parts. The major concerns of the industry also include the threat of competition from lower-priced imports of chicken and table eggs and the impact of removing the 25 per cent common external tariff on the produce of hatching eggs. The high cost of imports is also problematic for the poultry sector. On the other hand, the industry benefits from duty-free concessions on machinery, equipment and imported breeding stock. It is also supported by 40 per cent duty, and a common external tariff of 133 per cent.

3.15 p.m.

Mr. President, with respect to pork, the census report of 1999 stated that 908 persons were directly involved at the farm level, producing 4.6 million pounds of pork annually. This level, however, is 21 per cent below the output levels of the early 1990s. Over 95 per cent of the pork produced for the local market, is the local fresh pork market. The bulk of imported pork cuts estimated at five million pounds annually, are manufactured into processed pork products.

The subsector exports approximately 500,000 pounds of fresh and processed pork to the regional markets. The average foreign exchange earned in the period 1997—1999 from exports, was TT \$14.5 million. The major concerns of this subsector include a threat of lower priced imported cuts, limited marketing opportunities for small producers, praedial larceny, increasing cost of inputs and improving competitiveness of processed pork producers with a view to expanding export market opportunities. The industry is supported by duty-free concessions of machinery and equipment and breeding stock. Imported pork cuts for processing purposes are imported duty-free. The industry is further supported by a 40 per cent CET on fresh pork and 20 per cent on processed pork products.

With respect to the dairy subsector, the Livestock Census Report 1999, indicated an estimated 2,355 cattle farms with a cattle population of 28,000. An estimated 10 million kilograms of milk is produced annually in Trinidad. An estimated amount of 11.3 million kilograms of powdered milk is imported annually. Farmers supplying to approved processors receive a subsidy of \$1.00 per kilogram.

There are many concerns on the part of the local dairy producers, Mr. President, including the reduction of fresh milk demand from the major processor, from 10.7 million kilograms per annum. A reduction in the number of depots from 13 to four, which has caused immense hardship, lower levels of investment in the industry, poor state of pens, pasture and infrastructure on many dairy farms; availability of land for new entrants to dairy farming, the high cost of water and improving conditions suitable for the requirements for export of this product.

The beef sector is really a spin-off from the dairy sector. Over the last five years, an average of 2.2 million pounds of beef was produced by the local beef subsector. Mr. President, 7.3 million pounds of beef, valued at \$46.5 million is imported annually. The total supply of beef on the domestic market, therefore, amounts to 9.5 per cent, imported beef, amounting to 83.7 per cent of total.

The issues that concern beef producers in this country are competition from cheaper imported beef cuts; limited facilities for slaughter, sale and storage of local beef; high incidence of praedial larceny; inadequate provisions for slaughtering; low levels of investment in the industry and concerns about the quality of the beef produced for the market. The industry also benefits from duty-free concessions for imported machinery, and additional incentives are provided for the establishment, the construction of ponds and wells and irrigation pastures. There is the 15 per cent duty on imported beef.

With respect to small stock industry, Mr. President, this sector is largely a subsistence backyard type of activity. Although there are about 50 large commercial-type activities in the country, they are typically mixed farming. The Livestock Census Report of 1999 indicated an estimated 797 sheep farms and 2,993 goat farms with populations of around 8,469 and 13,959 respectively.

Approximately 110,000 pounds of sheep and goat meat is produced annually. An estimated 2.9 million pounds of sheep and goat meat, valued at \$16.9 million, is imported annually. Local producers therefore only produce 3.6 per cent of the total supply of these meats. The industry concerns are competition from cheaper imported products, high incidence of praedial larceny, unavailability of quality

breeding stock, the conditions under which animals are slaughtered and meat sold under roadside or backyard conditions, low levels of investment in the industry and land for new entrepreneurs.

Incentives are also offered by the Ministry for the establishment of pastures and the construction of ponds and wells for irrigating pastures. Sheep and goat farmers also access duty-free concessions on imported machinery and equipment. There is a 15 per cent duty on imported sheep and goat meats.

The apiaries subsector, in essence, beekeeping, is essentially a part-time activity carried on by an estimated 533 beekeepers, most of whom have 20 hives. There are, however, about 20 large producers with 100 hives. The average production per hive is four gallons per season but the better-managed hives are capable of producing 10—12 gallons of honey per season. It is estimated the country produces a total of 17 gallons of honey during the honey season, which extends from December to May.

Importation of honey is prohibited as a means of protecting the local industry from foreign disease and pests. On a bright note, local honey has regularly received international acclaim at the Annual World Honey Competition. The National Honey show was held in Kensington Town Hall, London, in November 2000. It involved beekeepers competing in various categories from all over the world. The Trinidadian representatives won the prestigious Hender Cup 1999 and again in the year 2000.

Mr. President, industry issues include the loss of nectar-producing species of forest trees through harvesting of timber and forest fires and the difficulties involved in securing appropriate lands for expanding existing apiaries and for new apiaries; the shortage of extension staff in beekeeping and the inability of many to access loans from the ADB because of unregularized tenure. Duty-free support is also offered by the Ministry on the importation of machinery and equipment in beekeeping.

Mr. President, the hon. Minister, Trevor Sudama, in an exposition entitled “A New Direction for Agricultural Development in T&T” posed the problematic situation of agricultural development as follows:

“During the 1970s and early ‘80s the agricultural sector declined largely because of the effects of the vibrant petroleum sector and general wealth in the economy. During the 1970s and 1980s, the output of the agricultural sector also changed. The production of the traditional export commodities declined and many estates were abandoned while production of domestic cash crops, poultry

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and pigs increased significantly. Since the decline in the '70s and '80s, there has been a partial, though shaky recovery.

The agricultural sector is relatively small in its contribution to the economy, contributing 2.2 per cent of gross domestic production in 1999, compared to 5 per cent in 1980. The sector employed 46,900 persons or 9.1 per cent of the national labour force in 1999; in 1985, it was 10.8 per cent according to the Central Bank.”

Notwithstanding these figures, Mr. President, it has been observed by many economists that perhaps the true contribution of agriculture to GDP is not reflected because of the many transactions that take place outside of the formal system. Agricultural workers have also historically been at the lower end of the income scale. The 1998 average GDP per person in the nation was \$40,323; in agriculture the average value was \$13,707.

With respect to achievements for the fiscal year 2001, provisional data provided by the CSO indicate that domestic agriculture in 2001, contributed TT \$417 million to agricultural gross domestic product. This amount represented a 2.8 per cent increase over the previous year. The total agricultural sector, however, declined by 3.9 per cent as a result of decreases in export, agriculture and sugar.

Mr. President, there were mixed performances in the agricultural sector during the review period October 2000 to March 2001 when compared to a similar period of the previous year. There were, for example, increases in the production of coffee, copra, refined sugar, table eggs and broiler meat. Output of copra and refined sugar increased by 22.6 per cent and 5.2 per cent, respectively.

An estimated 643,111 kilograms of cocoa beans were produced for the period October 2001 to March 2001. This level of production was 12.9 per cent less than the quantity produced in the corresponding period in the previous year. Unfavourable weather conditions were largely responsible for the fall in production. Production of coffee was 342,000 kilograms. This represented a 2.7 per cent increase over the corresponding period of the previous year.

The bad news is that there were decreases in the production of oranges, grapefruit, milk, beef, pork and rice. The production of oranges, grapefruit and rice fell by 15 per cent, 37.3 per cent and 62.7 per cent, respectively. The prolonged dry season was the most significant factor that accounted for reduced crop yields.

Mr. President, the problem of the Citrus Black Fly also adversely affected the citrus crop. The production of milk, beef and pork fell by 1.6 per cent, 24.7 per cent

and 4.8 per cent, respectively. Reduced output of beef can be ascribed to declining levels of investment in the sector and competition from cheaper imported beef. The severe dry season also affected pasture growth and the consequent milk yields. The marginal decreases in pork production can be attributed to the continued fallout of small farmers from the industry.

With regard to sugar production, the period under review amounted to 90,578 metric tonnes. This output, regrettably, was 20.8 per cent less than the production levels of the previous year, and 23.2 per cent less than the targeted output. The decrease in the production levels can be ascribed to dry weather conditions that resulted from the drying-out of canes and poor ratooning re-growth in harvested fields. The crop was also affected by the numerous work stoppages due to industrial actions by both workers and cane farmers.

Export sales of sugar to the European Union and the United States for the period January to June 2001, were 67,550 metric tonnes. Foreign exchange earned as a result of sugar exports totalled \$194 million, however this was 25 per cent less than the previous year.

3.30 p.m.

Caroni (1975) Limited sold 35,162 metric tonnes of sugar on the local market during the period January to June 2001. These sales comprised 26,000 metric tonnes of refined sugar and over 9,000 metric tonnes of washed grey sugar. The total amount of sugar sold in the market was 1.7 per cent more than the amount sold in the same period last year. The company earned over \$102 million in revenue from the sale of sugar on the local market. Revenue from the sale of sugar on the local market was 19 per cent more than the amount earned in January to June 2001.

The fisheries sector exhibits a number of ills: overexploitation as a consequence of the open access nature of inshore fisheries, weak resource management and overcapitalization. In addition, the coastal marine environment is being degraded as a result of land-based activities such as destruction of wetlands and pollution from agricultural, industrial and residential resources. Although domestic and foreign trawlers are prohibited from fishing within two miles of the coastline, there is evidence that this regulation is not being observed.

Mr. President, I would like to deal with the vision objectives and how activities build over the years. There are tremendous opportunities which exist to arrest and reverse the declining trends in some products, as we hold to the vision of a modernized and internationally competitive sector that generates sustainable income levels for producers, comparable to those obtained in other sectors of the

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economy, that enhance the country's renewable natural resources in bio-diversity and that enrich the lives of all citizens. This vision, Mr. President, is enunciated in our policy framework which seeks to achieve the following stated goals:

- Promoting sustainable agricultural sector growth;
- Increased incomes to promote employment;
- Enhanced food security;
- Improved balance of payments;
- Increased competitiveness;
- Foster and facilitate private sector investment and growth;
- Reduce agricultural risk;
- Contribute to rural development;
- Foster stakeholder participation;
- Sustainable management of renewable resources;
- Conserve biological diversity;
- Foster the development and application of cost effective appropriate technologies;
- Foster more efficient and effective market systems;
- Enhance access to credit by all producers; and
- Enhance efficient functioning of land markets.

Mr. President, these policy goals have the underpinning themes of competitiveness and sustainability, which will be the focus of the Ministry of Food Production and Marine Resources as we move to fully accelerate the reforms at the domestic level in order to capture the gains of trade liberalization worldwide.

I would like to deal a bit with respect to how the world trade agreements in agriculture affect our agriculturists and our economy. Mr. President, the world trade agreement in agriculture has become the blueprint not only for multilateral free trade negotiations in agriculture but for all agricultural trade agreements being pursued. At the fourth ministerial meeting of the World Trade Organization to be held in Doha, Qatar in November 2001, an attempt will be made to launch a new round of negotiations. The major challenge for the trade ministers will be to ensure

that the multilateral trade system provides for effective and sustainable development for developing countries.

Mr. President, for this to occur, the ministerial meeting will have to build a consensus on a new trade agenda that accommodates the conflicting interests of developed and developing countries. The imperatives of such a successful launch will include items such as granting full market access, which is critical to poor countries; having new types of non-tariff barriers, such as excessive food safety standards; and the question of the need for greater flexibility to implement the trade agreement in areas that require large investments consistent with development priorities.

Mr. President, during this round we will have to deal with increased aid and technical assistance to enhance the trade capacity of developing countries. Multinationals and private firms will be asked to contribute to the social and sustainable development goals to mitigate the social adverse impacts of globalization. We will have to deal with investments in rural infrastructure, human as well as physical, agricultural research, agricultural technology and the main issues in forming the ongoing trade negotiations and with respect to market access, export competition, domestic support, non-trade concerns such as food security and rural development, the multifunctional role of agriculture and special and differential treatment.

Our producers—our agricultural sector—have not escaped unscathed as the implementation of the WTO Agreements have begun, given the fact that we signed the WTO Agreement in 1995. Mr. President, some of the major staples in which the country has some supply capability show mixed results since the implementation of the WTO Agreement on agriculture. For example, with respect to rice, the pre-implementation period showed a self-sufficiency ranging from 42 to 50 per cent. After the implementation period, self-sufficiency decreased to approximately 20 per cent. Pork—pre-implementation self-sufficiency ranged from 57 to 76 per cent but, post-implementation, self-sufficiency was below 50 per cent. Notwithstanding, the expected increases in prices in some of the major commodities did not occur. The food import bill increased on average by 5 per cent prior to the implementation of the WTO Agreements, however, there were significant increases in import in 1995 with a 32 per cent increase the year implementation began.

Mr. President, local producers of primary and processed commodities have been complaining of the inability to compete with imports since the implementation of the WTO obligations. Most noticeable were the cases of ice-cream producers, vegetable farmers and pork product producers. In the case of vegetables, the

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increase in imports coincided with the decreases in the surcharges. For example, in 1997 cabbage and cauliflower imports have increased as the surcharges were reduced, with the most dramatic increases in 1999 where the only border protection was the Common External Tariff of 40 per cent. Imports of ice cream to Trinidad and Tobago also increased in the post-implementation period with imports increasing from 35,100 kilograms in 1994 to 663,700 kilograms in 1999. Local manufacturers of processed canned vegetables have closed production lines due to their inability to compete with imports.

With regard to exports, Mr. President, sugar continues to be the mainstay of agricultural exports. Preferential arrangements so far have not been altered and recently the US opened additional ports of entry to a range of Trinidad and Tobago products, which is expected to further increase exports. The problem experienced with regard to exports of primary produce and processed agricultural products is one mainly of achieving the sanitary and phytosanitary requirements.

Another important consideration that we have in the Ministry is the fact that the European Union has ceased the imports of fish and fish products because of food safety requirements. It is clear that the reforms required at the human, institutional and infrastructural levels need to be accelerated to ensure that the sector is competitive in the liberalized trading environment and that we benefit from the opportunities offered. Mr. President, it is clear that there is need for comprehensive legislative overhaul of the agricultural sector. In a document produced by the Ministry, *Horizon 2010 Agriculture, Beyond the Sectoral Approach for the New Millennium*, we have proposed a new multisectoral approach for the development of the agricultural sector.

At the symposium held at the Kapok Hotel on September 06, 2000, a total of 75 participants attended this consultation and were drawn from policy and decision-making levels of Government, community groups and non-governmental organizations, financial institutions, private enterprise, development partners in the United Nations and the European Union, Caribbean Agricultural Business Association and the University of the West Indies. To give this honourable Senate an idea of the level of technical and distinguished intellectuals of the Caribbean who were present at this consultation, and consequently the weight that we should put on the results of this consultation, I will indicate to you the sort of input that we had at that consultation.

Present were Dr. H. Arlington; D. Chessney, Director of the Caribbean Regional Research Centre and representative in Trinidad and Tobago of IICA; Mr. Don E. Robinson, the FAO representative in Trinidad and Tobago. Group three of

this consultation, which dealt with the whole question of refining the national agricultural health and food safety system of Trinidad and Tobago, made a number of recommendations, a year ago at this point, which have still not been dealt with. Group three of the consultation in which we had three presenters—Dr. David McIntosh of the EMA; Dr. Sandra Volkaty of IICA; and Mr. Sam Dowlatt, the CEO of the National Marketing and Development Corporation—reflected the concerns of this consultation with respect to the establishment of the National Agricultural Health Authority in the following terms and I quote:

“The Government of Trinidad and Tobago has acceded to the General Agreement on Tariffs and Trade (1994) and more recently to the membership in the World Trade Organization. In this regard it has a responsibility to honour specific commitments contained in the Agreement on Sanitary and Phytosanitary Measures.”

While these agreements provide the proper framework for international trade, specific actions must be taken at the national level to ensure actual access to international markets. The focus on food safety is a critical success factor and therefore reform measures must be implemented at all levels of the food chain to bring the agricultural sector in line with the international rules and standards for the protection of animal, plant and human health, and to ensure global competitiveness and sustainability. It is therefore absolutely imperative that an efficient and effective national agricultural health and food safety system be established to protect the health of consumers at home and abroad from the risk associated with emerging food-borne diseases and other hazards while simultaneously facilitating trade.

A country’s food supply system should include the following fundamental components covering the entire food production, processing and marketing chain from farm to table:

- 1) The use of good agricultural practices on farms to minimize the risks of contamination of foods. This should include proper trace-back systems which can follow the product from marketplace to the source of origin.
- 2) Environmental controls and water treatment capabilities—[*Interruption*]

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

Motion made, That the hon. Senator’s speaking time be extended by 15 minutes. [*Hon. L. Gillette*]

Question put and agreed to.

Sen. Dr. The Hon. J. Jones-Kernahan: Thank you, Mr. President— environmental controls and water treatment capabilities to ensure the availability of clean water and uncontaminated surroundings for production and processing;

- 3) Appropriate use of chemicals such as pesticides, fertilizers and biological products with strict observation with regard to withdrawal times;
- 4) The use of good manufacturing practices and other preventative controls in food processing facilities supported by quality control and assurance programmes;
- 5) A strong regulatory organization within Government that can ensure safe and wholesome food to consumers, home and abroad, built on sound scientific principles; and
- 6) A strong epidemiology programme within the Government to collect information and provide data on the incidence and prevalence of diseases.

Mr. President, in the light of this, the following was proposed: that there is a definite need to refine the national food safety system of Trinidad and Tobago if the country is to develop a competitive and productive agricultural sector. There is an urgent need to clearly define the roles of the various state agencies with responsibility for regulating the food safety system to avoid undue duplication and bureaucratic obstacles. Consideration should also be given to the establishment of a mechanism to oversee the national food safety system to ensure that it is in harmony with international food safety laws, and to foster collaboration among national stakeholders.

Several proposals were made with respect to the implementation of the above— one, that Cabinet should create a task force for the establishment of an agency to manage the food safety system. Two, it was suggested that the Minister of Agriculture and Marine Resources take a note to Cabinet for the establishment of a task force to create a single authority within a two-year time frame and, Mr. President, there was established a need to have private sector organizations, such as TMA, CPA and the Exporters Association lobby the Government on the need for action on this critical issue.

[MR. VICE-PRESIDENT *in the Chair*]

Mr. Vice-President, this was one year ago and the absolutely vital question of the establishment of a national food and agricultural safety authority has finally been taken off the back burner and put on the front burner as steps are being taken to ensure the realization of this vital institution. As such, there are a number of

important institutions that are fundamental to the all-out assault that will be launched by our Ministry in order to attain the objectives of agricultural sustainability and food security. These are:

1. The establishment of a national food and agricultural health authority;
2. The empowerment and support of the Livestock and Livestock Products Board as their role as representatives of the livestock subsector;
3. The support of the Land Administration Division and the expansion of the State Agricultural Land Information System (SALIS) with a view to upgrading security of tenure to farmers;
4. The encouragement of our public and other private research institutions which will be demand-driven in their response to the needs of the sector.

The Wallerfield fish hatchery is an example of the pioneer work and research being done in the area of aquaculture and integrated farming, Mr. Vice-President, which is being made available to our farmers by the fisheries division;

5. The agribusiness focal point of the Ministry. NAMDEVCO and the Agricultural Development Corporation will be rationalized to offer optimum support to the sector in terms of technical services, market information and supportive credit systems;
6. The establishment of stronger links with stakeholders, organized into societies and co-operatives, which facilitate the transfer of resources in order to benefit members, including the Palo Seco Enterprises Limited and the Agricultural Society of Trinidad and Tobago.

As a high point, I would like to indicate that just this morning I was informed by a representative of the Agricultural Society that it launched just last week the National Agricultural Marketing Cooperative, which will be vital to facilitating the production and the marketing of agricultural products of all our primary producers. This is a step that has been long in coming, Mr. Vice-President, and the farmers of this country will surely benefit from such a positive step. They have formed themselves into a cooperative in order to further benefit their sector.

7. The establishment of a technical team of representatives from the Ministry and the Tobago House of Assembly in order to facilitate and harmonize work in the agricultural sector on our twin-island state, and to ensure a close collaboration with the THA and the secretary for agriculture.

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This committee, Mr. Vice- President, this technical team, is due to have its first meeting shortly.

3.50 p.m.

Mr. Vice-President, these are steps which will be taken in the Ministry of Food Production and Marine Resources in order to deal with all the problems we have just outlined and we believe that these institutions, these steps that we have taken will, to a great extent, alleviate many of the problems that our farmers face and will enable the agricultural subsector to be more competitive in this era of a globalized economy.

The Ministry of Food Production and Marine Resources has a clear responsibility to ensure the awareness and mobilization of our people, now more than ever, around the issues of sustainability and food security. J.P. Hella of South Africa, in his contribution to LEAD International Newsletter in October 1996 postulated, inter alia:

“A direct feature of life in all regions of the developing world to date is 1.5 billion people in poverty. The poorest group, 80 per cent reside in rural areas...

The communities that prosper will be those that develop strategies to create resilient local economies that make the unique strengths of their people and their place a source of competition and advantage.

The greatest successes are those achieved at the grass roots by ordinary people showing their ability to create, rebuild and maintain their own bits of environment, cooperating to build sustainable lives. Empowerment is the key and the challenge.”

Mr. Vice-President, as a result of the events of September 11, there has been a paradigm shift and the world as we know it no longer exists. We have to make the relevant adjustments. There have been a number of groups, based on the policy document that we had outlined, working to come up with plans, projects and programmes that will underpin each area of our policy document. These working groups—five of them have been doing their work in consultation with the major stakeholders in the industry. As a result, the groups are ready to present their findings, and the ministry is proposing that these findings will be presented to the national community in the context of a national action plan for food security and agricultural sustainability in the era that we are entering.

Mr. Vice-President, everybody—each stakeholder, exporters, importers, primary producers, agriprocessors, the small farmers—each person will get a chance to input this document and the final formulation of this document will be represented as an action plan, the way forward for the agricultural sector in Trinidad and Tobago as of now.

The cloud of uncertainty that hangs over the world reminds me of a saying that becomes even more relevant at this point. It says that the best way to predict the future is to create it. Mr. Vice-President, we are at the point where we have to create our future.

Thank you. [*Desk thumping*]

Sen. Mary King: Mr. Vice-President, it is indeed a privilege for me to address this august Senate in one of the most important debates of any parliamentary session. As an economist, naturally I want to focus on economic development now and into the future.

In the *Review of the Economy*, which is one of the support documents given to us with the budget speech, the review actually recognizes that the international economy is characterized by weakening global activity. There is a slowdown in growth particularly in the US economy. We see the inflation, a decline in interest rates which they are hoping will activate business activity. There is a continuing decline in equity markets; lower, but still relatively high, oil prices and fertilizer prices; and a strengthening US dollar against other major currencies.

In short, the world economy, at best, is tending towards a recession. Yet, in my view, the same review implies that the Trinidad and Tobago economy is independent of this slowdown. A country like ours depends mainly on foreign direct investment and substantially on exports and, particularly, exports to the US market.

The review goes on to tell us that against this backdrop, Trinidad and Tobago's economy is expected to register strong growth, a view which, to my mind, can only be based on our past performance. The problem is, can we always use past statistics to predict the future? How can we use the past statistics, given today's world? The system however, unfortunately, is not stationary.

The budget gave an overall indication of the Minister's view of the external economic impact on our local economy. Its performability, in his view, is his assumption of US \$22 per barrel benchmark. The only conclusion one can arrive at is that either our growth is totally independent of that of the rest of the world—in

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this age of globalization—or, that we are very optimistic that the USA will not slip back further into a recession. However, the budget gives me no indication that the Minister has done any scenario planning, any “what if” analysis and, perhaps he feels that the Energy Stabilization Fund is the limit of those scenarios, and is the limit of our national strategic plan given the Energy Stabilization Fund.

At the time of the budget, I admit his presentation said he had not taken the World Trade Center bombings and its impact on our economy into account. Another Minister, however, in the Lower House, gave his own very optimistic view that Americans are extremely resilient as a people, and he expects life to go on as usual and not as predicted by prophets of gloom and doom in our midst. What that Minister, Minister Assam, is ignoring is that the global economy was dealt a very severe blow on that Tuesday, and only part of that was the subsequent loss of life and physical damage in New York and Washington.

If we look at globalization overall, globalization is about trust and openness and integration of all the markets in the trade of goods and services and supporting financial transactions in the money markets. These properties of globalization actually work against the provision of physical and financial security of markets across the world. Terrorism, on the other hand, thrives on this very openness. Any war on terrorism will necessarily have to restrict this open market philosophy that we have all been living with and under dictation by the International Monetary Fund itself.

We have already seen the reduction in the world travel industry; the loss of confidence in some of the financial markets but, of even more importance to us as a nation is the fear that these markets can be deliberately manipulated by the vast resources available to these terrorists. Globalization and trade will retreat as a consequence and this will directly affect both investment in the energy sector and our ability to export.

Let us look a little bit further. Now, of even more concern is our security of the food supply given that we import such a large quantity of our staples. We have just heard the very dismal statistics from one of the Ministers in agriculture, and we import over a billion dollars now in food.

The Government has to examine the possible threats to world trade in its scenario planning, given September 11 and, it must take steps, like what to do in agriculture now to ensure food security of this nation. [*Desk thumping*] The days ahead will certainly reveal the rollback, if any, in the global economy. Such a fundamental change in the underpinnings of our economy could make the

Minister's presentation to us on budget day meaningless. However, let us examine it, bearing in mind the possible impact of what has happened and what is likely to happen.

Mr. Vice-President, comments on the budget up to now have ranged from it being the people's budget, it being a boring budget, it being an election budget, "garbage" and other less flattering terms. Yet, to the astute among us, we see it and I see it as a *cri de coeur* from our Minister of Finance. We have heard it from his predecessors of our inability to transform our God-given riches to this country into at least adequate social benefits to the population.

Today we are among the largest producers of methanol, ammonia and, soon, LNG. The Minister has also forecast the inclusion of an aluminium plant and an ethylene complex in the sector's product mix. We have just signed for another methanol plant at Point Lisas that is going to be the largest one in the world.

We are talking about being a national gas economy with proven resources in the region of 20 trillion cubic feet of gas. It may be impossible for those who are not involved in energy to comprehend the magnitude of this figure, so let me give an example I heard recently. If 1 trillion cubic feet of gas can keep T&TEC going for the next 30 years at present generation output, what does 20 trillion cubic feet do for us? Hence exporting gas and its products is obviously a very viable, if not the only option we have if we are to benefit from these resources. Yet, the Minister, in his presentation, in the presence of all this potential wealth, talks to us about the plight of the pensioner, of his wish to improve his or her life for him or her, but all he can afford to give them is to increase the pension to \$800 per month, by \$80. Let us compare that to its counterpart in the United Kingdom of £90 per week. Four and a half more times.

The poverty level here is that some 30 per cent of our people are living below the poverty line and the poverty line is TT \$7,200 per annum. The Minister knows this. The Minister sees this, yet all he could do was zero rate salted fish, blue soap, some toiletries to help the very poor among us, and it clearly tore at the Minister's heart to tell us that in this country, a country potentially of plenty, people with renal failure are dying, since we only have in the whole country, 26 dialysis machines. Seven of those are in the public sector and we do not know how many of those in the public sector are actually working. All he could do there was allocate us \$2.5 million more for these new machines and the drugs that go with the machines to support the people on dialysis for one year.

Our health service is so bad that the Prime Minister and the Minister of Health had to seek medical attention abroad, and the Opposition leader had to go to Cuba.

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Cuba is another developing country. He went there to seek medical attention, and the Minister has only given \$2.5 million for the treatment of chronic cardiac disease. Just last week we saw doctors from South trying to raise funds privately to provide funds and beds for the urology ward at San Fernando General Hospital. Operations are put off because of shortages; even shortages of linen in today's world.

HIV/AIDS is a threat to both the social fabric and to economic development of this country, yet we see \$10 million being allocated for one year: What a very minuscule amount in the kind of battle that has to be waged to control this pandemic throughout Trinidad and Tobago. In the light of all this, the recent reports of the activities of some of the finest among us employed at the North West Regional Health Authority are an abomination, and these acts should be roundly condemned. Further, proper systems have got to be put in place to prevent these acts—which are acts against the people of this country—from ever, ever happening again.

The middle class of our country, which is our economic bulwark, is fast becoming poorer. The Minister also recognizes this. The Minister's response was to lower income tax in a token fashion by 1 per cent, and we will do better, he says, as the economy allows us to do. All of this, as the unemployment rate has been reducing from 20 per cent to now just below 12 per cent, and the creation of new jobs continues to be mouthed. Clearly, something is very wrong with our economy when job creation has made no impact on the general poverty of the country and the people feel no better off.

Yet, the macroeconomic indicators are strong, the GDP per capita today, according to the figures we got, is US \$7,000 per annum per capita. Growth in 2000 was 6 per cent; inflation, 4 per cent; unemployment, as we said, down to below 12 per cent; and we expect a further \$4 billion in FDI over the next year or two. We are going to build new plants in Point Lisas.

Based on our macroeconomics, we have been referred to as the tiger of the Caribbean. However, the cry from all of our hearts is why in a country of plenty, in a country of such talented people there is so much misery in our social services? Our social services are in such a poor state.

Mr. Vice-President, again I must say something has to be dreadfully wrong when a country with these upbeat macroeconomic indicators can evince such an unforced *cri de coeur* from our own Minister of Finance when he has to maintain, against his will, a large public debt which is now 60 per cent of our GDP.

Debt servicing is a massive 25 per cent of all expenditure in this year, 2002. The battle cry of this Minister when he joined this illustrious Senate was that our debt burden was too high and there would be a moratorium on new debt yet, only recently, permission has been sought in the Lower House to raise the ceiling for state agency enterprises, to raise their debt from \$5 billion to \$10 billion and, the Minister tells us in the 2002 Budget alone, he intends to borrow a further \$2 billion. This is totally out of synchronization with good financial management, good financial government as the Minister's objectives. They are against all the Minister's objectives and they must raise alarm bells in our society.

I must, therefore, question the Minister on what are the intellectual underpinnings on optimizing our government debt, especially today when oil and gas prices are abnormally high. No one could ever be against government borrowing. Government borrowing actually helps to make the money market go around, but I wish to put it to the Minister, what is this Government's policy as regards our debt? Some economists are of the view that the Government can borrow, so long as it is to cover capital expenses. I am not of that particular view. Recurrent expenditure, in my view on human resources, can have a much faster and more immediate impact on economic development, so long as we are focusing it on the required skills and training for economic development in what we talked about before in this Senate, centres of excellence, and so forth.

4.10 p.m.

The Minister, as a banker in the private sector, will not lend money to a company unless it had a reasonable debt equity ratio and that it was related to the net present value (NPV) of the project at hand. My question is: Does the Minister have a similar theoretical underpinning for setting these debt limits before us, especially since he and the multilateral agencies are very worried about our present level of debt?

Borrowing can lower our Standard and Poor ratings, but it can have the benefit of returns on this opportunity capital; hence, the Minister has to balance these two in order to obtain the optimum level of debt. This optimum level of debt has to be shown to be related to the average returns on investment to the country. What are these expected returns? What is the Government's philosophy on borrowing? I think we need to know as a people.

We must also remember that the recent happenings in the USA can negatively affect our earnings and, therefore, affect our debt service. What is obvious to all is that our burgeoning offshore economy is not funneling the rewards, the resources

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necessary to service the people of this country. Where, we have to ask, is the wealth going?

The Energy Stabilization Fund of roughly US \$150 million, is small change for the investments that have been put into this country. We do not have enough money on shore to service our people, our society. Our economy, as those of us who have studied it are aware, is very severely fractured. Not only this, but all the Minister's counterparts in previous administrations, have found themselves in the very same schism, that is, of trying to manage an economy that is sustainable offshore, but highly unstable onshore.

The linkages between the two economies, what I call "the dual economies" are fundamental to this instability. The high consumer-based onshore investment in malls, highly dependent on construction of energy and energy sector plants to provide employment and the dependence of the manufacturing sector on imports for their production for all their industries are all parts of these very unstable linkages.

The retained wealth of our economy and its gross domestic product (GDP) have got to be substantially increased, if the Minister wants to do what he has to do with his social services and to improve the social fabric of our society. The Minister is aware of all of this.

When the reserve requirement of the Central Bank on funds deposited in the commercial banks was changed, the Minister foresaw, or thought he foresaw, that this would reduce interest rates and it has. But we also hoped, and I think he also hoped, that the private sector would use the cheaper funds to invest and to provide new production facilities to make our onshore sector more sustainable. What has happened is there for all to see. Even the Central Bank Governor is among those of us who have publicly stated our disappointment that, in spite of the high liquidity in the system, there is no new local investment, no new production activities. Some of the available funds are going abroad and the Government took, remember, \$300 million out of circulation, even paying interest on it to the commercial banks so as to help control this liquidity.

As we witness, for the very first time, a continuous appreciation of the TT dollar against the US dollar, we are all entitled to ask: What is going on? Some in the society are part of this wealth which is being accrued, but most of us are not.

The Minister of Finance knows that something is dreadfully wrong and has, again, latched on to diversification of the economy away from the energy sector;

we have heard it before. He has enunciated five pillars upon which his vision of developing what can be called in general, “a knowledge-based industry” stands.

I think before I move on, I would like to define what, in our view—and those of us who are studying the issues—is really a knowledge-based industry. A knowledge-based industry is one in which our people use their intellectual capacity—they use their brains—to augment and improve the productivity of both labour and capital to generate innovation and strategic advantages in all that we do. This is the basis of creating national competitive advantage.

What is immediately striking is that diversification into the knowledge-based industry then does not imply moving initiatives away from the energy sector. What it means is changing our indigenous activities in that sector to include also the application of our knowledge and our innovation to the sector.

Mr. Vice-President, it is a cop-out if we think that diversification out of oil and gas is what the restructuring of our economy is all about. This does not mean that we should not do other things, but how, in Heaven’s name, can we consciously leave the major rewards of our patrimony to foreign direct investment, while we bring up the rear? Some will ask: What can we do? We are a small nation; we do not have the capital to take the risks that say, BP, can take. Are we saying that the only model we can think of is the CL financial model, the National Gas Company model? We must be able to look at other models.

Let me give just one very small example of what we could be doing. British Petroleum has absolutely no interest in supplying gas to the small islands of the region by taking an LNG tanker into St. Lucia or even into Barbados. It makes no economic sense, neither does taking a pipeline there, but the use of natural gas hydrate, which is simply dissolving gas into water under pressure, is a feasible and very innovative way to deliver gas, by conventional tankers, to the region and beyond. It needs absolutely no sophisticated and no large terminal requirements. This is an area wide open for local exploitation. I am suggesting to the Minister, let us try it as a pilot project for Tobago.

I would like to return to the pillars of the vision of the Minister of Finance. These are: the technology park, Invaders Bay conference centre, agricultural development and manufacturing. The Minister has hopes on how the above, in part, can provide us with a diversified economy. Other people have already said that the budget did not contain an overview. I agree with that view, but I would also like to make the comment that it did not put forward the structural defects in our economy. I would have preferred to see a SWOT analysis: strengths, weaknesses, opportunities

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and threats. No government has done this analysis, to my mind—and I am here a long time.

Our economy requires a lot more than call centres, the handling of medical insurance and other back office records, the provision of cheap labour facilitated by information technology (IT) and telecommunications. I think the Minister of Energy and Energy Resources will be able to tell us about the wage levels paid in a call centre.

Let us look at the technology park. The Tourism Industrial Development Company has employed a firm to help it plan the technology park and the idea behind this park is to provide accomodation for major US companies like HP, BP, CISCO and so forth, to establish assembly and development facilities in Trinidad and Tobago, but other developing countries are also competing for their attention. The same companies have got many people competing to bring them into their areas.

What then is our competitive advantage? What is our strategic advantage to get their nods that they are going to come here? Clearly, it has to go back to tax concessions and low salaries of our people, to get them here. Really, our advantage is not our abundance of indiginous research scientists and development engineers; we just do not have that track record as yet. Our education systems provide us with operational people up to now. It is the experience, the developing world over, that when these concessions run out to these guest companies, either they are renewed or the firms pack up and leave the country. We can go to Barbados and we will get lots of history about that. This is their norm.

This technological park does not attempt to rectify the structural defects in our economy. This structural defect is demonstrated over and over in the inability of our own businesses and the support institutions to create and sustain business based on our own innovation and initiative. These are the small and medium enterprises, which we developing economists speak about when we talk about SMEs. We are not talking about micro enterprises that do pepper, mango, nuts and those other things. We are talking about small/medium sized business based on our brains, our innovation and our own initiative. No one can develop this country but us and it has to be by our own efforts.

Tidco had once spoken of including, within their technology park, a business incubator, but it appears, now that very little thought has been given to that, the idea has now been dropped. Even if it were to be included now, this would only be one of the triad which we require to create a sustainable economy from which we can draw wealth.

The tech park in the Tidco form is ill-advised, since it does nothing to create a cadre of local innovators and entrepreneurs which, incidentally, if we had local innovators and entrepreneurs, that is what would attract the IBMs, the GEs and the CISCOs to come here. That is how the Asian tigers attracted the self-same clients that we are now trying to attract.

Let us go on to the medical cardiac centre and other tourism type projects. The Minister himself has told us and the world of our inability to provide dialysis units to prevent our own people from dying; hence, my question to the hon. Minister is: What is our strategic advantage in the provision of medical cardiac tourism? What is our advantage over Miami which is supported by the world-class research hospitals and universities throughout the USA? Is it again going to be concessions and cheap nursing? Is the Mount Hope Hospital part of this venture? We have not demonstrated, for example, the innovativeness of the Cubans in research, in providing new drugs at very reasonable prices to other developing countries.

If we look at other tourism, we are considered to be one of the exotic spots in the world for sun, sand and rum tourism but, with the big airlines, we are now in a brutal competition with Australia, Hawaii and Spain, for even the US tourists. What recent happenings in the US would have done to this industry is anybody's guess and, further, the cruise ship industry has actually knocked the stuffing out of the fixed hotels throughout the Caribbean.

We are using taxation throughout the region as a competitive advantage against cruise ship tourism. We are now charging them for every tourist that comes off their ships. So Trinidad and Tobago does not have the tourism plant to compare with the Bahamas or even Montego Bay, Jamaica and to add insult to injury, we are now polluting the sea water in Chaguaramas, Tobago and yesterday we heard about Maracas.

What then is our strategic advantage or what advantages are we going to create in sun, sea and rum tourism, especially now since the Minister has had to raise the price of rum? What are we going to advertise in that budgeted \$30 million over the next few years?

We could make similar comments about the conference centre. What is our strategic advantage? We hope it is not again going to be competition based on price. Strategic advantage and not competition based on price is what drives successful entrepreneurial activities.

I would like to look a little at agriculture. At one time when sugar was king, the industry was maintained in the region by the Imperial College of Tropical

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Agriculture (ICTA). From this institution came the invention and the innovations that drove the regions in the world in tropical agricultural. Trinidad was a base for world research. The demise of cane and the ascendancy of beet saw the demise of ICTA. What this tells us is that more so in agriculture, the concept of the knowledge-based industry is very crucial. Yet, as the relevant Minister in his own *cri de coeur* complained that there is even need today for access roads and bridges and further, the size of the economic pie has constrained the amount he got to \$21 million.

None of this money makes our agriculture competitively sustainable in the home and global markets, if it is structurally disconnected, as is the rest of the economy, from indigenous industry, research and development. The Government Agricultural Research Units have got to be reinvented. In other countries we have—let us look at Brazil—Ethanol being produced from cane by Brazil. The USA is using its corn to produce ethanol as well and this ethanol is used in competition with one of the uses of our methanol in the manufacture of MTBE.

The ethanol is now going into ETBE instead of methanol so the market has become ETBE. We also have sugar cane. Are we going to actually think of things like this? The taste of our population in food as in other things is driven by the North American norms and as popular as doubles and bake and shark are, they will not compete with KFC and Pizza Boys. Have we tried to franchise them abroad? Will they if we do try to franchise them, run into the same problems as Willie's Ice Cream? We have heard the lament today about the import of ice cream and the problems of exporting our ice cream.

I am sure by now I am beginning to sound like a recurring decimal, but for our own Minister of Finance to give our manufacturers more efficiently laid out incentives to use research and development, is to misunderstand the present manufacturing sector. Its competitive or strategic advantage is not knowledge. Its competitive advantage is low wages, it is our poverty levels.

You will recall one of our celebrated entrepreneurs, some people call him a business guru, asking for a continued devaluation of the Trinidad and Tobago dollar in step with inflation and any wage increases to keep his export prices competitive. The present appreciation of the T & T dollar must be his worst nightmare. The paradox is that our economic development depends on the use of knowledge of research and development, but our private sector is not, up to now, averse to these endeavours. They do not do research and development.

Let me summarize my thought on our condition and what in my view can get us out of it perhaps. This economy, even with God's gift, cannot support the society at

the level which we see daily on our televisions and to which some of us have grown accustomed. The only solution is to rapidly grow our economy and the Minister is very correct, it has to become a knowledge-based industry, but it has to become so in every single sector. I am afraid the pillars that he has chosen to erect this diversified economy upon are made of un-reinforced mud. They cannot support the required systems and they cannot support any trade shocks.

It is not my job, I was once told at a pre-budget conference, not this year, to advise a Minister on his job on how he should be establishing a knowledge-based society, but I did venture to do so in response to his call for ideas for this budget.

4.30 p.m.

Unfortunately, none of my recommendations were accepted given what I have seen in the budget. I would venture to say that he did not discriminate against me, only that the methodology on which knowledge-based economic development in plantation economies is based is now only coming to the fore. Some of us are very deeply involved in these studies and maybe we will see some of this trickle up into next year's Budget Statement, God willing.

Let me move on, Mr. Vice-President, to the final part of my contribution. The budget has presented to us the fact that there will be an immense amount of Government-sponsored buildings. Actually, a big three of his five pillars are large construction. The Tech Park alone is \$55 million and his Public Sector Investment Programme (PSIP), which is all the PSIP, accounts for a total of \$1.4 billion.

Recent history: I will just take Piarco as an example and some of the off-balance sheet expenditures put in doubt the accuracy of this budget estimate. Nowhere do we see in any report coming to this Parliament on how the building, say of the four stadia, was actually funded or its impact on the Treasury. I have a few specific questions on the stadia I would like to input to this debate.

It was very common knowledge that we had to build new stadia for the 2001 Under-17 World Cup Championship, everybody was told that. The development programme estimates for the year 1999—2000 had an estimate in the expenditures of \$102 million. The revised estimates put that figure at zero, but then we see the actual amount spent in 1999—2000 was \$11 million.

The estimate for 2001 was zero and the revised estimate for 2001 was zero, but in the recurrent expenditure on the stadia, we see under Lease Arrangement for the stadia in 2001 we spent \$26 million and in 2002, we will spend \$74 million bringing it to \$100 million for a lease over two years.

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So my questions are: Why was a decision to construct the stadia as a Government project changed to a lease arrangement, so they have gone “BOLT”—Build, Own, Lease, Transfer? Who were the suppliers/contractors who bid for the stadia? Who won the contract, and who now owns the stadia? Did Government guarantee the loans to build these stadia? Also, most important, what are the conditions of the lease? How many years do we lease? At what price, and the conditions on which the stadia will be transferred to the Government? Normally at \$1.00 after three or four years. We need to know that. Was the Central Tenders Board involved in the award of the project to the successful tenderer? I am sure the Minister would be able in his summing up to give us those answers. I think it is very important for transparency and for us to see that we have had good governance in the building of these stadia.

So I am saying the lack of systems to control the expenditure of these very large projects has been in the past very evident. We have had no systems. The calls for commissions of enquiry into, not only the airport, but some other projects where the spectre of corruption still hangs, the call still continues. The increase in the number of offences and increased penalties and the new laws envisioned in the amendment to the Anti-Corruption Act will have a very transient effect but I am sure that what has happened in La Paz in Bolivia, unless the new systems that transparently managed the procurement of the goods and services by Government are in place, the corruption or its allegations will come roaring back to haunt us.

This Government, as no previous government, has been plagued with numerous allegations of corruption and the large construction programmes defined in this very budget demand that better management and monitoring systems be put in place and we mean very soon.

The need for these in other areas is underlined by the scandal we have already talked about at the North West Regional Health Authority and still lingering doubts about the airport; there is an information blanket on the stadia and all these things must be cleared up.

If we may look now at a final kind of view that I have of Government and its state enterprises. The Minister has told us that he intends to put another \$300 million more shares of government shareholding into the National Enterprises Limited (NEL). He says that by putting more shares on the market, the Trinidad and Tobago people would be able to share in the wealth of our profitable enterprises and this leaves me very confused.

The Government owns the shares and what this ownership means is that the Government is holding these shares in trust for the people—these are the people’s

shares in these enterprises—hence we are already very involved in their shareholding, we own them. However, we agree that the Government may decide in its wisdom to diversify on our behalf its own shareholding, its portfolio by selling shares. We agree that can happen. My concern is what new investments will the government, as our fund manager and our trustee make with the proceeds of these sales? So an associated question to the Minister is: What new investment was done with the proceeds obtained from the initial NEL shares which were put on the market? No budget to date has reported on the performance of our Government as our trustee and fund manager, except to say sell, sell, sell on the advice probably of the IMF.

The Minister has also demonstrated his concern over the inability to pay adequate pensions and I want to make a link here. He did say that he is in the process of soliciting advice on pension reform, but whatever is done, any government worth its salt must come to the conclusion that in order to maintain pension commitments, it would have to—as the private sector does—depend on returns on investment. Should the Government then not take a page out of the book of say Bolivia, its capitalization model, instead of selling its State enterprises and put the dividends from these State enterprises into privately managed funds linked very closely to a national pension plan system? Their capitalization process is very much worth looking at, instead of selling Tanteak, or Caroni's Rum Division which we hear is only alleged now—it is not sold yet to C.L. Financial—we are saying a capitalization process would serve us much better and this could be done by inviting a private sector company to bring to the table the current market price of the enterprise and form a joint venture with the Government and give that private investor management control. The Government retains its shareholding, but in a golden share so that it can only intervene in very critical emergencies.

So this gives the capital for the company's development and no one gives up any shares. The Government's dividends are then geared towards investments into the national pension plan for all of us. I think it is a great idea, and I think we really should be looking at proper management of our assets and our worth.

Mr. Vice-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. Dr. E. McKenzie*]

Mr. Vice-President: Senators, I think this is an appropriate time that we should break for tea.

How many more minutes do you have, Sen. King?

Sen. M. King: Mr. Vice-President, I would say five minutes.

Mr. Vice-President: Well, continue.

Sen. M. King: Thank you colleagues for allowing me to complete. I was just putting a scenario on the table on how we could manage our assets and help the Minister in his plans to increase pensions. We could really work with that model.

So in conclusion, Mr. Vice-President, this budget is really an expression of the Minister of Finance's helplessness and the Government's inability to provide the goods and services that the population deserves. We have a lot of wealth, we deserve better and the Minister is concerned. The Minister, however is hamstrung by this fractured economy, by the low retained earnings or profits from the energy sector.

The history of our own private sector, the heritage of our plantation economy makes us averse to the use of our brains in innovation and in the development of our economy. All previous governments have talked about diversification, diversifying away from the volatility of oil and gas prices. The volatility today is even moving from particular products and possibly into a way of life as confirmed by President Bush two or three nights ago.

The way this budget is going about it, encouraging construction, advertising tourism and international conference centre indicates to me that the fundamental property of successful nations has not been appreciated by this Government, and this is that in everything we do we have to create competitive, strategic advantage. Competitive, strategic advantage is based on knowledge and its dynamic application to our production.

None of the pillars upon which the Minister hangs his vision for development for diversification accentuates knowledge. In general, we talk about the growing level of competition based on price and concessions. Simply put, what is it that makes Trinidad and Tobago stand out that is unique and cannot be copied? A conference centre, tourism? Even carnival is copied. The technological park where we have no indigenous brains?

Mr. Vice-President, to satisfy the demands of this society given the resources that we have at our disposal, we have to grow, not at 6 per cent per annum, but possibly at 25 per cent per annum. Our present plantation economy—do not move away from it, that is what we are—cannot support this growth, yet our expected engine of growth which is the private sector cannot respond on its own to such a

demand. This is why this budget as a first step in the Government's strategic plan is, in my view, hopelessly inadequate.

Mr. Vice-President, I may be accused of being a terrorist by not giving my full support to this budget, but by simply balancing the books, by borrowing to the limit and by increasing this limit as needs be, is not my idea of economic restructuring. The natural and human resources at our disposal focused by an innovative Government can bring about the necessary changes and I think it would silence the country's and the Minister of Finance's *cri de coeur*

Thank you.

Mr. Vice-President: Members, this is a good time for us to have our tea break. The Senate is now suspended until 5.15 p.m.

4.45 p.m.: *Sitting suspended.*

5.15 p.m.: *Sitting resumed.*

[MR. PRESIDENT *in the Chair*]

Sen. James Lambert: Mr. President, I thank you for giving me the opportunity to make my maiden speech in this honourable Senate. It has been long in coming and what an appropriate time, as we are dealing with the finances that have to govern Trinidad and Tobago for the next fiscal year.

Mr. President, I crave your indulgence to preface my contribution on this auspicious occasion by saying publicly and recording in *Hansard*, my thanks to the Prime Minister and Government of Trinidad and Tobago for giving me and the labour movement the continued recognition, particularly the umbrella body, the National Trade Union Centre, to have a voice in this honourable Senate, to speak on behalf of the citizens and the working class of Trinidad and Tobago. I think it is imperative that I should mention that.

It would be remiss of me not to make a statement in response to the comments of the hon. Senator who spoke before me, Sen. King, who stated that the people of Trinidad and Tobago are in a worse situation than they were before the UNC Government came into power. On a trade union perspective, I just want to state that in 1987—and speaking primarily of the public sector workers, as it is well known to all and sundry that I represent labour in this Senate, coming from a labour background—we had lost 10 per cent; and in 1989, the suspension of COLA by the then Government.

When the PNM Government came into office in 1991, there were no increases. In 1992, we got a 2 per cent increase. In 1994, the trade union movement that I

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belong to, the National Union of Government and Federated Workers, agreed, at the time because of the economic situation of the country, to lower the retirement age from 65 years to 60. During that period—it is very vivid in my memory—we in the trade union movement lost over 8,000 daily-rated workers who were sent home by the People's National Movement at that time. Over 8,000 I reiterate. When one sits here and hears that the country is in a worse position than it was in 1995, before the UNC Government came into power, it is appalling to hear such a statement. We went into an arrangement by saying that when the retirement age was lowered, it was said that every worker who had accrued 10 effective years and over as of 31st December, 1993, would have been made permanent. It never came into being. COLA was \$1.31 per day. It was only when the UNC Government came into office in 1995, that the workers of Trinidad and Tobago, particularly the daily-rated workers, started to have a better standard of living. I am not saying that only to make a statement. It is the first time in Trinidad and Tobago, even when money was no problem.

Under the PNM regime we never got the 10 per cent. We got 10 per cent in the year 2000 under the UNC Government. The daily-rated workers in Trinidad and Tobago have a group medical plan that is second to none in the Caribbean; and it happened under the UNC Government. We also signed in year 2000, a principled agreement pension plan; and today we are hearing that the people of Trinidad and Tobago are in a worse position. I am saying today that the standard of living in Trinidad and Tobago under the UNC Government is in a much better condition, with a better standard of living.

I stand today representing labour to speak on the budget. I like the theme of the budget, "One People, One Nation: Leaving No One Behind". This budget is a reflection of the theme. Mr. President, you would be aware that I represent the lower income bracket. I am not saying for one moment that all is well. There is no budget that I have seen or heard of in any country where there is no concern. No budget is totally satisfactory to all the masses in the country. Even when money was no problem.

The economists would have been able to make assessments and analyze and show where there were shortcomings in other areas. We do have some concerns. We in the labour movement are not saying that there is no concern. The National Trade Union Centre is not prepared just to sit idly and not highlight certain things that have been done to the satisfaction of the labour movement.

We in NATUC—when I say NATUC, as you are aware, you can rightly say that there are two factions that really represent workers. NATUC is the umbrella body

that is recognized by the Congress of Labour, ICTU and all the other international bodies throughout the world.

5.25 p.m.

I am also saying that come October 15, the Caribbean Congress of Labour is having one of the biggest seminars ever and it would be hosted in Trinidad and Tobago, in collaboration with the National Trade Union Centre. So we are saying here today, I am not speaking in terms of any particular groups that may have disassociated themselves; I am speaking in terms of the National Trade Union Centre that represents the masses of workers in Trinidad and Tobago.

I would like to touch very briefly on some of the allocations that have been made for the various ministries and municipal corporations in totality. I am very much interested, not only with what I will be mentioning here, but labour in general, but I think it is deserving to make mention, first of all, of the allocation that was extended to Tobago. The union to which I belong, represents the daily-rated workers in the Tobago House of Assembly, and never in the history from since the incorporation of the Tobago House of Assembly, has it received so much money as it relates to the allocation today. It is historical. [*Desk thumping*] All I am hoping and praying for is that the disbursement of the funds is being placed in the right quarters because of the regime that is presently controlling the Tobago House of Assembly. I have no doubt that even our members in Tobago would ensure that they get their piece of the cake as has been given by the Minister of Finance.

Most importantly, we have the Ministry of Infrastructure Development and Local Government, and that is my baby; that is where I come from. I was a worker of the Ministry of Local Government before it was integrated into the Ministry of Infrastructure Development and Local Government. I have seen that \$1,494,602,745 is allocated to that Ministry. Whilst I am saying that our union has signed an agreement with who is deemed to be the employer in Trinidad and Tobago—the Chief Personnel Officer's Department—over the years in the various municipal corporations, we have been undergoing some problems to the agreed establishment as it relates to daily-rated workers.

I am of the view that some of the people who operate in the Ministry of Finance are not aware of the collective agreement that has been negotiated between the public sector trade union and the CPO. Because for whatever reasons, each corporation has an established agreement and every year for the past years we have been having difficulty to sustain the agreed establishment—speaking of the daily-rated workers—throughout the year. Every year, the various corporations have been

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having difficulties because before the closure of the fiscal year, you are always hearing that you have to lay off; some people have to go home; you have to cut days, which was even done this year.

We are saying that we would like them to take into consideration in the Ministry of Finance, that whenever the draft estimates are being prepared, that they are aware of the contract, because what I have in my hand here is a contract between the CPO and the public sector union as it relates to the daily-rated workers in Trinidad and Tobago.

Whilst you would hear that you do not have those types of difficulties with monthly-paid, by saying during the closure or the end of the fiscal year that you have to be sent home; you have to sever ties, your service has been terminated—that is going on too long in Trinidad and Tobago, especially when we are saying that the growth of the economy is at its highest.

The greatest development that there is in any country is the human element. We are saying, to ensure that the people of Trinidad and Tobago grow the way the economy is growing, we have to ensure that provisions are being made by way of the allocations that are being given to take care of those people.

Presently, we had information by way of the Chaguanas borough. There is a shortage of the allocation based on the draft estimates that were provided for this year. We also have a shortage in the Point Fortin Corporation. I am speaking—it does not matter to me whether it is the PNM-controlled municipal corporation or the UNC-controlled corporation—I am speaking in terms of the workers that we represent in those particular corporations. I am saying that the allocation—and I am hoping that the Minister of Finance is listening—that was provided, particularly for those two corporations, that we should have a review of it to ensure that we do not have this continuation of layoffs and termination of service during the end of the fiscal year.

Another important factor, the National Union of Government and Federated Workers Union and other public sector unions got into an agreement with the Chief Personnel Officer as it relates to some arrears that were agreed upon and ought to have been paid in its completion. Because of the situation—we were told that was not provided for in the budget 2000/2001, and we agreed with the CPO. Fortunately, I was the one who was heading that particular negotiation—the President was out of the country—where they indicated to us that they would like to pay 50 per cent of the arrears up to the month of August of 2001 and the other 50 per cent will be paid in November 2001.

In truth and in fact, when the first 50 per cent had to be paid, we had to approach the Minister of Finance and indicate to him that the corporations and other ministries were saying that there were no funds to so do. I said to the Minister of Finance, adhere to the request, and the 50 per cent was paid. But this 50 per cent that is outstanding, it is very unfortunate—I have already spoken to him, and I want to be quite frank. He indicated to me to send him a note, but I think it is important that I should mention it, because I know that some of the daily-rated workers out there are waiting to hear if it would be mentioned. It is due on or before the end of November, 2001. My information from the various municipal corporations, other ministries and statutory bodies—throughout Trinidad and Tobago, including the Tobago House of Assembly, because we do represent all the daily-rated workers—is that no provisions were made for the payment of the other 50 per cent. So I am appealing, once more, to the Minister of Finance that he should make the necessary arrangements to have those things paid.

NATUC met with the Minister of Finance, I think it was some time in July 2001, and there were certain proposals that were given to him, and we are happy that most of them have been adhered to. I made mention of the shortage and I just found the figure here and I see the Minister of Finance is here. The Chaguanas borough, \$14.2 million was estimated and they got \$13.9 and we are seeing that this year, this is a reduction of some \$380,000. We are saying that when you get shortage for personal emoluments you know what the outcry would be. There will be a severing of ties.

5.35 p.m.

Mr. President, in the month of July, I personally had to go into a departmental arrangement with the Chaguanas Borough Corporation where we reduced the working days of some of the daily-rated workers from 10 to 8. People from the Couva/Tabaquite/Talparo Regional Corporation had to be sent home because the money that had been estimated to be received was not. We are saying, as a trade union, there is an agreement to maintain the jobs of people, being that we are in the lowest rudder of the financial class—being at the bottom of the ladder. We are of the view that the correct provision should be made to maintain sustainable jobs on behalf of the daily-rated workers whom we represent. We are very much concerned about that.

I am happy that the other side would not be saying that that has been done in the PNM-controlled corporations. We are saying it is done, so it shows quite clearly that the Government of Trinidad and Tobago is thinking of everybody and not only speaking in terms of who is UNC and who is PNM.

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Mr. President, whilst we are aware that the national minimum wage was one of the initiations of the National Trade Union Centre, we are still advocating that it should be increased to \$10. We are of the view that, based on the cost of living in Trinidad and Tobago, we have to think in terms of the other working classes of people. We are saying that, while they watch on the other side, it is only the UNC Government that thought it fit that we should have a national minimum wage. [*Desk thumping*] In your day it used to be three dollars but, I am aware that will improve.

The reason the other side cannot say much when I speak is because they know that I was a part of them; I was in the belly of them and they know that I know exactly what used to take place. So, I am speaking with a measure of authority as it relates to their side. [*Desk thumping*] I am saying that all the promises that were made to the 8,000 people who were sent home, the neglect from the arrangement of 65 to 60 and to make everybody with 10 years service and over permanent, they negated on that. It was only when a UNC Government came into power we were able to reemploy most of the 8,000 workers who had been sent home. [*Desk thumping*] So, I am telling my learned friend on the other side, from a trade union perspective, that the people of the working class in Trinidad and Tobago are in a much better position than they were before. Their standard of living has been improved tremendously. [*Desk thumping*]

Mr. President, we are also very happy to see that the old-age pension has been increased considerably. The UNC Government, since it came into power, indicated to the citizens of Trinidad and Tobago that the intention of the Government was to ensure that the citizens who have contributed in the past and, unfortunately were not able to get the type of income after retirement, that it would bring it to \$1,000. Today, if you walk the streets and the various communities as I do, you would know the happiness and joy among people of Trinidad and Tobago. [*Desk thumping*] Mr. President, just now, I, also, would be riding free buses to any part of the country. [*Desk thumping*] I will also be enjoying, by that time, when I reach that age, a \$1,000 in old age pension.

Mr. President, I am saying that, notwithstanding all that has been said by previous speakers, there is nothing to speak about. There is nothing to speak about! I did not want to even make a statement about corruption. I do not believe that I should really do so but, when I sit and hear people on the other side speaking about corruption, they are the initiators of corruption! Initiators of corruption!

Sen. Montano: Mr. President, on a point of order. Nobody on this side has been accused of any corruption anywhere. That statement is completely out of order.

Sen. J. Lambert: Mr. President, I was only speaking about what I read in the newspapers. [*Laughter and desk thumping*] I am only saying that I am satisfied in my mind—

Mr. President: When anybody takes a point of order you must allow the Chair to rule before you continue.

Sen. J. Lambert: Sorry, Mr. President. I did not hear the point of order. It seems as though he was afraid to really say it, so I did not hear it.

Mr. President: The Senator has raised a question of his side not being accused of corruption. We have had a lot of talk of corruption during the course of this debate, the floor has been permitted to speak about corruption. Both sides have accused each side—when I say both I omit the Independent Benches—of corruption. In those circumstances I will rule that what he has said is not a point of order. [*Desk thumping*]

Sen. J. Lambert: Thank you, Mr. President.

Mr. President, I still iterate it is what I read in the newspapers. I am making the point about what I read, speaking in terms of that. In Trinidad and Tobago it is the first time that I have seen a Government in power that has done so much, and continues to do, to ensure that the culprit who is said to be involved in corruption is brought out so that the people of Trinidad and Tobago would be aware that this is a democratic country. There is nothing to hide and the Government is doing everything to ensure that justice, as it relates to corruption, comes up front so that everybody could see.

In the past you would only hear about the corruption when they left. When those who have been purported or alleged to have been corrupted, it was only when they left. Today I am satisfied that this Government is doing everything within its power to ensure that it alleviates some of those practices that have been purported to have taken place.

Mr. President, the labour movement is also very happy with the budget presentation as it relates to battered women, street children, orphans and so forth. The economic, social welfare of the country is being adhered to. I am saying that I have not seen, read or heard a budget that has engulfed the entire nation. We really have to commend, very highly, the Minister of Finance. [*Desk thumping*] It is his first budget presentation and what he has given to us is second to none.

The things that I have mentioned about the various ministries and so forth should not be construed to be criticizing. I have always learnt, since I was a little fellow many years ago, that constructive criticism is welcomed criticism.

5.45 p.m.

Mr. President, we are very happy, and I should make note of it also. I am happy that the Minister in the Ministry of Community Empowerment, Sport and Consumer Affairs is here—I have seen that over \$1,130,601 have been allocated to this Ministry. While in the other place one heard all sorts of things being said, pictures were being brandished all over—and the constituencies that some of them represent, I have heard nothing about.

I live in a community—Sen. Mark is very well aware of that, where the people of Point Cumana, Carenage have been allotted a piece of land for a community centre. Several persons from the Ministry of Community Development at the time visited and said it is the best site that they have seen for a community centre. Point Cumana might sound far for those who do not know. It is not Cumana, as if one is going to Toco. Point Cumana used to be Port of Spain South so it is in close proximity to Port of Spain and one could actually say that one is in Port of Spain. We do not have any facilities whatsoever for the youth and the older folks in that particular area.

I have spoken to the junior Minister. I am happy that she is here—and the moneys that have been allocated—I would like, while the other representative is doing absolutely nothing, and I am saying today, that I would request that she does everything in her power to ensure that some comfort comes to the people of Point Cumana, Carenage by way of a community centre. It is of paramount importance. They requested of me that I should make a public statement.

For 32 years that lot of land was given to the people of Point Cumana. I cutlass, I work, I sweep, I did everything under that regime and it never happened. But, I am certain with the moneys allocated that it would come and would bring some relief to the people in that particular area. As I have said, there are daily-rated workers in all the other ministries. There is a measure of satisfaction as it relates to the allocation that has been granted or approved by the Lower House to ensure that this country works in a particular vein.

Notwithstanding, I would also like to mention to the Minister in the Ministry of Labour, Manpower Planning and Industrial Relations, that the National Trade Union Centre is very much interested that the Occupational Health and Safety legislation be brought to this Parliament as expeditiously as possible to ensure that the working class in Trinidad and Tobago, the less privileged, would be able to work with a measure of comfort. Presently they are working to the detriment of the employers because there is no legislation to take care of them, and statistics will

show approximately seven lives have been lost in the workplace for the year 2000 alone, notwithstanding the hundreds of workers who have gone before, and who have been injured presently in the year 2001. I am appealing on behalf of the working class of Trinidad and Tobago, that the Minister of Labour, Manpower Planning and Industrial Relations bring this Bill before the Parliament.

The other legislation that is of paramount importance to us—not that I am saying that all the Bills that have been brought here are not important—but if one is representing the working class, first and foremost, one would want to ensure that legislation is being put in place to bring some measure of relief to those people. The Employment Benefit and Injury Bill is also of paramount importance. Over the years workers have been experiencing great discomfort by way of the several diseases that they have encountered in the work place without any benefit or compensation. We are saying in today's world, that the two Bills that have been mentioned are of paramount importance. It is imperative that the Minister of Labour, Manpower Planning and Industrial Relations ensure that before the closure of 2001, those Bills are brought to the Parliament.

We are also experiencing considerable problems with the Registration, Recognition and Certification Board as it relates to the law. Sen. Daly would be very familiar with the problems that we are having for recognition, and we are saying also those are some of the concerns that we would really like to see come to the fore.

Mr. President, we in the labour movement as I have said, are satisfied, while the concerns have been raised, with the presentation of the budget of 2001/2002, and we really want to congratulate the Minister of Finance. We do also have a problem because we represent approximately 200 plus workers in Tanteak. Recently we have had ongoing discussions and we have had a principled agreement. We were very satisfied with the approach by the Minister of Finance as it relates to those workers at Tanteak. Some of the workers have been sent home. Some have been paid severance benefits with the premise that 75 per cent of them would have been recalled at some time only to read in the daily newspaper that the arrangement with that shareholder no longer holds. They have requested me to find out what would be the situation as it relates to those workers.

I took the opportunity and spoke with the Minister of Finance. He has given me a satisfactory answer by indicating we would meet, discuss and continue to talk. I have to mention it because some of them indicated to me this morning that I would be speaking today and they would expect me to make a public statement as it relates to their plight in the particular area. I am saying that a relationship exists not

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only with the Minister of Finance but with the other ministries. We do have concerns and we have been meeting, discussing and we are fully aware that we would be able to resolve some of the situations that are affecting the daily-rated workers in Trinidad and Tobago.

Sen. Prof. Julian Kenny: Mr. President, may I extend congratulations to Sen. Lambert on his maiden speech. I sincerely hope that we would have a larger number of interventions from the Senator in the rest of the sessions. The arcane of economics and economic planning eludes me completely. I am really a technician with a very narrow view, and when I approach a budget I read most of the documents and I find it very, very difficult from reading say, the Public Sector Investment Programme, the Medium Term Policy Framework and the Budget Statement to see the relationship of these things. In fact, it has led me to move a motion to ask the Government to say what are its plans in specific areas.

Rather than make a fool of myself, I thought that, perhaps, I would retreat into fairly safe areas and address three issues all in a sense related to the environment. One of these is the Green Fund, the second is the dollar for dollar tertiary education scheme and I do wish that Trinidadians would not say “dollar for dollar”, because it is good to be corrupted. The third is the question about conservation and about built heritage and environment.

I must say that the technical people of the Ministry of Finance have actually been speaking to me on matters relating to some of these. It is very interesting to be in a position where somebody from the Ministry of Finance would ask a question: Could I live with a particular arrangement? I was very pleased to see that we are being considered seriously indeed, and some of the changes in the Green Fund are, in fact, consistent with some of my views. I think that we are on the way to doing something reasonably sound with some reasonable prospects of success.

I have a number of concerns with the Green Fund, however. My first concern is really a question of the current and future capability of the NGOs and the CBOs to service major restoration and remediation. We are talking about \$50 million per year and how many NGOs and CBOs are involved, because everyone has to have a standing of at least two years before they can access a grant. I have been working with them, and there are a few CBOs. There is one up at Fondes Amandes. There is one at Matura, Toco, Fishing Pond and there are a number of NGOs. There are some in Pointe-a-Pierre: The Wild Fowl Trust, the Forest Conservation Association, and the Trinidad and Tobago Field Naturalists Club, and what else. Assuming that we had ten groups that would qualify, because they have to have standing of at least two years, then you divide \$50 million by ten and you would have each of these

groups being potentially able to apply for a grant of \$5 million. I do not think that there are many that are capable of using this sort of money wisely. This is one of my major concerns.

When one reads the purpose of the Fund as stated in section 66, it is to enable grants to relate to community groups and organizations primarily engaged in activities related to remediation, reforestation and conservation. It says community groups and organizations. The word “organization” is fairly broad and it might involve a group, let us say of consultants from the United Kingdom—Halcrow or somebody like that—who could tap into a fund like this and I question this.

6.00 p.m.

Mr. President, as originally proposed in the previous budget, this is the law. It says, organization; it does not say NGO. The concern about the NGOs or the community based organizations (CBOs) utilizing funds of this kind raises, to me, the question of what is one of the priorities. One of the major priorities is reforestation; another is remediation or rehabilitation. For example, the Guaracara River has to be remediated and rehabilitated; similarly the Couva River, Ciperio River, Guapo River and Caroni River. All these rivers are heavily contaminated.

So here we have, in spirit, we tax people and we have funds. Can we imagine any NGO attempting to do a serious reforestation in this country of the scale that is necessary? The Government's consultant in WASA has pointed out that in order to secure our water supplies in perpetuity, we have to reforest 5,700 hectares.

People look at the hills and say, “Oh they are green now.” They do not realize those hills do not recharge aquifers. In the dry season they are burnt. The rains come and run down and then we have to canalize all the rivers. Reforestation is something that goes beyond one, two, three, four or five political terms. A minimum for reforestation, before you can feel reasonably safe, is 25 years of proper management. It is not only replanting. Because when the dry season comes you have got to cut fire trails and you have to attend to the replantings 24 hours a day, not just eight hours, which is what has happened in the past.

On the scale of it, we can currently do about 20 hectares a year, most of which are burnt in the dry season. You plant them and you burn them, and you plant them and you burn them. So if the State apparatus has been unable to arrest and rehabilitate our watersheds, can an NGO do this? I have my doubts. Now some of the citizen-based organizations, for example, there is one in Fondes Amandes, are actually squatting on WASA lands. It is well worth visiting because the community, led by a rather remarkable woman, has replanted about 10 acres of WASA lands, which is grassed. There are now trees so big around. [*Indicated*] It was all done in

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the past 18 years. It is, in a sense, a model of how communities might do it, but the scale, just simply, is beyond an NGO or a CBO.

My second concern is the question of exemptions from the environmental levy. I want to spend a minute or two on this because it is possible that we run the risk of taxing a clean business and using the money to remediate the dirty affairs of an exempt firm. I would point out that the provisions in the Environmental Levy, section 62 states—this is what we received last year:

“The provisions of sections 3A(6), (7), (8), (9) and (10) of the Corporation Tax Act relating to the business levy shall apply mutatis mutandis in relation to the Green Fund levy but with the necessary modifications and adaptations”.

This is all very nice.

Section 3A(1) of the Corporation Tax Act establishes the business levy. Subsection (2) deals with exemptions. Here are the people who are not paying the Green Fund levy. If I am wrong, I am prepared for the Minister of Finance to tell me I am totally crazy and I will sit and leave this path. Subsection (1), it says, does not apply, that is section 3A of the Corporation Tax Act, to:

“Subsection 1 does not apply to;

(a) companies in the first twelve months following their registration...”

This is reasonable exemption. If you start a business and you are exempt from business levy and from green fund levy for that year.

“(b) companies or statutory corporations exempt from corporation tax under any act”

Now, I am not in business but historically we have allowed companies to operate here with tax holidays of one kind or another. I do not know whether a lot of the energy companies get concessions, they probably do. So companies or statutory corporations, exempt from corporation tax under any act. That is law of the land, so they are exempt. It says:

“(c) the gross sales or receipts of a company which give rise to profits exempt from corporation tax under any act”

It means if you have a tax holiday and you are exempt from it, you are not paying business levy and you are not paying green fund levy.

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“(d) the Deposit Insurance Corporation, the Agricultural Development Bank and public utilities under the jurisdiction of the Public Utilities Commission or exempted by Order of the President”

That includes WASA and so on. Then it goes on to:

“(e) companies that are subject to tax under the Petroleum Taxes Act”

The final one:

“(f) the gross sales or receipts of a company whose gross sales or receipts in the preceding year of income do not exceed the sum of one hundred and fifty thousand dollars...”

Subsections (6), (7), (8), (9) and (10) are largely administrative—how people of the corporation tax compute their profits.

My limited experience of business, perhaps, places me in a situation where I make errors. But according to what I read of the law, I guess that much of the petroleum industry of this country does not pay Green Fund Levy. I stand corrected, if someone can tell me about that.

I assume also, possibly in error, that firms such as Caroni (1975) Limited, Atlantic LNG, the various ammonia, urea and methonal plants, all, which export their products, and benefit from export allowances, also are exempt from the Green Fund Levy. So my concern about the Green Fund is that there are potentially large firms in this country which are making profits; they are getting special tax holidays, exemptions from corporation taxes and they are doing things to the Caroni River or to the Couva River or to the Guaracara River. This is a cause for concern because there are businesses which are operating in this country which are clean, and there are businesses, on the other extreme, which are dirty. Now, is it fair to tax a clean firm, like an insurance company or a bank—relatively clean—and then take that money and ask an NGO or a CBO to go clean up the mess of the company which enjoys exemption from the Green Fund Levy? That is a matter of some concern to me. I hope that I am somehow wrong; that everybody pays the green fund levy, but frankly I rather doubt it in the light of the law.

My third concern, Mr. President, relates to the composition of the Green Fund Board and the eligibility for grants and so on. Since writing my notes—since I heard the budget—in preparation for my contribution, I have noticed that the Green Fund Board has now been extended by three to include NGOs and CBOs. For this, I congratulate the Government on responding, not only to things which I had suggested but which the NGO and CBO movement had made representation to the Minister of Finance. So the board now has a sort of balance.

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However, the board consists of a chairman, three from the EMA, three from business, three from labour, and now it has three for the NGOs and CBOs. So the board consists of 13 people. The board has been appointed and I have seen the names on the newspapers. I do not know any of the persons on the board. I hope however that nobody on the Green Fund Board has cocoa in the sun as far as the environment is concerned. I sincerely hope that the chairman is as chaste and pure as Caesar's wife, because you cannot have someone who is in business dirtying up the environment, exempt from corporation tax and green fund levy, sitting there handing out grants from money taxed from people who are clean. I do not know who these people are. The labour movement is represented but I am not sure that the representation from the labour movement is really representative because I get the impression that it is mainly one group that forms under the umbrella, not the independent unions outside.

One of the things that really shattered me about the composition of the board is that, in spite of all the talk about gender equity and so on, it is 10 men, plus the three who are coming on. What does that mean? Does it mean that there are no women in the EMA? No women in the labour movement? I think there is a very prominent woman labour union leader who represents a vast union. What has gone wrong? With respect to business, are there no women in business?

Now to me the Government is placed in a peculiar position, in that after what is said you cannot appoint three more men but, at the same time, would appointing three women not be mere tokenism? [*Laughter*] The thing is badly thought out, so I mention this because I feel we have to get broader representation. Personally, I would have preferred to have seen the chairman of the board as someone who has expertise in either ecology or in environmental remediation and rehabilitation and that he was certainly not too close to dirty business.

My fourth concern is the nature of the levy. I do not think environmental levies ought to be general taxation. I think that when you are raising funds to do environmental remediation conservation, that you really want to tax particular things. I suggest, for example, the levy on any plastic material imported into Trinidad would make sense. Soft drink bottles manufactured, rock and gravel mining for example are extremely destructive of the environment. I would have thought that you might have put a special levy on a dirty business like that.

6.15 p.m.

Leaded gasoline—I would have jacked up the price of leaded gasoline and lowered the price of unleaded gasoline. However, I am very pleased to see that the

hon. Minister has jumped ahead of us. I hope that—I would like to think that somehow my question about leaded gasoline may have prompted this. [*Laughter*] The Minister laughs. I will not go into the *Hansard* record, but in the previous Parliament his predecessor stood over there—I cannot remember his name, but the river flows deep [*Laughter*—and in response to my repeated concerns, including questions about leaded gasoline, he made the statement that leaded gasoline would be phased out by the year 2000. Yes. We were here. We remember this. Anyway, we have made the decision and I think that the Government has to be congratulated. It is going to help the health situation in the country. It is a long overdue decision and again I congratulate the Minister on this matter.

The fifth concern that I have about the Green Fund is the question of the existence of national plans under which we can utilize resources like these, and there are two national plans: the broad, overall plans as far as I can see—one is the NEP, which is required by the EM Act, this is the National Environment Plan—and then there is the NCDP which is a National Conceptual Development Plan, which is produced by Halcrow and a few other people. Now, the NEP does not talk about reforestation, it is just in broad terms, and I was very disappointed to see that the NCDP, which is produced by Halcrow, which is 533 pages long, only barely touches reforestation at the regional level. It does not come across in the conceptual plan. You do not have the broad programme for the country.

My final concern is the general question of the non-use of established administrative systems.

Mr. President: Senator, a Procedural Motion.

PROCEDURAL MOTION

The Minister of Energy and Energy Industries (Sen. The Hon. Lindsay Gillette): Mr. President, I beg to move that the Senate sit no later than 10 o'clock tonight.

Question put and agreed to.

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Sen. Prof. J. Kenny: Thank you, Mr. President. I will take that as a warning that I have to cut short my contribution. [*Laughter*]

Now, Mr. President, I sympathize with the hon. Minister of Finance because he has met the Green Fund legislation and he is trying to find a formula to make it work. As I have expressed to him in writing, and I have spoken with his technical

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people, there is a problem with trying to administer a fund of this kind, setting up a new body. I mean, he has quite wisely taken responsibility back to the Treasury, otherwise there were risks. I must emphasize, however, that we pass laws, we set up apparatus, we set up institutions, and somehow we do not use these institutions. I will point out, without going into all the details, that the appropriate measure for administering the Green Fund would have been the Environmental Trust Fund, which already has a board of trustees. Possibly later on we may move in that direction.

The final point in response to the Minister's budget presentation is that—and I think that the Minister has recognized the need for it—part of the Green Fund is going to be assigned to the Environmental Management Authority, not for operations; this is quite clear—this fund is sterilized from operations—but for actual conservation and remediation projects. In other words, if we have \$50 million in the fund, the EMA might have 20 per cent of this—might have \$10 million—which it might utilize for remediation of the Caroni River, or part of it, or the Guaracara River. This is commendable that some of the funds are going to be diverted away from the community based organizations (CBO), non-governmental organizations (NGO), groups that cannot really handle projects of this kind, toward the Environmental Management Authority. Quite frankly, however, Mr. President, I would have had a large proportion going to the EMA because I quite frankly doubt that these bodies can handle the kinds of funds that are involved and the size of the problem that they have to address.

Mr. President, I turn next to the Dollar for Dollar Programme and I am completely mystified—I should not say “mystified”. It may be good politics, say, getting on the platform and saying, “You pay the fees and we will give you half of it.” My first question or my first concern is: Would it not have been simpler just to increase the subventions to the select institutions and keep the fees? If, for example, the fee at UWI for natural science is now \$12,000, instead of paying it and then making claims and so on, why not increase the subvention to the university for natural science, and say the fee is \$6,000? There is a lot of unnecessary paperwork that is going to go on. I am mystified as to why, you know—I think that Sen. Prof. Ramchand, of course, has already mentioned this, but would it not have been simpler?

Let us face it, the people who are attending UWI are not paying the economic costs anyway. The cost of a student doing natural science might be \$70,000 or \$80,000.

Sen. Prof. Ramchand: Students pay 20 per cent.

Sen. Prof. J. Kenny:—20 per cent, they pay a fifth of the economic cost. So why not say that they pay a tenth of the economic cost? Anyway, I would not labour it. There must be reasons for it other than efficiency.

One of the concerns that I have about the Dollar for Dollar Programme is that it is so broad. It was a splendid opportunity for selectively supporting the kind of tertiary education that we really thought was needed in the country. I cannot understand why we did not use a formula like this, and indeed, it is a pity that Prof. Spence is not here because it struck me that when Sen. Prof. Ramchand, Sen. Prof. Spence and I were talking about the establishment of the technical university of Trinidad and Tobago, we sort of joked about the kind of funds that would be involved. What is going to be spent on the dollar for dollar could, in fact, establish the national technical university for Trinidad and Tobago very easily—the amount of money which is involved.

So I would have thought that in tertiary education the Government—a government—would have some sort of idea as to what are its needs, what it wants to develop. Instead of having everybody go to UWI and do whatever they want at undergraduate level, which may further their personal interests, but not necessarily the interest of the country, had you used selectivity, you would have been able to drive particular things that were needed. What is needed in the country? If you decided that computer science was the absolute essential, and that you wanted to have 1,000 people graduate a year, then you selectively support that. Would you consider, for example, archeology? They do not offer archeology as a degree at UWI, but supposing there was a course in archeology that 500 people wanted to do because it was interesting or because it was a soft option? They would have as much right to pursue that line, but how does the country benefit? I am going to refer to something later on to show you the nature of the problem.

The third concern that I have relates to tertiary qualifications and degrees generally, and the University of the West Indies. In the past when I have spoken about the University of the West Indies, the people up there would assume that I was attacking them. I spent 29 years there and I did a not unreasonable job, I think. There is a worldwide problem in university education. There is a decay in standards. Right now it does not matter where you go. I mean, some people are holding on to their standards but degrees are commodities that are bought and I would not be surprised one of these days, when we have a fair in the savannah, that you have a booth offering you, “Come to us. Do a degree by distance. Give us your life experience.” It is headed in that direction. This is reflected in the preoccupation with the class of degrees.

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Now, when I joined the university, the degrees were awarded in certain classes. Some of us here—I mean, some people here are holders of UWI degrees and the first-class honours degree was rarely awarded. In my time you might go for two or three years before you get one first-class honours degree. Mr. President, when you look at the university's reports, which I will talk about in a minute, you will see that 10 or 12 per cent of the people are getting first-class honours degrees. [Interruption] Yes. What used to be the normal, good degree, that is an upper second, is a common—it is an average degree. The lower second is nothing at all. Very few people get a pass degree. Everybody gets a degree.

You see, Mr. President, the problem is that there is pressure from the Government, there is pressure from the parents, there is pressure from employers, you must get this piece of paper, and the university is accommodating. I sincerely hope that in the professional disciplines the same thing is not happening in, say, medicine or engineering or—I hope—but this is happening worldwide. What used to be a respectable, really top degree, an upper second—"I have got an upper second!"—is now the average degree because that is what the consumer wants. This problem has arisen in the United States, in Britain and in Europe. It is called "grade inflation", where you do not face up to real serious standards, and maintaining them, you give the people what they want and the University of the West Indies is caught up in this.

I would just point out that to run the University of the West Indies costs the taxpayer about over \$400 million a year, and when you seek information on the University of the West Indies that is what you get [*Holding up document*], two little booklets with lots of pictures of university brass and His Royal Highness and people like this—very, very little detail. Now, in the bad old days the university annual report from a faculty was a document so thick [*Indicating*], and here we have the University of the West Indies, it is unable even to spell the word "biochemistry". It is one word, not two words, and here you have these pretty booklets, lots of graphs, plenty first-class honours. The question is standards.

Now, the pressure is, let us have more university degrees, and let us double the number. Doubling the number is not necessarily going to mean that you will get double top quality any more than in primary schools and secondary schools where you place 14 Form I classes in one school and half of them cannot read. So, the numbers do not mean anything. We have to address the question, in tertiary education, of the quality—maintaining standards—and, quite frankly, in my view, perhaps remaining elitist.

Had I been in a position to influence events, instead of the Dollar for Dollar Programme I would have had an arrangement where the University of the West Indies retreated from a lot of the activities that—it does everything now, you know. It is in business. It is doing degrees, diplomas, certificates and distance education. In other words, it is doing everything for everybody, and this is a serious problem. In the West Indies we can only afford one top-quality university and my view is that we ought to find a formula which allows the university to turn out top-quality people. At the same time, we do need people in specialist disciplines and this is where the technical university of Trinidad and Tobago, the national university, would come into play, and you could use the limited resources to press or push the development of our specialist requirements at tertiary level. We could use this and we do not need to have a Dollar for Dollar Programme.

Mr. President, I would just like to make my final comment on the Dollar for Dollar Programme. In my view the programme is deeply flawed. Policy for long-term is not something that appears on a political platform. It might be a nice idea but policy is something you sit and you seriously examine, develop and then it goes into the political platform and the manifesto. Now, dollar for dollar may win votes but it does not necessarily mean that you produce quality graduates.

I understand the expectations of people. When this was announced, people thought that it did not matter where you were going, you were getting your dollar for dollar. If you were at Oxford or Stanford, or wherever you happened to be, you would be getting support and people are sort of bitter, “Well, you know, this is just political promises.” No, it was never on. I mean, the thing just simply could not be afforded. In any event, I feel that people really ought to take their personal business, that is, personal commitment, and pay for education of their children. I have paid for one of mine and another one was fortunate in having scholarships and so on, but I think that it ought to be rethought, possibly to narrow it down to particular disciplines at UWI. I think it would make more sense, to me anyway, but I would point out, Mr. President, that sometimes you read through these documents and you catch little things that pull your eyeballs out, if I may use the vernacular.

There is a nice thing, the *Medium Term Policy Framework 2002—2004* and on page 74 there are certain policy statements about the University of the West Indies. We need not go into them but at the bottom there is a suggestion that—and this is the Government’s policy, you know, not the university’s policy. I think that you bought a pig in a poke on this one, but it is the Government’s document. It is not UWI. UWI can dream and do whatever they want but it says on page 74 that they propose in the years 2002—2004 to introduce an advanced degree in astronomy.

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Mr. President, if they told me astrology it would make as much sense. Why not geology? It is not offered there. Why not geography? It is not offered there. Why not forestry? Why not architecture? Somehow, the Government's planners, technical people, have been influenced by somebody up there who feels that astronomy is something that we need. There is no astronomy that is going to be done at St. Augustine that is going to have any effect on the well-being of our society.

6.35 p.m.

The final question, Mr. President, regarding tertiary education is something that I have not seen in the newspaper articles or advertisements. I do not know that it can be answered. The human mind is really theoretically independent of the circumstances of the particular person in terms of its potential. I have not seen how one deals with one who has potential, but who does not have the means to get tertiary education. It is not answered in any of the documents that I have seen and, there must be a pool of really able minds scattered throughout the country in circumstances that would preclude their ever getting to university. It would be wasteless.

Finally, Mr. President, I am going to turn to the built heritage and the natural heritage. I happened to look at a programme coming out of American cable on a prayer meeting at Yankee Stadium. There was Clinton waving his red flag and there was every conceivable kind of American. There were Americans, there were Afro-Americans, and so forth.

They were saying their prayers for events there. Everyone was singing the national anthem and they were holding their hands over their hearts. Whatever one may think about the Americans, looking at that programme one saw this sense of unity. One saw people, all sorts of people, belonging. One saw people crying and there were 10,000 at the Yankee Stadium.

Now, I mention this because in our country we seem to be preoccupied with the built heritage. We seem to be preoccupied with building bigger and bigger ones: airport for \$1.6 billion; Coast Guard buildings cost \$130 million; \$60 million was spent on rehabilitation of a swimming pool at Couva; the stadia cost \$450 million. I am not saying that we should not be doing these things, but in the course of this, we have statements in the budget that we are proposing to look after Government buildings, and so forth.

Mr. President, if you go to Mexico City and go to the anthropological museum and watch this fantastic building, it is not so much the building that impressed me,

it was the thousands of people, every time I have been there, the thousands of ordinary, humble Mexicans. This was a shrine to their country. What are our shrines? This might have been with its leaking roof, but I take it you are going to fix it, Minister.

White Hall. We have spent a lot of money and I will be the first one to say it is well spent. I am told that Killarney, which everyone calls Stollmeyer's Castle, which is next door, is to be used for the extension of the Prime Minister's office and, I am told that Mille Fleur is to be used by the Ministry of the Environment.

Now, Mr. President, people go to Washington and they go to the White House. They go to Mexico City and they go to Chapultepec Castle. People go through those buildings. White Hall is important. It is the seat of the Prime Minister. Is there any provision for citizens, children, to go through White Hall? I know that there are security concerns, but surely, the Prime Minister is not there on a Sunday.

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. Dr. E. McKenzie*]

Question put and agreed to.

Sen. Prof. J Kenny: Mr. President, I thank you. You know, emotion does wonders for me. I forget time when I am emotional and it is clear that I am quite wound up in what I am saying. Where in Trinidad can we say that our citizens can go and get this sense of feeling of belonging where everybody, little children, old people—this is ours? It is something that I have wondered about, because other parts—in Jamaica you have Devon House, in Barbados you have plenty of them. Will our people ever be able to walk into a national shrine?

Mr. President, we have had down at Chacachacare a convent and a chapel. This building is not of any great architectural significance, but this building was vandalized by the Ministry of National Security. People went in there with prime accord and cut out targets to go and play war games, and I pointed out that a lot of the ammunition used was United States ammunition. I have, in fact, written to the Permanent Secretary at the Ministry of National Security. Here we have something—I am not suggesting that is the centre, but here you have a building that is state property and you have the State demolishing it.

Some years ago we had the State taking an inoffensive—it was not them. We had the State in the dark of night going on the top of this building to remove a piece of building ornamentation. Then it was replaced by, guess what? [*Laughter*] So,

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how have we got so far with this building? I think that our people, our children should not just simply be coming here and sitting in the gallery. In time, this should be a major national shrine where our artists and everybody can see, our people can see what we produce; where the children can walk through all the different rooms where nothing is going on. Other people do it. Why can we not do this ?

Mr. President, on Saturday, I had the rare pleasure of being in the company of Sen. Dr. Moonilal—

Sen. Dr. Moonilal: It was my pleasure.

Sen. Prof. J. Kenny: —where we visited Nelson Island. This was the first time that he was there. We walked through and we talked about the Nelson Island project. In the budget there is provision of \$500,000 for the Naipaul House. This is money that is going to be well-spent, because that has to be a shrine. Nelson Island, when I look through the documents, I cannot find any provision for continuing the project at that island.

I see in the Medium Term Policy Framework that it is ongoing between the years 2002—2004 and, Mr. President, as you know, because I think you were present when I spoke at the Hindu Women's Conference at the Maha Sabha, that this is the oldest standing building in this country, built by slave labour and used for a number of purposes, including detention of two Trinity Cross holders, detention of Jews and, in the archives of the country, 114,000 indentured labourers passed through Nelson Island between 1865 and 1970. It is Ellis Island and Alcatraz. It should be a national shrine, but it has simply come to an end. A jetty is there, the building is there, there is nobody there, there is no development, and sadly, the silk cotton tree which we planted last November at the dedication ceremony is gone. Somebody wanted a silk cotton tree. [*Laughter*] Jumbies!

So, Mr. President, my point is that with the built heritage of the country, if you can find a focus like this building that allows you the latitude for people to come in with security, or you find a place like Nelson Island where you can build it up to show the entire history of all the people in Trinidad and Tobago, that you help to develop this sense of belonging to the nation.

Mr. President, just very briefly, I notice, turning to the natural heritage, that the Minister talked about plans for national parks. Now, this is a bit of a quagmire because for about three years, the draft legislation was on the Order Paper. It never came to debate. It was very badly drafted, but my point about national parks is that—I know that, Minister, you are just being advised by the technical people—national parks at Maracas, Matura and the Main Ridge are all forest parks. Why not

Nariva Swamp National Park? Or, Caroni Swamp National Park. Or, Los Blanquizaes National Park?

These are all natural systems. What is the difference between a forest and a swamp? Biologically there is no technical difference. One is a characteristic of a particular kind of environment, the other is of another. They are all a living system. So, my point is that we should not jump at naming national parks. We should first of all get the legislation done and, the legislation ought to be enabling. Then using existing law like the Environmental Management Act, we can decide that Matura is a sensitive area, we can make up all the rules and then get the infrastructure to run there.

Finally, Mr. President, I would like again to congratulate and commend the Government on the removal of leaded gasoline. I assume that this will be in this budgetary, financial year. We know from scientific experience that the use of leaded gasoline is tied up to a whole series of human diseases. We know from the United States, we know from Britain and from Europe. It is a major step and I sincerely hope that our Minister of Energy and Energy Industries will make sure that the leaded gasoline will disappear from this country within a reasonable time. No more than a year. [*Laughter*]

Thank you, Mr. President.

Mr. President: Unfortunately, I omitted to congratulate Sen. Lambert on his maiden contribution. [*Desk thumping*] Let me also mention that since we might be sitting until around 10 o'clock tonight, we will take a break at about 8 o'clock for some refreshments for half an hour.

Sen. Raziah Ahmed: Mr. President, Members of this honourable Senate, in a treatment of the Bill before us I rise to make clear my support for the efforts of the Government of the United National Congress towards nation building and for the development of the people, the citizens of Trinidad and Tobago, as we take our place in a borderless world, in a global economy positioned as we are on a kind of continuum that ripples when the major world players are touched.

I take my cue, Mr. President, from the engraved marble that adorns the front of this historic building. It is the affirmation of the people, Mr. President, that the nation of Trinidad and Tobago is founded upon principles that acknowledge the supremacy of God, faith in fundamental human rights and freedoms. The position of the family in a society of free men and free institutions, the dignity of the human person and the equal and inalienable rights in which all members of the human family are endowed by the Creator must be for all times, remembering always that

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men and institutions remain free only when freedom is founded upon respect for moral and spiritual values. [*Desk thumping*]

If ever there was a time for leadership, it is now. [*Desk thumping*] I stand here as testimony to my Government's agenda. [*Desk thumping*] If ever there was a lesson that power and might do not equate with equality and justice, it is here set out before us in plain view. The problem with all of us, the problem with mankind is that we look way into the horizon for those things that are right before our eyes.

Our well-conceived, long-term goals seem to get muddled all too quickly. We lose sight of our vision and our dreams when the opportunity for personal power presents itself. Whenever it seems that we accumulate some muscle or get placed into some position, too often we lose sight of the people that we must serve, even as we profess to serve. I stand here as testimony that the Government of the United National Congress under our Prime Minister and leader, Mr. Basdeo Panday is in full support of this view. [*Desk thumping*]

The events of September 11, are a sad reminder of the wickedness of a vision gone sour and ambition thwarted, both for the perpetrator and for the victim, immediate or ultimate. The vision of nations has been to build a safe homeland, a strong society, a country poised for sustainable growth and all the labour of all our people is aimed at achieving these ideals.

A nation's budget is not just a symbol of the high ideals. It represents working papers for the betterment of its people, but it takes a wickedness, unique to the human kind, a moment of tyranny, chronicled by historical accounts played out on the battlefields of two World Wars and countless smaller national and civil wars, and grounds that were painfully gained are lost and a people are broken. It begs the question, Mr. President, "Will the real world leaders please stand up?"

6.55 p.m.

What is it—power, lust? Is it greed or self-righteousness? What is it that allows some people to feel that they have the right to destroy, to tear down, to rip apart the livelihood of innocent people, the education of children, the work of institutions, the mission of an entire industry, whether it be by aircraft-turned-weaponry or by the cover of any other privilege?

Mr. President, the insurance industry is a regulated industry. It is the law which determines how an insurance provider can invest the funds belonging to the policy holder. Private enterprise is not above the law and private corporate enterprise does not flout the law. Insurance is the only formal vehicle for long-term savings

recognized and regulated by law. Long-term saving in an economy is the single most significant indicator of financial stability. The level of pension savings held at institutions reflects the level of economic stability.

This budget before us sets out measures to make the acquisition of pension and long-term savings, as well as vehicles for collateral assignment for property and business borrowing, easier and less time-consuming for the consumer. Indeed, insurance propels the economy. These budgetary measures are of benefit to consumers because they provide almost immediate tax relief provided by the tax incentives in the Government's fiscal policy to stimulate long-term savings and buoy up the economy. That shelter is provided through pension contributions.

It used to be, under the old system, that for sometimes six to eight months, consumers would wait and wait before Board of Inland Revenue approval would allow the taxpayer to claim the benefit of the shelter. This measure, therefore, puts the tax refund into the hands of the pension plan contributor at least six months earlier. In addition, the tax claims applicable to interest claims on loans for property and business enterprise are now more readily accessible by the consumer, because the documentation can now get into the hands of the customers faster.

The long delays to get the approval for these contracts always created bottlenecks and frustrated the small consumers who were making efforts to save for their retirement years for themselves, without waiting on social welfare support systems in their old age, because of their desire to retire as ladies and gentlemen rather than just as an old man or an old woman. These measures go a long way to stabilize an economy, to make it easier for people to save for the long term, to create wealth for the individual, and to remove the burden on government to provide safety nets for citizens of this nation, whose ability to earn an income ceases in retirement.

These savings are part of the overall social welfare support systems that governments oversee. Indeed, the role of government has always been to look after the poor, the destitute and those persons who fail to provide for themselves. The time-worn story that teaching a man to fish is a more meaningful vocation than just giving him a fish, is a character of this budget. It is the cornerstone of nation building and sustainable growth and it is a benchmark for an intelligent nation.

On the point of intelligent nation, I wish to respond to a few of the points by Sen. Montano on the other side, who made it very clear to us that in his preparation for his contribution today he did not read the *Review of the Economy 2001*, since he said over and over again that the Government did not take any cognizance of the world economic environment.

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Unfortunately, or fortunately, all these documents were provided to us and they form part of the budget statement. It is unfortunate when people come to this honourable place and do not read the basic documentation with which to equip themselves. If he did not read this document, then his response has to be ill informed and, therefore, leaves much in question. [*Desk thumping*]

There is also another interesting comment made by the hon. Senator with respect to what I understand to be his recommendation that the Minister should manipulate the foreign exchange rate; that is called a dirty float. A dirty float has nothing to do with market conditions and is not in keeping with the global economy and the agenda of this Government.

Not only that, Mr. President, I was very disappointed to learn that the hon. Senator, in making reference to an accounting document, did not recognize that under the Insurance Act, insurance companies in this country are required to submit a list of assets for the statutory fund. The office of the Supervisor of Insurance reserves the right to question whether it will accept or not accept the funds.

The insurance company reserves the right to substitute those funds for other funds which are accepted by the office of the Supervisor of Insurance and allows the company to continue to operate legally within the country. This is a simple accounting thing; any accountant of low calibre ought to be cognizant of this process. It reminds me of a so-called accountant who I heard used liquid paper to alter the figure on a cheque. I am just wondering if the hon. Senator was more competent at measuring and laying tiles and that kind of masonry, since he seems to have that down clean.

To move forward, I want to talk about the human face that this budget addresses. There has been a long-neglected and under-funded need in the society to look after the welfare of women and children and the female heads of single parent households—that group in our society most likely to fall into poverty as a result of domestic violence, acts of war or acts of hostility.

The role of women in this society has never been fully recognized by previous governments. The critical role we play in nurturing families, in determining the nutritional needs and levels of the family, in ensuring that the children go to school, that their clothes are washed and that the home is safe. This role that we have played in keeping homes together, in furnishing the building blocks for great industry and great nations, is now being supported by budgetary allocations.

That women have been victims of all kinds of abuse is another wickedness. Domestic abuse is a tyranny to all who nurture life itself. It is a cycle perpetrated by

those who crave power and by those who desire to control. It leads to violent death. It leads to disability and various medical problems, because victims lose their sense of self-esteem, they see themselves as worthless. They fail to take care of themselves and they fail to seek medical attention in a timely manner. The cycle is a vicious one producing poor role models for the children who grow up in these homes.

In addition to the budgetary allocation quoted in the information before us on pages 40 and 41 of the Public Sector Investment Programme—which I do not wish to go into in detail—and at items Nos. 33, 36 and 34 in the document provided for today's sitting, the Government of the UNC has set a massive public information agenda to allow victims and other persons to understand that services are provided to meet their needs; that there are alternative responses to behaviour; and that there are different choices from which to select.

This Government has implemented awareness that every child of this nation belongs in a school up to their late teens. It seeks to increase the level of tertiary education participation for much more of the population. The budget seeks to finance the support mechanisms needed by women as they continue to nurture the backbone of a basic institution of the society, the family. This Government recognizes, for the first time in a budgetary provision, the need for shelters and villages to house the homeless and the destitute. It also recognizes that this is a temporary stopgap measure and it seeks to serve the long-term interests of an intelligent nation society.

There was some reference to the wife of Caesar. I want to make reference to the wife of an army general during the time of King David; that lady was called Bathsheba. What happened between her and the honourable king is testimony to the fact that corruption has existed even from those times. [*Laughter*] I make reference to this because there has been quite a lot of talk about corruption. Indeed, some objection to talk about corruption and, indeed, some claims that corruption did not occur in certain places.

I have here a clipping from the *Sunday Express* July 22, 2001, a column called the “The C Files”. I just want to remind the hon. Senator that the opening paragraph begins like this:

“When it comes to allegations of corruption under the PNM, Project Pride and John O’Halloran immediately come to mind.”

The article goes on to talk about Pegasus, described in the *Express* of November 01, 1992 as a “one-man company which had gone through some name changes”. I

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make reference to several other statements in this article. Fingers were pointing at the Factory Inspectorate at the time. It made reference to civil servant Gene Miles. It made reference to Tesoro Corporation and John Edward O'Halloran.

Let us not be blinded by those who seem to have lost their focus.
[*Interruption*]

Mr. President: Senator, does the article have an author? Please quote it.

Sen. R. Ahmed: Yes, Mr. President, Sandra Chouthi. Let us not be blinded by those who seem to have lost their focus in vainglorious attempts at self-righteousness. Let us understand that casting blame and pointing fingers is not about responsibility. Responsibility is a singular thing; the buck stops here with us now.

We have to build this nation. We have a mandate to provide the best framework for our children and those children that would come behind. Let us recognize too that these children are growing up in a world that has changed. For those of us who thought that we would never see the world shredded by different interests, with power or with the manipulation of power that is not always human, but powered by different capacities and different chemicals, let us recognize that in our small-nation economy, even as we take our place in the global world and even as we have the confidence that we have the intellectual capital, we have the intelligence resources, that our children are among the brightest in the world, let us recognize that we have to pick up the pieces, we have to mediate, we have to negotiate and we have to resolve our conflicts peacefully.

To neglect to learn from the lessons of history would be an outcome contrary to the collective intelligence of leadership. This world leadership cannot afford to repeat the errors of history. The responses of yesteryear are no longer relevant; there is no going back. No past political party can suddenly erupt with solutions that they failed to engender after 33 2/3 years of dominance. [*Desk thumping*] One-third of an entire century, Mr. President.

So my people, the real world leaders are poised and positioned. Do not waste your time on villains and tyrants. Spend your time with persons of integrity; individuals of personal resolve, dedicated to the service of peaceful resolution, committed to mediation and forward thinking.

Mr. President, it has been a pleasure to share with you and this honourable Senate my ideas for world peace and for nation building. I thank you all.

7.15 p.m.

Sen. Rennie Dumas: Mr. President, it is my pleasure to rise with the simple intention of putting on the table whatever capacity one may have for analysis; for putting on the table whatever knowledge we may have of the national and local community; whatever opinions that we may hold from sharing our thoughts over the budget with the fellow citizens with whom I communicated; and any other relevant information available to me. I rise with the intent to put it at the disposal of the budgeting process. I do this as a citizen who has been afforded the opportunity to be a member of this Senate.

Mr. President, I am also very mindful of the earlier reminder we had. These appropriations had already been passed or approved in the other place. We are therefore placed in the position of giving, as it were, belated advice on appropriations that have been determined by the Lower House or the other place as you may say. We also have been advised that these things have been passed amidst much acrimony, much advice, many claims and counter claims, and oftentimes in my view, with language, postures and attitudes that border on being insulting to the citizens of this country.

I can only caution, because as I sat here today I was noticing that we need to be careful because the country and the citizens, Mr. President, may soon hold us—and the very processes of Parliament including the budgeting process—in opprobrium.

Mr. President, given what has happened in our country in the political arena recently, I must confess that I was wondering exactly how the Minister of Finance, and his fellow Ministers would present this budget in the House, but I must confess also that I feel now a sense of awe in how it was done. I stand in awe of the Minister's capacity to come to the Senate today and the capacity of the speakers who stood in support with him to hold forth on behalf of the Government, assigning a vision to that Government and requesting from this Senate a mandate to finance collections and expenditure for an organization that no longer exists.

Mr. President, the Government that he purports to represent has starkly collapsed in office. There is no Government standing behind this vision and, therefore, I stand in awe of the public fiction that is being perpetuated in this Senate this afternoon. *[Interruption]* And, of course, the threats do not bother me, they never did.

Mr. President, I find myself contemplating my inadequacy even further because we are asked to receive the presentation of the Minister of Finance in a certain attitude. The Minister is sure of his analysis, sure of his diagnosis, he is

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sure of the medications prescribed, clear that we can afford the medication and the cure will come. There is very little evidence that all the public advice, and the professional work available to him is taken into account, and one asks on what basis can one expect any capacity to give any that would not be ignored.

Mr. President, I cannot join the Minister with the same assurance he has—that the budget is going to make any difference—unfortunately I cannot join him in the kind of assurance in the attitude that he brought to the Senate. You see, Mr. President, I am particularly alarmed at the extent to which the Minister of Finance, in my view, and at this point of the development of our nation has selected an argument which says: “One People, One Nation: Leaving No One Behind” and then goes on to provide us with a basis of suggesting that this is also a figment and a fiction.

You see Mr. President, it is quite clear that the budget is predicated on a neoclassical framework that has been discredited. It is a framework which gives a focus and an impression for distribution in direct opposition to the fact that we face real challenges for strategic application of our resources in such a way that we ensure the sustainable human development required in this nation and which is still an option.

Mr. President, in purporting the development of the human resources and the vulnerable groups in the society, I am yet to see the Minister or those who supported him, except with the notable exception of the Junior Minister for Agriculture, wrestling with the problem of sustainable human development in any way.

Mr. President, the fact is that the specific strategy is used, or focusing on distribution—one man from Tobago told me that he got the impression that we thought the place was made of mud and the resources of the country were being spread as how sand is spread to form a bed before one starts to do anything else. In construction, what one needs is the capacity to build an infrastructure that could bear stress and carry the load of development, suggesting that this has not happened.

Mr. President, I heard Sen. King ask what is the SWOT? Someone else says that the medium term plan constituted a part of this budget statement. What are the technical issues that the budget is seeking to deal with? Recognizing that we can expect a real surplus, where is the surplus to be applied? Somebody mentioned the Bible. I want to suggest that we should remember Joseph in the seven years of plenty, we would then be able to deal with the seven years of difficulty that we can

very well expect as a human cycle. It is a real cycle that some of us thought that in the driving of growth you do not have to deal with the issue of regeneration of assets, reapplication of assets, and ensuring sustainability of any developmental growth that is occurring.

Mr. President, the question that comes across even more starkly is that when one turns to the question of the poor—and I am saying relief to individuals and such things, where one would think that after eight years there would be some dividend from the years of growth if you are going to deal with distribution—we find we have some “ming pilling” allocations and not the grand allocations that are made in other ways.

We talk about relief to individuals with a 1 per cent change, \$58 million—\$58.00 per capita in the country. That is one of the signal indicators of our lack of seriousness. The greatest cause for alarm however, lies in the fact that we have a scenario of plenty. We have a large resource capacity at our disposal. It is the largest resource capacity any Minister of Finance has ever had. How is this applied and what is the result of the provisions and allocations made by the Minister of Finance?

The allocations have not been able to awaken any enthusiasm, has not awakened any interest, any commitment to the task of development. It is incapable of mobilization of the population in any known sector of the population. The budget simply has no developmental oomph in the political scenario in which this Government finds itself. This budget is as dead as a stump in the water, it has no flotation, it carries no one forward. Everybody is left behind. The Minister is alone—or except for the few people who have stood with him—dead on the UNC rump. There is no mobilization of the people, no mobilization of the nation. The reading of the budget reminds me of the little song: “One man and his dog”. No one believes the Minister can mow the meadow.

Mr. President, I would not repeat the statements of the Minister’s colleagues in various places as to the budget being for the parasitic oligarchy and such words, or maybe those are the words of former colleagues. You do not kick a man when he is down. It must be hard to wear the Minister’s shoes now, very hard, or perhaps you cannot wear his shirt at all. In this time and nowadays in these political times, the shirt of the Minister must be a hair shirt, a little prickly and scratchy.

I would only like to point out and I am trying to help the Minister. You see, the Minister boasts of the unprecedented level of consultation with all the major stakeholders in the society. I suggest that from the conversations, from the

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expressions that have been reported, several significant groups, several representatives of significant sectors, representatives of administrative regions have expressed reservations where some have not expressed opposition to the measures of the budget. These representatives, sections, these groups have been left behind. I am saying, I only point out the groups to remind the Minister if he knows, or if he does not know, to suggest to him where he can find the people who believe that they have been left behind.

I believe that there are sufficient grounds for believing that the following groups have been left behind, or perceived that they have been left behind. Tobago, Caroni—the heartland of the UNC—feel that they have been abandoned. All the local government authorities, the workers groups, public officers, security personnel, daily-paid workers. Sen. Lambert pointed out all the reasons they thought they were left behind. The credit unions and cooperatives, service society representatives; denominational education boards; agricultural workers and farmers—ask Sen. Kernahan—fish exporters; problems with the landing access that is factored to phytosanitary measures and conditions; tourism; hospitality and entertainment sectors; aspirant home owners and the landless; some Ministers of Government feel they have been left behind; some members of the UNC.

Not my reservations, I have only identified to you what have been the expressions and I want to suggest that we do not need to blind our eyes to them. It is well known that when we search for economic growth, we need to aggregate capital and labour, but it is also critical to have the accumulated social capital, keep that growth going and ensuring that we sustain this growth. It is critical. It is no news to any of us that growth is no longer tenable by itself as acceptable trends for a government's development programme.

The citizens today take a more comprehensive view. He operates in a critical paradigm seeking sustainable human development and we have suggested that the policy agenda that you put together has not satisfied that paradigm as set by the citizens.

Mr. President, the recognition and participation in decision-making of all families, all communities, all sectors and regions in the development efforts and benefits are fundamental principles of sustainable human development. It is evident that the Minister caught a glimpse of this, and thus his theme but, unfortunately, to incorporate a principle in a way that is sustainable into one's work and life requires incorporation into one's life view or philosophy and it is clear from the propositions made in this budget that the Ministers and the Government's life view or philosophy is not one of sustainability. Sadly, this is true.

When one looks at the Government all one sees is entropy. There is no evidence that this Minister and Government sought to build the institutional framework to support the processes of planning, implementation, control and monitoring development. In fact, there is full evidence that any existing components of such framework had deteriorated.

I listened to Sen. Dr. The Hon. Moonilal talking about the need for an architecture of information. I do not think that is exactly how he puts it, but I think that is what he meant. An architecture of information that will provide policy data that will assist the Government in the development of its policy, control of this policy, implementation of this policy and the capacity to review that policy for its appropriateness.

7.35 p.m.

According to the laws of Trinidad and Tobago, the information architect for providing such policy data rests largely on the Central Statistical Office. The CSO, therefore, should be at the centre of providing policy data for the Government and of course, for this Minister, and the Ministers for Labour and Agriculture. But the CSO has been emasculated and has been left behind. The CSO now has no vault and water is wetting the papers. It has no staff and where it has staff, the quality of staff is questionable. The activity level is poor; there are no financial resources. The modern information technology required to support such an architecture is dead and non-existent. And that is a direct division under the Minister of Finance. It is what is supposed to provide him with the major data and policy data. You can have no knowledge-based society if the heart of your information system that is supposed to provide policy data for you is not there.

If the dream of a knowledge-based society is going to be more than a dream, if it is going to have any credibility, we have to get the measurements from CSO right; we have to rebuild the CSO or similar capacity. And they know, because they entered into an agreement with the IDB to develop a policy research section in the Ministry of Planning. It was in last year's budget but it has not been implemented. It is not available to anybody.

So the development policy and the strategy that requires quality data has to be suspect. Unfortunately, by his omission and his acts of commission, the quality of the data that he presents today is well worth the treatment of casting away because it does not meet the measures for quality in this kind of data, in this country at this stage of our development. When that architecture is destroyed or allowed to flounder, how does he know what is the state of affairs in the country? And if he

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does not know, how can he make relevant policy? How can he identify, design, finance and implement relevant and targeted programmes for the benefit of the citizens? He cannot do it.

It would be interesting to know when was the last agricultural survey done? When was the last agricultural census done in this nation? When was the last survey of business establishments done? Without that quality data all is *vaille que vaille*, including this budget.

It was quite interesting to hear Minister Kernahan talk about sustainable agricultural development and food security. I am sure that if you were to examine the allocations, the one conclusion she could have come to, the one conclusion any one, placing the allocations against the agenda for sustainable agricultural development, as she quoted, you would see the inadequacy of the provisions, placed against that agenda. They just do not fit. If you were going to use that agenda as the measure of what is good agricultural policy and you come into your allocation in the budget, you would have to go home because you cannot do the work.

Mr. President, the Government had a survey of living conditions done. We were told in this Chamber, that the survey of five and six years ago has never been analyzed. Another survey was done that also has not been analyzed. So what is the basis, if you do not know the social conditions in the country, on which you are building social policy? How can there be any gesture, any figment of the imagination, placing before people this concept of social policy? What is the data on health? What is the data on education? What is the data on housing and the housing needs? What is the data on the poverty status? Where does the poverty line lie? Those analyses are not available. What are the other living conditions of the people? You do not know and if you do not know, you cannot build a response to any of this. And worse: no alternative ways of getting the data have been built or identified.

Then sometimes you see massive amounts of money spent on these social programmes. And other times you see small amounts of money and you want to know how they decide which programme to spend on. I know I am going to hear some inane statement about who likes what kind of people. But it is only when we know the incidence of the cost of education, as distributed in the population; and when we know the distribution of the performance of the students, across the population, and the total incidence of that cost that we can build a programme for education, including the dollar for dollar. It is only then we can build and manage a sustainable programme for financing tertiary education for all, leaving none behind.

Until you do that you are *vaille que vaille*, including your Dollar for Dollar Programme.

I make the point that the citizens who are living in rural districts, such as Toco and environs; Cedros, Mayaro, of course, in the separate island of the archipelagic State of Trinidad and Tobago, they do not face the same incidence of cost as the family who is resident in the East/West Corridor; or in the corridor that is running to San Fernando. The hub that links the corridor to San Fernando has a different incidence of cost. For the Tobago resident, the other costs are oftentimes three and four times the cost of tuition. So there is a disadvantage in the very Dollar for Dollar Programme that has been designed.

If you want to be real and want to take along everybody, leaving no-one behind, you must pay attention to the full incidence of cost. Other than that, national equity is not being serviced. Unfortunately, the behaviour which has set the stage for the retardation of the development of an adequate institutional capacity for good governance in Trinidad and Tobago is not limited to the national level. They claim that they are responsible, that they have a mandate, empowered by the electorate—of course, they ignore all other political and legal measures and activities to the contrary—but they have sought to extend their attitude and perspective that is a clear instrument of under-development to Tobago. And, of course, they can make no claims to any right to any responsibility, using the same measures they hold on a national level to Tobago.

Mr. President, I want to be clear in what I am saying because I want to have no mistake made. By way of legislation, the Parliament of Trinidad and Tobago has established the Tobago House of Assembly as a critical and unique legislative and administrative institution with the responsibility to develop and manage policy and to develop and manage supporting infrastructural framework that would support the processes of planning, implementation, control and monitoring of development, according to conscious Tobago-based policy. There is no mistake about that.

7.45 p.m.

When you do that, you are setting up a critical and core institution. This institution has been assigned roles, sub-institutions and relationships between the Assembly and the other institutions of governance in this country. That is according to the Constitution of Trinidad and Tobago, not the whim of anybody. And it is clear that the Assembly's capacity to act as island government, and consequently, its institutional autonomy—you have to be careful with it. In particular, we have to be careful to understand, given the structure of the economy of Tobago, that

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Government activity has a salient impact on the growth or retardation of the economy, and, therefore, the welfare of every family, every community, in Tobago.

The preparation of the national budget is one process within which the Tobago House of Assembly and other institutions, namely, the Ministry of Finance, the Minister of Finance and the Parliament, articulate. At this point in time, guidelines for the conduct of this exercise of national budget exist. You see, the guidelines were placed by deliberate design by the Parliament in the Tobago House of Assembly Act. Some were also proposed in the recommendations of the Dispute Resolution Commission, which was triggered at the request of the Tobago House of Assembly when they wanted to signal their disgust at the abusive management of the process by the national government, the UNC/NAR government.

The Dispute Resolution Commission laid out as a guideline, that all allocations for the Tobago House of Assembly should fall between 4.3 and 6.9 per cent of national expenditure allocations. The commission also recommended that the provisions in the Tobago House of Assembly Act facilitating access to grants and loans, should also be activated.

The Minister, in dealing with Tobago and its vital interest, laid out a fiscal programme allocating \$598 million for recurrent expenditure, and \$110 million for the capital programme for Tobago. They also agreed to allow the THA to access grants, and then they went on to read the statement. To read the statement is an insult. "We also intend to upgrade the services." Mr. President, one wants to be careful and I would not be churlish. I am sitting in front of Sen. Daly. *[Interruption]* I could be burlish also. But I am saying, I would not be a snarling tiger, not while standing just before Sen. Daly here from whom I am learning so much.

I want to acknowledge that the Government has accepted certain political realities. Yes, there are certain political realities that they have accepted. We recognize that the Government accepts the quality of leadership in Tobago; it accepts the standards of management, the accountability, the level of representation and the mechanisms for institutional strengthening introduced by the new order in the Tobago House of Assembly, the PNM administration. That Assembly's administration, we know the Government does not want to accept as a model, of PNM activity, but that is what the reality is.

We know that it should have the new financial regulations for the THA, and you have a situation where the activity of the whole Government has gone under financial audit. So the reality is that the political situation and the change and the

mandate given by the people of Tobago to the THA, have been accepted. Unfortunately, we have to recognize that the process of budgetary negotiations is incomplete, and these negotiations are what they are, because that is the context in which the Minister of Finance has placed them.

You see, in attempting to establish the institutional framework as set down by the law and by the recommendations of the Dispute Resolution Commission, nowhere in the allocations, nowhere in the arrangements made, has this Minister accepted that these resolutions constitute public policy. It is given as if this is a grant from the Minister by his goodness of heart. Tobago will require no less than an understanding that this is public policy. That is the point. The guideline is that.

Is it public policy that you are using the recommendations or are you ignoring the recommendations? That is what is necessary. Is it public policy that the THA has the right to grants and loans according to law, or is it something given and taken away at the whim of who happens to be the Minister of Finance?

Tobago is saying that the anxiousness of the absence of predictability cannot continue. We want to fix it. Fix it! *[Interruption]* We do not want it? That is the general paternal behaviour; that paternalistic attitude: “take what we give you and if you are giving me trouble we will take it away”. That paternalistic attitude cannot be it. We want to understand whether the recommendations constitute public policy. *[Interruption]* Your attitude is abuse also. What we are saying is, establish public policy. Make sure the institutional capacity and the institutional framework is there. That is all; simple as that.

You know, the Minister still has time, fortunately. He has the time of his wrapping up speech to indicate to Tobago that we can all live in comfort; we can all go along together and not be left behind, by ensuring that the statement is made that this constitutes the public policy of the UNC Government, and it reflects UNC’s adherence to the recommendations.

When you read this thing—I want you to take the paper up—I know you would not bother with me now—but when you go home in the privacy of your own conscience—*[Interruption]* Can I say what I want to say? When you go home in the privacy of your own conscience, take the document up and read it again. “We have agreed to allow....” Is that the framework of agreeing to law; acknowledging the right of another institution; the right of a people to determine what they do?

You know, it might be interesting to put it against the rights the Government gives MTS, Tidco, TTPost, and all the other organizations, to borrow, access loans, whatever. Fix it! Fix it! We want to urge swift settlement of that particular

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difficulty. In your documentation, you accepted that the THA should have the capacity to fund a sustainable development programme, including Government services, agriculture, infrastructure, tourism, education, unemployment, et cetera, but when we look, we see that the distribution does not accede to that statement.

The argument is, there is a lot of work to be done in Tobago—there is a big backlog.

7.55 p.m.

In Tobago there is serious poverty that must be addressed. There is a serious differential in the cost of living between Trinidad and Tobago; a 35 per cent differential. We need to address that. We have a growing drug addiction problem and a growing rate of AIDS infection. Those are things that you do not want in your backyard. You want to know that there is the capacity to plan, finance and develop your community in a sustainable way. You cannot do that in the heart of those things.

Mr. President, there is yet another area that should be negotiated and settled, in that, you have a number of allocations made and loans accessed for national programmes—nationwide projects, as they said. Financial control over these funds is oftentimes awarded to specific officers and ministries, other statutory bodies and so forth for implementation in Tobago. What are the specific terms and extent of funding for these activities? It is never determined and is never available. The suggestion has to be that the relevant secretary and minister should be able to settle those matters. It cannot be a continuation of the paternalistic attitude where you come and ask and somebody decides if you get. If you are going to do a national programme, where is it? We want to advise that if you try to micro manage projects in Tobago from Trinidad a lot of things are going to fall in the crack. The reason the Tobago House of Assembly was put in place is because you do not want that. You want to make sure.

While we are on it, one case in point is the ETA. Somebody was boasting how well it is run in Trinidad.

Hon. Senator: ETA?

Sen. R. Dumas: The ETP, sorry. [*Interruption*] No, because you do not tell us about it. You have it as a secret. People are talking to you by the side, do you forget? [*Laughter*] You have it as a secret.

Mr. President, what I am suggesting is that we should know what the allocation for ETP in Tobago is.

Hon. Senator: You can ask.

Sen. R. Dumas: Yes, and you as big daddy—

The THA has asked that the air and sea bridges be deemed essential services and I think there is agreement on that.

Mr. President, when the Minister and the Government assures the Assembly that the funding mechanisms for which it is responsible, and the activities for which it is unquestionably charged by the Tobago electorate can be carried out as they see fit, Tobago would not have been left behind. As it is now, with the present arrangements, there is much argument for suggesting that Tobago is still left behind in terms of the process and institutional framework for managing its relationships.

Mr. President, it is not just Tobago. People all around the country are talking about this paternalistic attitude. When you examine the provisions and the figures, the regional corporations and municipalities also believe they are left behind. The Minister and his Government has, at various times, argued about the need for autonomy. We had the Planning and Development of Land legislation here and people were talking about the responsibilities given to the local government authorities and people ask again: Where is the greater autonomy? Where is the better funding and greater access to high quality human resources? Where is the greater degree of local determination? They are asking and saying that if you do not provide that you are, in fact, leaving them behind.

There are a set of factors that make sure that an institution can, in fact, move forward and manage its affairs. When you determine its functions and responsibilities and allow the best character of leadership to emerge, when you ensure that people have autonomy and empowerment, when you allow them to develop appropriate administrative systems and resources, and you facilitate such development, you would have been putting in place, on a national basis, a means for dealing with some of the problems identified.

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. D. Montano*]

Question put and agreed to.

Sen. R. Dumas: Thank you, Mr. President, and hon. Senators.

If this Government does not want to leave the local government areas behind, it is required to set up an appropriate review of the local government system. I am

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sure I would get the support of Sen. Lambert on that one. We need to set up appropriate systems to make local government more relevant, more manageable, autonomous and capable of responding to the interests and needs of the residents of the areas for which they have administrative responsibilities. The number of clusters of empowerment in the country must increase. Too many things are aggregated at the middle. That is why you do not get more done, because everything has to come back to the same people. Spread out the numbers of 12 who do the work.

Mr. President, local government institutions may be among our most potent institutions. They may have the best capacity to provide the most effective mechanisms against our most grievous problems. We need, in the search for sustainable human development, to allow and facilitate the local government bodies to attack the problems of poverty and destitution including food poverty. We need to have them deal with housing and the AIDS problem. Ten million dollars for an outright assault on AIDS is inadequate. If it is not properly managed and handled in such a way that the programmes and activities go right down into every side street, none of us are sure if our children would survive.

Drug abuse is a continuous problem. I am not talking about drug trafficking, I am talking about the abuse of drugs. I am talking about addiction and the problems that come with it. Functional illiteracy is down there—the people whom you want to reach, who will be able to access and deal with employment, education and other problems—in those areas.

I have heard the Minister on poverty and I believe that he cares. I believe that, but I urge action. I urge action which allows the reach of the State's institutions to get to the people.

Mr. President, I heard the cry about the workers, the facilitation and being a gentleman and so forth but, let us look at the relationship between wages, savings, investments and prices. It is no longer enough to say, "I have raised people's salary". It is also important to say what is happening in prices, savings, where these savings are aggregated and what kind of access do workers get to transfer themselves from wage earners to entrepreneurs in their own right. Some allusions are made to them, but when you go into what the provisions are for FUNDAid and so forth, I suggest that they are inadequate. You cannot say that the greatest problem people have of becoming entrepreneurs is access to finance and then tell me \$31 million. Thirty-one people multiplied by four equals 124 people. You cannot have that number and change the culture. You know that. Not at that price.

8.05 p.m.

We notice what is happening in tourism. We notice that you have not identified targeted programmes that can bring the best benefits when one sees meetings taking place between Tidco and the Trinidad and Tobago Hotel Association and there is no mention of the Tobago Division for Tourism. You have to deal with the linkage with crime and crime is tied in with certain activities. Prof. Deosaran talks about that all the time and you need to address this.

I want to make a little statement about sports. We had a beautiful day yesterday in Tobago. Thanks to the vision of the people who decided first that we should have the tournament and secondly, that we should build the stadium. I am not happy about all these things but the most distressing thing that I saw when I was sitting there after all that beauty, was the intelligence of the stadium being stripped from the stadium. Who owns that and why is it being removed from the stadium? The stadium without that is a stand and, therefore, for the stadium to be a real stadium it has to have the information capacity that keeps it alive.

I am suggesting whatever arrangements are made, if you are going to strip it, you are going to leave concrete slabs with no life—somebody has to be responsible for the stadium. My view is the material that makes the stadium alive is being ripped out of the stadium.

Mr. President, I am clear that this programme, this vision, could be a start if there was a conception that there was a government to carry it. The unfortunate thing is that we are, in fact, back there with a vision with no connection to the population, no mobilization of the population. Unfortunately, there is no legitimate, responsible government to implement the budget. I, therefore, cannot be induced to support the budget that as far as I have seen—the entity that should be there to implement this is a figment of our imagination. So what am I going to take the people's money and say I support, giving it to what? An entity which is in implosion? I would suggest—unfortunately I do not think the Minister has time to convince me that she can put it all together again. I would suggest there are only very few options that would allow us to bring this budget and as reviewed, to make it support a sustainable development programme for Trinidad and Tobago to the nation again. I think that is the only option one has and it certainly is not sitting in this Chamber.

I thank you, Mr. President.

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Motion made and question proposed, That the Senate do now adjourn to Tuesday, September 25, 2001 at 10.30 a.m. [Hon. L. Gillette]

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 8.11 p.m.