

Leave of Absence

Tuesday, June 15, 2004

SENATE

Tuesday, June 15, 2004

The Senate met at 1.30 p.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Madam President: Hon. Senators, I have granted leave of absence to Sen. Dana Seetahal for the period June 13, 2004 to July 05, 2004.

SENATOR'S APPOINTMENT

Madam President: Hon. Senators, I have received the following correspondence from His Excellency, the President, Prof. George Maxwell Richards:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., Ph.D., President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

To: MR. WALTON FRANCIS JAMES.

Whereas Senator Dana Seetahal is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

Now, therefore, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, WALTON FRANCIS JAMES, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Dana Seetahal.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 14th day of June, 2004.”

Oath of Allegiance

Tuesday, June 15, 2004

OATH OF ALLEGIANCE

Sen. Walton Francis James took and subscribed the Oath of Allegiance as required by law.

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) (NO. 2) BILL

Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 2003, brought from the House of Representatives [*The Minister in the Ministry of Finance*]; read the first time.

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

Question put and agreed to.

PAPERS LAID

1. The Transfer of Functions (Commissioner of State Lands) Order, 2004. [*The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith)*]

Functions (Commissioner of State Lands) Order, 2004

The Minister of Public Administration and Information (Sen. The Hon. Lenny Dr. Saith): Madam President, I wish to advise that the Statutory Instruments Committee considered the Order and found that there is nothing to which the Senators' attention should be drawn. Minutes of the committee were circulated to Senators.

2. Instrument of the International Labour Organization (ILO)—Convention 185—Convention revising the Seafarers' Identity Documents Convention, 1958. [*Sen. The Hon. Dr. L. Saith*]
3. The annual report of the Police Service Commission, 2002. [*Sen. The Hon. Dr. L. Saith*]

ORAL ANSWERS TO QUESTIONS

Sen. Wade Mark: Madam President, before I raise the question, could I seek your guidance? I would like to find out from your good self what are the sanctions, the penalties that the Parliament can impose on Ministers of Government who deliberately, or maybe innocently mislead this Senate? What are the sanctions available to us on this side?

Madam President: I have to find out myself. Sen. Mark, if you feel this has happened, you have to file a motion of censure and it can be then sent to the Privileges Committee.

**National Lotteries Control Board/I95.5 FM
(Status of Relationship)**

57. Sen. Wade Mark asked the hon. Minister of Finance:

- (i) Could the Minister state whether any relationship exists between I95.5 FM Radio and the National Lotteries Control Board?
- (ii) If the answer is in the affirmative, could he indicate whether a conflict of interest exists given the fact that the Chairman of the NLCB is the same person as the Chief Executive Officer/Chairman of the I95.5 FM Radio?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, question 57 has two parts. In answer to part (i), yes, a business relationship exists between I95.5 FM radio and the National Lotteries Control Board. The National Lotteries Control Board advertises on I95.5 FM, as it does on 13 other radio stations and two television stations.

With respect to part (ii), as a general practice, directors of state agencies are required to excuse themselves from deliberations of the board of directors in circumstances where matters in which the director may have an interest are discussed.

In fact, the tenders policy of the NLCB requires any member of the tenders committee with any interest in a prospective supply of works or services to disclose the fact and prohibit such member from taking part in any discussion or voting on any question involving the matter of interest. This practice is the established norm for the entire state enterprise system, and is specifically identified among the responsibilities of directors in the State Enterprises Performance Monitoring Manual of January 2004.

Madam President, as far as the Minister of Finance is aware, this practice has been adhered to by the NLCB since 2002, and as a result, no conflict of interest arises from the fact that the Chairman of NLCB is the same person as the Chief Executive Officer/Chairman, of I95.5 FM radio.

**National Lotteries Control Board
(Advertising Revenues to Radio and Television Stations)**

58. Sen. Wade Mark asked the hon. Minister of Finance:

Could the Minister provide a detailed breakdown on a monthly basis of the advertising revenues earned by the various radio and television stations in Trinidad and Tobago from the National Lotteries Control Board for the period January 2002 to March 2004?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, the question asked, could the Minister provide a detailed breakdown on a monthly basis. The report is a seven-page report and I have given a copy of the information on a monthly basis comprising the year, the month, the radio station and the amount to the Clerk of the Senate.

Madam President: Are you circulating it?

Sen. Mark: Madam President, through you, I would like in the future, if the hon. Minister could, because it is very difficult at this late hour to go through these figures. So in future, I would like to ask, if he can—

Hon. Senators: Read it out. He could read it out.

Sen. Mark: Seeing that I was the person who asked the question, if he can provide—May I ask the hon. Minister how long has the practice been established, Madam President, to ensure that all radio stations at least enjoy some aspect, a percentage of the advertising revenues of the National Lotteries Control Board? How long has this practice started?

Sen. The Hon. C. Enill: Could you repeat the question?

Sen. Mark: Could you tell us, for instance, how long we have had this practice where you ensure that a certain percentage of the advertising revenues of the National Lotteries Control Board is shared among the 13 radio stations, as you have mentioned?

Sen. The Hon. C. Enill: Based on the information that is available to us, Madam President, throughout the entire period under review, there is a distribution by radio stations, and by television stations, that from simply looking at it, seems to be random. For example, in January there were one, two, three, four, five stations. In February there was none. In March there were one, two,

three, four, five, six, seven, eight. In May there were 14, and so forth. In October there were 20. It looks like it is repeated, but I am not sure how to answer the question.

Sen. Mark: Okay. I will just ask another one.

Sen. The Hon. C. Enill: Because the question seems to suggest that there should be a distribution among all the stations, and on the basis of the information that has been provided, it appears that a distribution is taking place.

Sen. Mark: It is okay. I just wanted to ask through you, Madam President, I want to ask my honourable colleague to refer to page 6 of the document, and if you look at the months of October, November, December, as an example—I have just randomly chosen those dates—would you not agree with me that there is a disproportionate percentage in terms of the distribution of advertising revenues?

I want to just indicate, Madam President, you would see that I95.5 received \$18,860; in November they got \$22,000 of the advertising revenues; and in December they got \$37,000. Now, could the Minister indicate to this honourable Senate how there is not a conflict of interest between the holder of the office of the Chairman of the National Lotteries Control Board and the Chairman and CEO of I95.5, given these facts that we have and the figures before us? Could you explain to this honourable Senate?

Sen. The Hon. C. Enill: The logic, Madam President, does not necessarily follow. Quite frankly, in any business, there is a relationship between the readership, audienceship, listenership, or all those kinds of audiences that the Senator is attempting to basically reach, and usually, what happens is that individuals or organizations look at the ratings that are done on an independent basis by firms and they target their products specifically on the basis of those particular results.

I am, therefore, not in a position to speculate at this point in time and I am therefore not in a position to draw the conclusion that Sen. Mark has drawn simply on the basis of looking at the numbers. If he wishes to have me investigate that, I will be willing to basically do so, but I do not have the information in the way in which you have expressed it, to express an opinion at this point in time.

Sen. Mark: Madam President, I would like the hon. Minister to conduct an investigation into this particular matter, because it is a scandal and I think that, for

instance, it requires an investigation, so I would like him to undertake that responsibility as he has volunteered to do it, and at the end of the process, if he can table a report to the Parliament.

Hon. Senators: When?

Sen. Mark: Well, the Minister could tell Madam President how soon he would be able to investigate this particular matter, and how soon the Parliament can get some submission from you.

Sen. The Hon. C. Enill: Madam President, I would like to be guided by the Senator, so if he could phrase his request in the normal manner, I will certainly do that, but on the basis of what he has just said, I am really not sure what he wants me to investigate.

Sen. Montano: Madam President, maybe I could assist. Looking at the list that was passed out, what is curious, to say the least, is that when you look at how much money has been paid to I95.5—For example, October 2003, total amount paid out, \$33,550.46. That is the total, but I95.5, \$18,860. In other words, a little more than half. When you look at all the other things, you see that I95.5 has been getting approximately half—a little more or a little less—but approximately half all the way through, which would have to mean that I95.5 would have 50 per cent listenership. What would be interesting to see is when is the Minister going to make this report, and how soon can we expect it?

Sen. The Hon. C. Enill: Madam President, the logic—in January, for example, we had 103 FM getting \$19,000 from \$40,000. In March, we had 103 FM getting \$16,000 from \$41,000. The point is that they are looking at a number and relating the number to a total and drawing a conclusion. They have selected I95.5, and I am looking at—[*Interruption*] Well let us take 102 FM. Give me specifically what you want done and I will deal with it.

Madam President: Senator, will you be prepared to put something in writing to the Minister, maybe, specifically stating what you would like him to come back with?

Sen. Mark: Madam President, through you, just for the record of *Hansard*, I would like the Minister to investigate October 2003, November 2003 and December 2003, the disproportionate amount of money given to I95.5 during those three months.

Sen. Dr. Saith: Madam President, I think we sometimes lose our way in the Senate. There is a question, the information is provided. They cannot pick one

month or two months and ask for an investigation. That is not a supplemental question. If the hon. Senator, having got the information, wishes to have a question posed again as to why something has happened, we could do that. But I could take up this and say I would like to see what happened in February 2003, and somebody could say, "I would like to see what happened in March."

Those are not supplemental questions. We have other questions to answer. If the hon. Senator wishes to have an explanation, he is quite free to file a question. I am sure the Minister then will be able, knowing specifically what he requires, to get the information.

Madam President: Yes, Senator. Listening to both sides, I think we need to do it maybe more formally. So maybe you would need to come back with a question, or since the Minister volunteered—Mr. Minister, are you still volunteering to do this if you got something more formal in writing?

Sen. The Hon. C. Enill: Sure.

Madam President: Could you do that Senator? All right.

Vide end of sitting for written part of answer.

On-line Gambling (Introduction of)

59. Sen. Wade Mark asked the hon. Minister of Finance:

Could the Minister indicate which administration was responsible for the introduction of on-line gambling in Trinidad and Tobago and in what year?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Thank you again, Madam President. The question is, which administration was responsible for the introduction of on-line gambling in Trinidad and Tobago and in what year.

On-line gambling involves the betting, playing, and collection of money on bets on sports or casino-type games over the Internet. There is no Government-sanctioned on-line gambling in Trinidad and Tobago. However, the National Lotteries (Amdt.) Regulations, 1994, provide for the National Lotteries Control Board to conduct on-line lotteries. The said amendment defines on-line lottery as follows:

“A game or set of games authorized by the board in which a person selects a combination of numbers, the type of game, and amount of plays for a predetermined drawing date by the use of an on-line terminal, and in return, for paying the appropriate fee, the player receives a computer generated ticket with the player's selection printed on it.”

The administration that held office in 1994 was responsible for the introduction of on-line lotteries in Trinidad and Tobago.

**Sewer Treatment Plants
(Status of)**

81. Sen. Sadiq Baksh asked the hon. Minister of Housing:

- A. Could the Minister of Housing inform this House of the status of sewer treatment plants at all new government housing sites throughout Trinidad and Tobago?
- B. Could the Minister give an assurance to this House that all sewer plants will be operational before the allocation of the new housing units?

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Madam President, the response to question 81 is as follows: The status of the sewage treatment facilities on the new government housing sites of Trinidad and Tobago is as follows:

Location	Type of sewage treatment and facility	Status
Mayaro	Septic tank and soakaway	Work is in progress
Rio Claro	Septic tank and soakaway	Work is in progress
Palo Seco	Septic tank and soakaway	Work is in progress
D'Abadie	Septic tank and soakaway	Work is in progress
Ojoe Road, Sangre Grande	Septic tank and soakaway	Work is in progress
Pleasantville	Sewage will go into the WASA sewer treatment plant, San Fernando	Not applicable

Barataria	Sewage will go to WASA's sewage collection system, then to WASA's sewage treatment plant	Not applicable
Malabar	Sewage will go to the NHA's sewer treatment plant in Malabar	Not applicable
Mount Hope	Sewage will go to WASA's sewage collection system and then to WASA's STP	Not applicable
Valsayn East	Sewage will go to the NHA's sewer treatment plant at Curepe	The contract will be awarded for the expansion of the plant by August 2004 and work is expected to be completed by December 2004
Toruba North	New sewer treatment plant is required for this site	A contract will be awarded for the construction of the sewer treatment plant by July 2004, and the work is expected to be completed by the end of October, 2004
Caroni	A new sewer treatment plant is required for this site	The sewer treatment plant is currently under construction and work is expected to be completed by July 2004
Carlsen Field	A new sewer treatment plant is required for this site	The sewer treatment plant is currently under construction and work is expected to be completed by July 2004

Buen Intento, Princes Town	Sewage will go to the existing National Housing Authority sewer treatment plant	The refurbishment of the plant is complete. The plant is now fully operational
Southern Gardens, Point Fortin	A new sewer treatment plant is required for this site	A contract will be awarded for the construction of the plant by July 2004, and work is expected to be completed by 2004
Oropune Gardens, Piarco	Sewage will go into the existing sewer treatment plant at Oropune Gardens.	The plant is fully operational, and the condition is satisfactory. This plant is operated and maintained by a contractor.
Blenheim, Tobago	A new sewer treatment plant is required for this site	The contract will be awarded for the construction of the plant in June 2004, and work is expected to be completed by September 2004
Castara, Tobago	A new sewer treatment plant is required for this site	It will be operational by December 2004
Roxborough, Tobago	A new plant is required for this site	It will be operational by December 2004

Part B, the Minister gives the assurance that all sewer plants will be operational before the allocation of new housing units.

Thank you, Madam President.

Sen. Baksh: Madam President, is the Minister aware, under the Town and Country Planning Act, septic tanks and soakaways are not allowed for developments of over 17 plots in Trinidad and Tobago?

Sen. The Hon. Dr. L. Saith: I am not aware of that.

Sen. Baksh: Madam President, is the Minister aware that from the information provided, only one of the plants is now currently operational, and that is at Oropune Gardens, and all the others are in progress and expected for completion?

Sen. The Hon. Dr. L. Saith: Madam President, I think the status indicates there are a number of areas in which work is either in progress or the plants are being used. I can assure the hon. Senator who has a great interest in the question of the disposal of sewage that we will make every effort to have them operational by the time the houses are given out.

Sen. Baksh: Madam President, is the Minister aware that the use of septic tanks and soakaways will affect the quality of groundwater in Trinidad and Tobago, and maybe the Minister of Public Utilities and the Environment will be more inclined to look at the sewer systems in Trinidad and Tobago?

Sen. The Hon. Dr. L. Saith: Madam President, I am aware that these are technical matters which the Water and Sewage Authority will address when they give approval for those plants.

**Karl Hudson-Phillip and/or Alliance Capital Markets Limited
(Details of Retention)**

82. Sen. Sadiq Baksh asked the hon. Prime Minister:

- A. Could the Prime Minister inform this House whether the services of Karl Hudson-Phillip and/or Alliance Capital Markets Limited were retained to investigate a transaction in which Citibank and/or the Ministry of Finance were involved during the period January 01, 1996 to December 31, 2003?
- B. If the answer is in the affirmative, could the Prime Minister state:
 - (i) by whom and for what purpose was Karl Hudson-Phillip and/or Alliance Capital Markets Limited engaged on each occasion;

- (ii) the amount of monies paid to Karl Hudson-Phillip and/ or Alliance Capital Markets Limited for each transaction?
- C. (i) Could the Prime Minister indicate whether any reports and/or recommendations were made by Karl Hudson-Phillip and/or Alliance Capital Markets Limited on any of the occasions for which the company was engaged?
- (ii) If the answer is in the affirmative, could the Minister state:
 - (a) to whom and on what dates were these reports and/or recommendations made; and
 - (b) the details of any such reports and/or recommendations?

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Madam President, a similar Senate question, No. 13, was posed to the hon. Minister of Finance by Sen. Sadiq Baksh in March 2004, and on that occasion, the Senator was advised that the services of Alliance Capital Markets Limited were not retained by the Ministry of Finance during the period January 01, 1996 to December 31, 2003.

I wish to advise the Senate that neither is there any record of the office of the Prime Minister having engaged the services of Mr. Karl Hudson-Phillip and/or Alliance Capital Markets Limited during this period.

**Piarco Airport Runway Overlay Project
(Details of)**

- 83. Sen. Sadiq Baksh** asked the hon. Minister of Works and Transport:
- A. Could the Minister confirm that the last day for the submission of tenders for the Piarco Airport Runway Overlay Project was March 20, 2003?
 - B. Could the Minister inform the Senate when and to which contractor was the contract for this project awarded?
 - C. Could the Minister also inform the Senate when the “Notice to Proceed” was given to the contractor and if the completion date was stipulated as sixty (60) days after “Notice to Proceed” was given?
 - D. Could the Minister further inform the Senate if the work was completed? And if not, why not?

The Minister of Works and Transport (Hon. Franklin Khan): Madam President, I wish to reply to question 83 as posed by Sen. Sadiq Baksh and to advise this honourable Senate that with respect to question 83A, the last date for the submission of tenders for the Piarco Airport Runway Overlay Project was March 20, 2003.

In answer to B, the Central Tenders Board, by letter dated June 05, 2003 awarded the contract for the Piarco International Airport Runway Overlay Project to JUSAMCO Pavers Limited.

In answer to C, the notice to proceed was given to JUSAMCO Pavers Limited by letter dated June 24, 2003. The time for completion was stipulated at 60 days from the date of notice to proceed.

With respect to D, Madam President, this project is now 60 per cent complete. The work is not yet complete for the following reasons:

1. Reduction in the runway closure period from six hours, as stipulated in the contract, to three hours, 55 minutes during the period October 25, 2003 to September 30, 2003.

Madam President, this was to accommodate BWIA's summer schedule.

2. A 33 per cent increase in the area to be rehabilitated. The tender document did not stipulate that the shoulders of the runway be paved. This was added as a variation to comply with the standards of the Civil Aviation Authority and ICAO.
3. The inability of the contractor to produce the plant mix bituminous courses in accordance with the contract specifications.

Madam President, aggregates from available local sources failed laboratory tests in the following areas:

1. Dust content in excess of allowable aggregate gradation limits.
2. Resultant low void content of asphaltic mix which would result in a brittle surface and short lifespan.

Aggregate has since been imported from Nova Scotia in Canada for this project. And the fifth reason is, again, suspension of the works from December 12, 2003 to April 03, 2004 to accommodate BWIA's peak travel period and to allow for sufficient time for the importation of the aggregate.

Madam President, the project, as I said would be completed on or before June 30, 2004.

Sen. Baksh: Madam President, could the hon. Minister inform this Senate as to what was the cost of the variation for the shoulders of the runway?

Hon. F. Khan: Madam President, there is a question. I am answering 83. There is 84 and 85 which, in my opinion, were consecutive questions, and I would have hoped that they would have appeared on the Order Paper together so there would have been a natural flow.

I do not want to jeopardize my airtime for next week Tuesday. [*Laughter*]

Sen. Baksh: We look forward to that, Madam President.

**PROGRESS MADE BY GOVERNMENT
(QUALITY EDUCATIONAL ENVIRONMENT)**

The Minister of Education (Sen. The Hon. Hazel Manning): Madam President, I am indeed grateful for the opportunity given to me today to address this honourable Senate on the progress being made by the Government of Trinidad and Tobago towards the building of a quality education environment in schools.

Madam President, the Government is in the third year of its reform and modernization programme, and already we are well on the way to achieving quality in the delivery of educational opportunities and services. We have developed and implemented a series of strategies and programmes to ensure that all our young citizens benefit from these goals, starting from early childhood through the primary to secondary levels.

For us, access to, and quality of education mean adequate infrastructure, quality of content and delivery of the curriculum, and quality support for the teaching and learning process. To achieve these objectives, we are doing a number of things. With respect to the development of physical infrastructure, 16 new secondary schools are in the pipeline for immediate design and construction. Simultaneously, tenders have been advertised for the upgrading of over 47 secondary schools to provide adequate space and facilities for the delivery of the new curriculum and to facilitate the deshifting of junior secondary schools.

Where primary schools are concerned, tenders are now being evaluated for the design and construction of 15 primary schools beginning in this fiscal year. During the vacation period, approximately 150 primary schools will be repaired.

At this point in time, the Government, through the Ministry of Education, is conducting research to ascertain the status of the standards of physical infrastructure and quality components of early care and childhood educational centres. The results of the research will guide the Green Paper on the establishment of standards for early childhood care. The acceptance of these standards will guide the development of the sector.

Secondly, we are ensuring that quality education is provided in schools with the construction on a phased basis of physical facilities in the form of computer labs, science labs, technology education labs, multimedia centres and space for visual and performing arts. Thirdly, simultaneously, we are providing the necessary equipment and materials for those labs, as well as additional resources to the individual students to support participation in the new curriculum.

This general upgrade for physical and quality components also takes into account our embracing, for the first time, the writing of the Caribbean Advanced Proficiency Examination (CAPE). To date, 19 schools have come on board with this examination. The Government is putting facilities in place to support the transition period up to the year 2008 when CAPE will replace the Cambridge General Certificate of Education Advanced Level Examination.

In this changing scenario, the support structures that are in place to ensure quality support for the teaching and learning processes are as follows:

1. Teachers' skills and competencies will be continually upgraded through the framework being developed by the newly established Teacher Professional Development Unit.
2. Students' academic, psychological and emotional development is being supported through programmes of the expanded Student Support Services Division. From September 2004, this division will be staffed by additional guidance counsellors, school social workers, diagnostic and prescriptive officers, and special education teachers.
3. In addition, parents will receive support as the Government moves to facilitate the establishment of parent/teachers' associations in every school. This structure will support the provision of the expanded free school transportation services using the PTSC and a special fleet of maxi taxis.

This structure will also support the provision of school meals; the provision of resources for students with special education needs; the provision

of textbooks for students at the primary school level; the textbook rental loan programmes at Forms I, II and III of the secondary school level; and the cash Book Grant Programme.

Madam President, there are many other initiatives that are assisting students, their teachers and their parents, and these consist of the education health programmes being implemented jointly by the Ministries of Education and Health, and which consist of screening for visual and hearing difficulties. It also includes the establishment of homework centres by, and the increased support for the National Parent/Teachers' Association.

But today, Madam President, I wish to speak about some of the incentives for the academic year 2004/2005 and specifically about the provision of resources for students with special needs. Madam President, for the first time in the history of Trinidad and Tobago such great emphasis will be placed in facilitating the immersion of special needs students in our education system.

Research has shown that there may be as many as 30,000 students with special needs within the school system. In the short term, the Ministry of Education is finalizing a curriculum to cater for these students with special needs. In the long term, a more comprehensive programme will be implemented. Therefore, Cabinet has agreed to the provision of resources for the academic year 2004/2005 to benefit particularly those students with low reading levels, those students who are differently abled, and many who come from disadvantaged circumstances and whose need for support is urgent.

Consequently, resources will be provided for students with special educational needs in early childhood centres, in educational institutions at the primary school level, and education institutions at the secondary school level.

Early childhood centres. This year, the Government, through the Ministry of Education, will begin a programme to provide resources to 167 Government-assisted early care and childhood education centres. These resources will be varied and open ended, supporting the various types of activities in which young children engage. They are critical to the provision of concrete experiences for a young child's learning and development.

The resources will be selected and distributed by the Early Childhood Unit of the Ministry of Education. This unit will also be responsible for the training and monitoring of teachers at these centres to ensure the appropriate use of the resources. The Ministry will conduct periodic evaluations and the results of the

surveys will be used to determine the future decision, direction and development of the programme.

Secondly, educational institutions at the primary school level. There are schools at the primary level—both public and private—that cater for students with visual and hearing disabilities, as well as those with mental and emotional challenges. Funding of \$1,000 per student is being provided for these schools to purchase materials specific to the needs of these students. For example, books in Braille and materials to increase competency in reading.

Assistance will be provided for students who do not benefit from the Textbook Rental Loan Programme as the standard text may be above their reading level. Appropriate materials will be provided for these students and the division of school supervision in the Ministry of Education will monitor the utilization of the funds set aside for this purpose. A total of \$8.7 million will be spent on this programme.

Educational institutions at the secondary school level. There are students at the secondary level for whom a similar provision will be made to support their learning needs. At the technical and vocational centres, an estimated population of 1,631 students will receive support in the sum of \$1,000 per student for materials required for their course of study, such as tool kits for computer repairs, woodwork and welding kits. Madam President, all of these represent new initiatives of the Government of Trinidad and Tobago.

I now turn to another very important support programme, the provision of textbooks for students at the primary school level through a textbook rental programme. The textbook rental programme has been in place for one year. An evaluation of the programme revealed that generally, the students took good care of the textbooks. These books will be passed on to students entering school in September, 2004. The only exception will be the reading books and mathematics textbooks, the latter of which are published in a workbook format and, therefore, cannot be reused.

Textbooks will also be procured to cater for books that may have been lost or irretrievably damaged during the year. At the primary level, therefore, reading and mathematics textbooks for Infants year one and two will be replaced in full. A new stock of dictionaries for Standard 2 and a new stock of Atlases for Standard 3 will be provided, and 15 per cent of all other titles will be replaced.

Progress Made by Government
[SEN. THE HON. H. MANNING]

Tuesday, June 15, 2004

Science textbooks will be provided for Standards 1 and 2 only, and altogether, over 400,000 textbooks will be procured and distributed to schools in time for the 2004/2005 academic year at a cost of \$22.2 million. Further, the Government of Trinidad and Tobago, with the approval of the copyright holder, will cover the cost of an enlarged copy of each textbook for students with special needs. Wherever necessary, and depending on circumstances, copies of the books will also be provided in Braille. This too is a new initiative of the Government.

Madam President, I turn now to the matter of the Textbook Rental Loan Programme at Forms I, II and III of the secondary school level. Again, textbooks will be procured to cater for books that may have been lost or irretrievably damaged during the year. During the academic year 2004/2005, the Government of Trinidad and Tobago, through the Ministry of Education will expand the Textbook Rental Loan Programme to Form III now that the revised curriculum has been completed.

This provision is an extension of the programme implemented in the academic year 2003/2004 for students in Forms I and II only. Under conditions of the Government's Textbook Rental Loan Programme, textbooks are loaned to students at the beginning of the academic year and returned at the end of each year to be loaned to the next intake of students. This programme will cover the entire secondary school system from Forms I to V by the year 2006.

At the secondary level, 15 per cent of the titles procured last year will be replaced for Forms I and II and Form III students who previously benefited from the book grant programme will now be part of the Textbook Rental Loan Programme. These students will be provided with textbooks for mathematics, language arts and Spanish. Again, thousands of textbooks will be procured and distributed under this programme at a cost of \$17.93 million.

The Textbook Rental Loan Programme also extends to students at special secondary level institutions and covers the student population at the Servol Junior Life Centres, The Servol Adolescent Centres and the St. Bedes Vocational Centre. These students require materials to assist with the raising of their literacy levels. They also need tools, equipment and other resources for the specialized craft courses which they pursue. In addition, some students who attend the traditional primary and secondary schools require books of the appropriate interest and reading levels, as well as other special print and non-print materials to assist with the development of their reading competence. As mentioned earlier, together with special resources being provided by the primary level, a total of \$8.7 million is to be expended on this very special and innovative programme.

In conclusion, Madam President, I want to assure this honourable House that we have developed a very comprehensive monitoring and evaluation system to support these programmes to ensure the effective operation and sustainability. In the process, we have hired approximately 140 OJT staff members and deployed them within the secondary school system to support the administration of the programme. We are now in the process of employing over 480 clerical assistants to support principals of primary schools where for the first time, an administrative arm will be included in the primary school system.

We expect that our parents and students will make maximum use of these programmes which have been designed to support the teaching and learning process. We depend on our teachers and students to take care of the books and other resources entrusted to them, so that others who follow will benefit equally.

The Government of Trinidad and Tobago believes that every child has an inherent right to an education, and that every child can learn. We will therefore be relentless in our efforts to reduce and to remove altogether barriers to learning, so that no child is left behind, so that no child is excluded from the education system. The substantial investment of \$80.27 million in the programmes for the academic year 2004/2005 testifies to our commitment in this regard.

Madam President, I thank you.

**FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION)
(NO. 2) BILL**

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):

Madam President, I beg to move,

That a Bill to supplement and vary the appropriation of the sum, the issue of which was authorized by the Appropriation Act, 2004, be now read a second time.

This is a money Bill and was approved in the other place on June 10, 2004. The Bill provides for the issue from the Consolidated Fund of the additional sum of \$664,805,338 under the various Heads as indicated in the schedule of the Bill.

Madam President, this Bill is consistent with the provisions of our Constitution where at section 113(3) of the Constitution it states:

“If in respect of any financial year it is found—

- (a) that the amount appropriated by the Appropriation Act for any purpose is insufficient, or that a need has arisen for expenditure for a purpose for which no amount has been appropriated by the Act; or

- (b) that moneys have been expended for any purpose in excess of the amount appropriated for the purpose by the Appropriation Act or for a purpose for which no amount has been appropriated by the Act, a supplementary estimate showing the sums required or spent shall be laid before the House of Representatives and the Heads of any such expenditure shall be included in a Supplementary Appropriation Bill.”

Additionally, where an amount under a Head of expenditure is insufficient for the purposes intended by the Government, or where moneys have been expended for any purpose in excess of the amount approved by Parliament, a supplementary estimate showing the additional sums required must be laid in the House of Representatives and an increase in that Head of expenditure included in a Bill to be known as the Supplementary Appropriation Bill.

In addition, where need arises for expenditure for a purpose of which no amount has been appropriated in the Appropriation Act, this expenditure will also need to be contained in the Supplementary Appropriation Bill.

The Supplementary Appropriation Bill will therefore contain increases in expenditure for purposes already contained in the earlier Appropriation Act, and/or new expenditure for a purpose which was not already included in the Appropriation Bill.

Madam President, this additional funding of \$664,805,338 is therefore required to fund urgent and critical expenditure to September 30, 2004, as well as to facilitate the implementation of new policies and programmes and to accommodate changes in the Public Sector Investment Programme.

Before I engage this honourable Senate with the details of the proposed changes to the 2004 Appropriation, and consistent with our policy of accountability to the Parliament, I wish to take this opportunity, with your indulgence, and for the benefit of Members, to provide an update on the developments and trends that have occasioned the actions taken by this Government since assuming office.

This Government assumed office at a time of unprecedented global uncertainty, accompanied by evidence of faltering growth in the major industrialized economies. The aftershocks of September 11, 2001 were still materializing in almost every sphere of economic activity. The threat of global deflation emerged as an agenda item at major economic fora in spite of the fiscal stimuli that was part of the policy response to September 11 by both the United States and Europe.

As an open economy, Trinidad and Tobago was not insulated from these global developments. In the circumstances, the Government acted immediately to forestall any slippage in economic growth. This Government opted for an aggressive programme of fiscal stimulation facilitated by the incremental oil revenues. The stimulus provided by Government in conjunction with strong foreign direct investment inflows resulted in continuing strong growth, even in the face of a tentative global economy.

Madam President, as a direct result, the Trinidad and Tobago economy grew at rates of 4.6 and 6.7 per cent for 2002 and 2003 respectively. This trend is expected to carry on into 2004 with a projected growth rate in excess of 4.5 per cent. In fact, Madam President, these rates are likely to be significantly upgraded when explicit consideration is taken of the contribution of the natural gas sector to the gross domestic product.

2.30 p.m.

We have tended to overlook the recent successes of the manufacturing sector, which have been overshadowed by the performance of the energy sector. While the petroleum sector grew 10 per cent in 2002, and 9.5 per cent in 2003, the performance of the non-oil sector grew by 3.3 per cent and 5.9 per cent respectively.

In 2002, productivity increased in the agricultural sector from 3.5 per cent to 7.3 per cent. This, combined with relatively strong growth in the order of 7.8 per cent in the manufacturing sector, underpinned growth in the non-oil sector during 2002.

In 2003, the enhanced performance of the non-oil sector was largely driven by the renewed dynamism in the construction and foreign sectors, which grew by 13.4 per cent as various public sector developments got under way.

The international economy has since shown some signs of strengthening after it slowed down in 2001 and its modest recovery in 2002. Global trade has increased sharply, financial markets are now more buoyant, and the United States economy has been rebounding. Global economic growth is projected to reach 4.6 per cent in 2004, up from a revised 3.9 per cent in 2003.

Madam President, notwithstanding these encouraging developments, significant challenges and risks still remain. Notably among these are the orderly resolution to global trade imbalances given the large and persistent US current deficits as well as the management of the medium term fiscal situation in many industrial and emerging market economies. Global inflation continues to remain

somewhat subdued averaging 1.8 per cent between 2001 and 2003 and is projected to remain at a moderate 1.7 per cent in 2004.

Historically, low short-term interest rates in the major financial centres contributed to the resurgence in global economic growth. Interest rates in the United States and other major markets have remained relatively low over the past year. The Asian region as a whole is expected to maintain an impressive growth path as GDP expanded by 6.2 per cent in 2002. The region is projected to grow by 7.2 per cent in 2004 mainly by the momentum of domestic demand and the positive outlook for the global economy.

Economic growth in Latin America has rebounded in the aftermath of the deep recessions of 2001—2002. The recent global slowdown has reduced financial flows to both emerging market and developing countries, and economic and political instability have exacerbated problems in some regions.

Further, the reassessment of risks pertaining to foreign direct investments in many emerging markets has led to a corresponding decline of foreign direct investment flows to many of these countries.

Madam President, notwithstanding the global trend for indirect investment, inflows to Trinidad and Tobago have more than doubled from a six-year average of US \$317 million between 1991 to 1996 to net US \$1,009.2 million in 2003 up from US \$732 million in 2002.

Recently however, there have been significant investment overflows to the Caricom regions as private local companies expand their investment portfolios in banking, insurance, manufacturing and the services sector.

In addition to the growth performance that Trinidad and Tobago has exhibited, our macroeconomic policy programme has sought to maintain inflation at acceptable levels. Over the 12-month period January—December 2003, inflation as measured by the All Items Retail Price Index averaged 3.8 per cent down from 4.2 per cent for the corresponding period of 2002.

According to the latest official Central Statistical Office (CSO) data, inflation declined during the fourth quarter of 2003 when compared to both the third quarter of 2003 and the fourth quarter of 2002.

The Central Bank, in its latest announcement indicated that the repo rate would remain unchanged at 5 per cent per annum. The bank cited continuing moderate growth in bank credit, very little change in market interest rates, a relatively low inflation rate and a positive outlook for economic growth. This

stance by the Central Bank suggests that the inflationary threat has not sufficiently materialized to warrant an adjustment in the repo rate.

As an open economy, we are indeed susceptible to external influences. Our recent experience suggests that some of the price increases that we have experienced can be attributed directly to developments in international markets.

During 2002, productivity as measured by the All Items Index of Productivity for all workers in all industries increased by 11.9 per cent compared to the 8.2 per cent recorded in 2001. Productivity rose by a comparative 11.3 per cent during the first nine months of 2003 compared with the similar period in 2002. This certainly augurs well for the future competitiveness of Trinidad and Tobago.

Madam President, I also wish to take this opportunity to update this Senate of Government's initiatives to implement a new taxation regime for oil and gas.

In May 2003, Government engaged the services of a firm of consultants, AUPEC Limited from Scotland to review the existing system of oil and gas taxation in Trinidad and Tobago and to make recommendations for any changes deemed necessary. The study was commissioned in view of the increasing importance that natural gas is now playing in the economic development of Trinidad and Tobago. At the time of the enactment of the Petroleum Taxes Act, there was no provision for the taxation of natural gas with the result that allowances in respect of gas production are granted against crude income for SPT purposes and that income from natural gas is not subject to SPT.

The consultants have since submitted their report to the Government, which is currently in the midst of consultations with the oil companies and other stakeholders with a view to finalizing the arrangements for the taxation for oil and gas.

Government fully expects to be in a position to take a decision on this matter in the near future. Certainly it is our expectation that this matter should be concluded before the end of July 2004.

Madam President, the monetary and financial sectors have also exhibited a renewed dynamism reflecting a groundswell of confidence in Trinidad and Tobago and its Government.

At the start of 2002, the prime lending rate for commercial banks was 14.5 per cent, but fell to 12 per cent by June 2002. This declining trend in interest rates extended to real estate mortgage rates which also fell in 2002. For example, the Home Mortgage Bank reduced its rate to 10 per cent from 12 per cent earlier in

Finance Bill
[SEN. THE HON. C. ENILL]

Tuesday, June 15, 2004

the year. Mortgage loans outstanding increased by 1.7 per cent in May over the start of the year. Trusts and mortgage finance companies which account for about 77 per cent of real estate mortgage lending, increased loans by 4.1 per cent in the five-month period.

By the following year 2003, and up to March 2004, this downward trend in lending rates continued and prime lending rates declined from 11.5 per cent at January 2003 to 9.5 per cent at March 2004.

The further decline in interest rates has served to spur mortgage lending and credit expansion to the private sector in 2004 after sluggish growth in early 2002.

Madam President, recently this Senate passed the Insurance Amendment Bill, which transfers supervisory responsibility for insurance companies from the Ministry of Finance to the Central Bank. Our agenda for financial sector development is indeed a formidable one and includes amendments to the Securities Industries Act, as well as other initiatives to strengthen the domestic capital market.

We intend to lay the final document in this Parliament together with an implementation schedule and when that is done, hon. Senators will understand what we mean by a formidable Act.

In the space of just one year of our term in office, there were five new listings on the Trinidad and Tobago Stock Exchange. Market capitalization, which stood at \$31,767 million at the end of 2001 increased by over 158 per cent and amounted to \$82,225 million at the end of March 2004.

Realized production from Atlantic LNG Train 2 was the main contributor to petroleum sector growth in 2002, whilst the increased capacity at Caribbean Nitrogen Company 1 (CNC1) as well as the significant increase in gas production with Atlantic LNG Trains 2 and 3 were mainly responsible for the positive performance in 2003.

The Government's fiscal agenda was supported by an accommodative monetary policy that resulted in relatively deep cuts in indirect rates. The response, albeit somewhat late in coming, was the eventual growth in credit extended to the private sector and the Government's macroeconomic policy agenda revolved around critical reforms particularly in the agriculture and financial sectors.

The restructuring of Caroni (1975) Limited represented a major reform that impacted the country's fiscal flexibility as well as created a platform for

significant gains in overall economic efficiency by unleashing significantly low productivity resources for transformation to higher productivity application.

These initiatives were undertaken without any macroeconomic disruption. Inflation was kept within acceptable limits, the public debt has been managed to reduce the debt to GDP ratio from 60 per cent to an estimated 40 per cent over the term of this administration.

The fiscal balance has for all intents and purposes been kept broadly in balance. So much that Government has revised its 2004 borrowing programme by deferring its planned external borrowing. A total of \$1.5 billion has been deposited into the Revenue Stabilization Fund as insurance for unanticipated declines in the price of oil.

In its 2004 budget, Government allocated an unprecedented \$1.7 billion per capita to the Public Sector Investment Programme of central government. This dramatically improved the quality of Government's expenditure to a situation where capital expenditure was programmed at 10 per cent of central government's expenditure.

In addition to the significant allocations for improving the stock of the country's physical assets, there have been accompanying investments in developing human capital assets and those of the vulnerable and marginalized groups in our society. These investments are being undertaken with a view to installing the critical mass of assets in the informal sector so that additional productivity gains will be realized from this sector.

Madam President, we have been aggressive in our efforts to generate incremental productivity gains particularly in the lowest levels and this is absolutely necessary, as failure in this regard will threaten our economic prospects and undermine the democratic foundation on which these prospects are built.

As Government accelerates the rate of the country's economic growth, and as we continue to build on the successes well into the future, controlling inflation will become an increasingly important aspect of our macroeconomic agenda.

I do believe however, that we have at our disposal the policy responses to ensure that this inflation does not disrupt the current trajectory of the economy.

These include:—

- Interventions in the foreign exchange market which have ensured a stable exchange rate vis-à-vis the US dollar

Finance Bill
[SEN. THE HON. C. ENILL]

Tuesday, June 15, 2004

- Greater coordination between the fiscal programme of central government and monetary policies of the Central Bank
- Responsible fiscal programming by central government with greater emphasis on investment expenditure that will stimulate additional productive capacity.

The mid-year review of the PSIP, which was conducted by the Ministry of Planning and Development in collaboration with other ministries and departments, has indicated the need for the proposed reallocation of funding between various ministries and departments.

In addition, the Minister of Finance proposes to simultaneously seek parliamentary approval for a supplementation of funding in the sum of \$664,805,338 million. This funding can be analyzed as follows:—

- Recurrent expenditure \$523,285,338
- PSIP \$141,520,000

Madam President, additional recurrent funding is required to meet some of the following obligations: personnel expenditure of \$100,964,049; goods and services of \$51,664,782; minor equipment purchases of \$970,425; current transfers and subsidies of \$281,520,082; acquisition of physical capital assets, \$18,610,000 and transfer to statutory boards and similar bodies of \$49,556,000. The total of additional recurrent funding required amounts to \$523,285,338.

Additional funding in the amount of \$57,558,790, which represents direct charges on the Consolidated Fund in accordance with section 113 of the Constitution is also required, but Madam President, as you will no doubt appreciate this funding does not require parliamentary approval.

As a result of the above, parliamentary approval is required for the following: additional funding requirement for recurrent expenditure, \$523.3 million; Public Sector Investment Programme, \$141.5 million and supplemental funding requiring parliamentary approval totals \$664.8 million, which is our requirement.

Madam President, hon. Senators would recall that the 2004 budget projected a fiscal deficit of \$312 million or 0.47 per cent of GDP. Parliament is asked to note that for the period October 01, 2003 to April 30, 2004 Government realized a fiscal surplus of \$1,008.7 million compared to a projected deficit of \$1,125.1 million for this period.

Additional revenue was due mainly to increases in taxes on individuals and corporation taxes, which together totalled \$361.8 million along with increases in value added taxes and royalties on oil.

The Senate is asked to note that despite the fact that oil prices for this period have averaged in excess of US \$29 per barrel, compared to a budgeted oil price of US \$25, tax revenues from oil companies have been lower than anticipated. It is anticipated that this trend may continue for the balance of 2004. This shortfall is as a result of lower than anticipated production levels and substantial increases in exploration activities.

The Senate is asked to note that the shortfall in the expenditure for the first seven months was due in part to the lower than anticipated implementation rate for the Public Sector Investment Programme. Notwithstanding the sluggish implementation to date, Government expects considerable acceleration in implementation as trained project managers and other technical resources will be installed to ensure that ministries and departments increase their level of performance and achieve the revised target for the PSIP of \$1.869 billion.

Madam President, the Senate should also note that the Government has taken a decision to increase the level of expenditure under the Unemployment Relief Programme (URP) from \$200 million to \$313 million, an increase of \$113 million which has been factored in the increases proposed.

This supplementary funding is in respect of increases of wages and salaries in the public services which are inescapable commitments. Supplementary funds are also required for goods and services, debt servicing and other commitments that cannot be avoided.

Increased appropriation to the Ministry of National Security by \$132,300,000 is necessary for intensifying the implementation of this Government's strategies and policies to reduce crime and lawlessness in this country.

It has also become necessary to vary the appropriation in the Ministry of Science, Technology and Tertiary Education by \$130,024,100 as Government continues to fashion an education programme that is relevant to the development of our human capital and the improvement of the nation's competitiveness. Included in this variation are expenses related to the establishment of the University of Trinidad and Tobago in September 2004.

The \$92,968,000 increase to the Ministry of Works and Transport is necessary to improve and upgrade the quality of marine infrastructural work, which is

critical to consolidating our regional competitiveness and developed nation status by 2020.

Increases to the Ministry of Finance are mainly to facilitate transfers to LIAT and BWIA as Government continues to address the hardships encountered by these airlines especially since September 11, 2001. Details of these allocations were circulated to all Senators.

The net position arising from the above proposals is a revised deficit of \$514.7 million, which is less than one per cent of GDP and well within acceptable limits.

The revised projected fiscal position for 2004 was derived as follows: our original budget deficit on the last appropriation, \$312 million; we are proposing an increase in revenues of \$167 million; we are requesting a supplementary appropriation of \$664.8 million; increases in Unemployment Relief Programme, \$113 million; increases in direct charges, \$57.5 million; savings identified by the Ministry of Finance, \$494.5 million; net projected overall balance, a deficit of \$514.7 million.

Madam President, the Senate is asked to note that the savings identified are principally in interest charges, that is \$163.7 million, which is a direct charge on the Consolidated Fund, and under Pensions and Disability Grants, approximately \$60 million that will not be expended during the course of this year. The remainder being numerous items of expenditure spread over the various Heads.

As a result, approval from this honourable Senate is being sought for the supplemental funding of \$664,805,338 for recurrent and capital expenditure.

Madam President, as we said on the debate of the Appropriation Bill, this budget and the Supplemental Appropriation Bill by extension, make an important contribution towards our goal of transforming Trinidad and Tobago into a developed nation by 2020, if not before. With solid economic growth rates, rising business confidence, and a continuation of foreign direct investment flows, we are assured that growth would be accompanied by broad-based development:

- solid macroeconomic conditions have brought financial and economic stability, in particular, stable inflation, declining interest rates and a competitive exchange rate and with these conditions, improved savings and investment rates leading to enhanced growth rates;

- progressive broadening of the income security net, revitalized education, health and housing services and targeted poverty reduction initiatives are ensuring a unified society which is fair and just and has a proper respect for the rights and responsibilities of all our citizens;
- investment in social and physical infrastructure, technology advancement, economic diversification and industrial expansion in partnership with the private sector ensures that the national economy remains competitive and becomes a dynamic economic and financial force in the region;
- Government will continue the path of reform and modernization of the economy;
- the Government has been honest, open, transparent and fully accountable to the national community;
- the Government has been at the vanguard in the fight against crime and corruption; and
- widening access to financial services and strengthening of the small and medium-sized businesses are leading to a sustainable broad-based and transparent approach to empowering people.

I wish to thank my parliamentary colleagues on both sides for their continued support as we focus on the betterment of our nation, and Madam President, I beg to move. [*Desk thumping*]

Question proposed.

Sen. Wade Mark: Madam President, thank you for allowing me to make my contribution on the Finance (Supplementation and Variation of Appropriation) (No. 2) Bill.

The object of this Bill as outlined in the Explanatory Note is to supplement and to vary the appropriation provided for by the Appropriation Act of 2004 and to authorize the utilization of any sums accruing from a reduction of expenditure under certain Heads of expenditure for the purpose of meeting any liability incurred through the increase in expenditure under the other Heads.

3.00 p.m.

Madam President, the Minister sought to provide us with a mid-year review of the performance of his Government, but I want to demonstrate in my contribution the huge gap between, what I call, political rhetoric and the reality of life.

Finance Bill
[SEN. MARK]

Tuesday, June 15, 2004

The Government has come for approval of the sum of some \$664.8 million and it has also varied, under different Heads, a sum of some \$156 million. I want to share with you and our Senate today what has really happened since October 2003, and now we are in June. The Minister quoted some figures and I do not know where he got his figures from, but I can only refer to official documentation that is in my possession and, particularly the Monetary Policy Report of the Central Bank, dated March 2004. I do not know where the Minister got his figures from; I do not know which document, but this is a document that has gone worldwide and I would want to deal with the question of the state of this economy as we speak, because in the final analysis the question must be asked: Who would benefit from this increased allocation, this \$664 million that has been requested and, in many instances, has already been spent.

As usual, the Government is going through a motion. The question that must be asked is, having approved in this Parliament some \$22.3 billion for the fiscal year 2003/2004, the Government comes for another \$700 million and the various Government agencies and departments have been outlined in the Bill that would be granted an increased allocation.

The Minister has simply provided us with some sketches. He has sought to provide some justification for these increases, that is the \$664 million more that he is seeking from the Parliament today. However, he has not shared with the Parliament precisely, the performance of these various ministries given their original allocation. This is where we have to review this particular request within the context of the 2004 budget that was presented some eight months ago by the Minister of Finance.

As I said, the Minister is seeking the approval of this Parliament, some \$664 million for the remaining four months to September 30, 2004. We have been told by the Minister, in passing, that even though the average price of oil was around US \$29 per barrel, Trinidad and Tobago, the citizens of this Republic, may not be able to enjoy any benefits from the increased oil prices that we have experienced in this country over the last eight to nine months. It is almost unbelievable what we are being told, but this is what we have been told a short while ago by the hon. Minister.

Why is this so? We would probably share with you as we proceed this afternoon. The Minister speaks about honesty, transparency and openness in his Government's approach to the budget. Of course, these are lofty principles, noble ideals, but the reality does not square with the rhetoric, as I said earlier.

I would like to examine in a very brief manner this afternoon, some of the commitments that the Minister made to this honourable Parliament and on the basis of those commitments the Parliament approved the 2003/2004 budget. But we are now in the month of June, just a couple months away from the end of the fiscal year and the Government's performance so far has been rather dismal. In spite of all the economic growth that we hear about, in spite of all the fundamentals being in place, so-called macroeconomic fundamentals, the reality is that the ordinary citizens in this country are poorer today than they were a couple years ago, and over the last year things have become worse for large sections of the working population in this country.

But I just want to deal, firstly, with the promises made by the hon. Minister of Finance to this Parliament when the last budget was presented and to show that with just three and a half months to go before the close of the financial year, the Minister of Finance is way off in achieving some of the promises that he made and commitments that he gave to this Parliament. The Minister, in his last budget presentation, spoke to the issue of financial sector reform that my colleague raised a short while ago, and promised to strengthen the financial sector through a number of measures, apart from the Green Paper which was supposed to be converted into a White Paper and it was supposed to be brought to this Parliament. I do not think you have seen the White Paper on that particular financial sector reform effort, Madam President.

We were told in the 2003/2004 budget that by this time we should have had a Financial Institutions Act; we should have had a Securities Industry (Amdt.) Act; we should have had at this time a Cooperative Societies Act. Also, the Minister of Finance told us that he would have brought to this Parliament by now, a Mutual Funds Act. Those things have not been achieved, yet my honourable friend and colleague says that the Government has performed reasonably well. Maybe they have performed well for Louis Lee Sing, from the figures that we saw. He has been well off over the last year or two under this regime. Maybe this is a matter that ought to be referred to the fraud squad or the Director of Public Prosecutions.

The Minister indicated to this Parliament that trade reform was very important to this country, particularly with the imminence of FTAA, our involvement in the WTO, the imminence of the CSME and the whole need for us to become more competitive as a society. They were supposed to deal with a number of measures in order to bring about this trade sector reform effort. The Minister of Finance promised us that he would bring new foreign investment promotion legislation. That is yet to be here. The Minister of Finance promised

Finance Bill
[SEN. MARK]

Tuesday, June 15, 2004

us that he was going to amend the Anti-Dumping and Countervailing Duties Act as well as to introduce a fair trading bill. Those matters, after eight months, nothing has come to this Parliament.

This Government is actually sleeping on the job! They just make promises! They do not deliver! This is a manifestation of their incompetence. It is just words, declarations, announcements; that is all. The country suffers while the Government continues to have a joyride at our expense. The Minister spoke about pension reform. I would ask the hon. Minister on this issue of pension reform and particularly as it relates to the \$1,000 per month minimum that has been granted to the National Insurance Scheme retirees, to investigate the inequity that exists. It was never the intention of the Minister of Finance to perpetuate this particular development or inequity in the system. I would like the Minister and the Minister of Social Services Delivery, the hon. Christine Kangaloo to indicate to this honourable Senate what steps have been taken to close the gap between those persons who are in receipt of more than \$1,100 a month and therefore they cannot qualify for old age pension, because you need to have a ceiling of \$12,000 which amounts to about \$1,000 per month.

I did recall that I invited someone to this Parliament. The person had extensive discussions with both the hon. Sen. Christine Kangaloo as well as the hon. Minister of Finance. That was about four months ago. I would like either Sen. The Hon. Christine Kangaloo or the Minister of Finance to bring us up-to-date with what has happened to this particular situation. There are many elderly citizens in this country who are not enjoying old age pension simply because they are in receipt of just over \$1,000 per month, and I have asked the Minister of Finance to look at this question in order to bring some relief to those particular citizens. I hope that he would be able to do so before we conclude this debate this afternoon.

We were told by the hon. Minister of Finance that he was going to engage in, what is called, comprehensive tax reform, because there was a major leakage in the system. A comprehensive review of the tax administration was supposed to be conducted. The Minister also indicated that there would be an overhaul of the non-oil tax regime with a view towards simplification. Well, he said a short while ago that the oil and gas taxation regime is supposed to be concluded by July, but in the budget statement we were told that it would have been addressed by January 2004 and we are now in the month of June. We are given another promise that by the end of July that matter ought to be addressed.

We would like the Minister to bring us up-to-date with the Revenue Authority, which is supposed to bring together the Inland Revenue Division and the Customs and Excise Division. He indicated that was going to be addressed during the last few months. Where are we with that? The Minister also indicated to this honourable Senate that they were going to deal with the value added tax, because he admitted that VAT, relative to GDP, has been declining since 1998 because a number of items have become either zero-rated or exempted and, therefore, the Minister of Finance was establishing a committee to undertake a comprehensive review of the VAT regime. We would like the hon. Minister to tell this Parliament what has happened to that, because this is a period of accountability. It is about openness; it is about transparency, and we would like the hon. Minister to indicate where we are in this regard.

The Minister of Finance also indicated to us that there would have been comprehensive, wide-scale review of the system of local government to advance the process of decentralization and to improve management capability in the sector. Where are we with this particular review? All we have here, as I said, are promises from the Minister of Finance. The manufacturing sector, the agricultural sector, the services sector, all critical in the non-oil sector of this economy, was supposed to get a big boost. The Minister was supposed to establish, what is called, the Wallerfield Business Park. It was supposed to have commenced already. Where is this Wallerfield Business Park for the manufacturing sector, to attract, what they call, clusters, academic, light manufacturing and services.

Words! Declarations! Announcements! No action! That is all the PNM is about. They promised it, and they went on to say how many acres of land we have a Wallerfield and what proportion would go towards academic, light manufacturing and services. Nothing has happened. They promised the manufacturing sector that they are going to amend the anti-dumping legislation I just mentioned. That is yet to get done. The Minister of Trade and Industry has not brought that to Parliament as yet. They promised that they would strengthen the regulatory oversight of the Bureau of Standards and the Food and Drugs Department. That is yet to take place. They would enhance the efficiency of the Customs and Excise Division through further computerization and improvement in facilities and physical accommodation. They went manual after this commitment.

Why would the Minister expect us to believe that this \$664 million that he is seeking to have us approve here—why do we have to believe the Minister when

Finance Bill
[SEN. MARK]

Tuesday, June 15, 2004

the record is so dismal as it relates to the performance of this regime? You would recall, Madam President, some time in the budget speech of the hon. Minister of Finance in this Parliament, he stated that a memorandum of understanding has already been signed for the establishment of an aluminium smelter in this country. If I were not mistaken, you would recall that recently a document was signed at the Trinidad Hilton involving Alcoa, I think, and some Venezuelan company and, I think, the National Gas Company recently.

We have not gotten from the Minister of Finance a report on this matter. So far as we are concerned on this side, you have a lot of initiatives being taken by the Minister of Finance; a lot of commitments being given, but the reality is: no performance; no delivery. You remember when the Minister of Finance presented his budget statement, the first item that the hon. Minister of Finance addressed was national security. He spoke about what he would do with the criminals. He said, "We now declare war on the criminals and we shall do whatever is necessary within the law to return the nation to a state where our people can conduct their lives in full safety and security." He went on to provide an 11-point plan to bring about that particular objective. The crime situation has gotten worse since this presentation by the Minister of Finance. [*Desk thumping*]

So again, it is words, announcements, declarations, but no action, no deeds, no delivery. That is what the PNM is about, hoodwinking the population, as they are currently doing, as you can see on your television every night, misusing and abusing young children in order to get across a message, that they ought to really be sitting on the Opposition and Independents to try to arrive at some conclusion towards the matter that is supposed to come very shortly to this honourable Senate. But instead they prefer to spend \$5 million to \$6 million in advertisements. That is what is taking place at this time.

We would like to know if this Government is seeking to have \$664 million in order to execute certain responsibilities, as they claim, where is this surplus revenue going to come from? The Minister has indicated to us that Trinidad and Tobago did not enjoy any serious gains from the recent spikes in oil prices, because there has been a heavy exploration programme by the oil companies and, therefore, they are not, apparently, paying the moneys that they ought to pay to this country on the grounds that they are into heavy exploration. So we have to pay for their exploration activities and, therefore, the citizens of this country, who would believe that the average price of a barrel of oil, which we were told, was \$29, I find it a very significant underestimation. Because here it is, in this report, we have the Central Bank telling us that the average price of oil in Trinidad and

Tobago for the first seven months of this year was about \$32.39 per barrel, and since then the price has gone up.

The Minister of Finance tells us that the average price of oil is simply US \$29, when the price of a barrel of oil has been in the vicinity of US \$40—\$44 per barrel. So we do not know exactly who to believe, the Central Bank or the Minister of Finance. The Minister of Finance, as I said, has indicated to us some figures that we are not too clear about. We would like the hon. Minister to tell this Parliament what has happened to the price of natural gas, because we also understand that the price of natural gas is extremely high, and since Trinidad and Tobago supplies some 70 per cent of the natural gas needs of the United States of America and the price of natural gas is extremely high in the United States, we would like the Minister of Finance to let us know what the gains are in that particular area of our economic development and activity. He did not give us that so far. We need to have some information from him on that matter.

In the last budget statement we were told that the public debt stood at about 52 per cent of our gross domestic product. Where are we with that today? The Minister of Finance made a commitment to reduce that percentage starting this year or next year. We would like to know whether the public debt is up or down. What meaningful diversification and transformation has taken place under this regime over the last 30 months as it relates to our economy? We have not seen any significant diversification of our economy under this regime. All we keep hearing is a 2020 vision. By 2020 we are all dead. People are living today. They want to have a decent quality of life today, not 2020! [*Desk thumping*]

Crime must be addressed today, not 2020. Provide the police with resources, with vehicles. Do you know every time you call a police station today in this country, the first response you get from them: “No vehicles”. And you have a Minister of National Security trying to hoodwink the entire country and telling us that we must support legislation. That is not going to provide vehicles! You have to provide resources to the police! That is what you have to do! But we live in a one-legged economy!

I would like the hon. Minister to indicate to this Parliament where he was quoting from when he said to this Parliament that the non-oil sector grew by an average of 5 per cent in 2003—I think I heard the hon. Minister say. Did I hear the Minister right? I have a copy of the *Monetary Policy Report* of the Central Bank, March 2004. Is the Central Bank wrong? I want to quote for you what the Central Bank said on page 7 of this report, dated March of this year. We are told

Finance Bill
[SEN. MARK]

Tuesday, June 15, 2004

by the Central Bank that:

“Real GDP rose by 4.1 per cent in 2003, faster than the increase of 2.7 per cent in 2002. Real output in the energy sector grew by 11.4 per cent ... In the non-energy sector...”

which my hon. friend said is doing very well,

“economic performance was modest, increasing by 1.8 per cent in 2003, compared to 0.5 per cent in 2002”.

So how can we be told in this Parliament today that the non-oil sector grew by about 5 per cent in 2002 and another 5.8 per cent—if I heard him correctly—at the end of 2003? Who is fooling whom? This is a Central Bank report that goes on the Internet. They are linked to the international monetary fund. Investors are seeing these things on a daily basis. But we are being told in Parliament that the non-oil sector grew by this percentage, when it is not so. Tell us if we are wrong! Because the Central Bank would have to withdraw this report and have these figures corrected. Either the Minister is manipulating statistics or the Central Bank is not doing its job.

The reality is that every single sector under the non-oil sector has been flat or growth has been stagnant over the last two years: Manufacturing, stagnant; agriculture, they murder it when they “lick” up Caroni (1975) Limited. So there is nothing taking place in agriculture today, distribution or construction. But the key sector, manufacturing and agriculture—in fact, what the Central Bank is saying in this report is that in the year 2003, the manufacturing sector grew by just about 2 per cent whilst agriculture contracted by 15 per cent.

So where are we? The Minister says that the economy is doing fine; good performance, but in terms of employment, whilst the economy is doing fine, unemployment continues to rise. The Central Bank is saying that at the end of 2003 we had 10.5 per cent of the work force unemployed and the previous year it was 10.2 per cent. In other words, the rate of unemployment is rising in Trinidad and Tobago. So whom is this economy benefiting? This prosperity that is taking place in this economy, who are the beneficiaries? It is not the poor! It is not the CEPEP workers who continue to be exploited by this heartless regime.

I was so sad, hurt and pained when I read a story in the *Guardian* involving a woman who had the pseudonym of “Pinky”. She was working with a group of CEPEP workers in Barataria on the Eastern Main Road and a car happened to run off the road and crashed into this lady. The lady had her leg amputated. No sick leave! No medical coverage! They get \$75 a day! They have to go to work at 6.00 a.m. and leave 2.00 p.m. On public holidays they work without any overtime, and

this Government boasts about how they care about people? And they would not proclaim the Occupational Safety and Health Act.

So who are the people benefiting? The big shots, the rich people who are telling us we must support a law that would ensure the demise of our democracy; all they care about is money and profits. That is what they want us to do? This is our land and we would always defend it and we would always do everything to promote the interest of our people in this society.

When we look at the schedule that we have before us in the Bill, the Government says it has certain priorities. Education is one. We heard a long statement from the Minister of Education today and what her ministry is doing, but education is in shambles in this country. My colleague, Sen. Roy Augustus, would deal with that in more detail.

We see where the allocation towards education has been reduced by \$100 million; we see where the Ministry of Health's budget is by \$44 million, and we are saying that education is important; we are saying that health care is important? Well, I see in the Ministry of Legal Affairs that they have reduced it by \$1 million. That is a ministry they should close down; it does not perform—non-performance in that area.

Let us go to the allocation for the Ministry of National Security and we would see what is happening here. The sum of \$132 million is allocated to the Ministry of National Security. The bulk of the money, \$94.3 million goes towards the settlement of salaries and allowances as a result of an agreement, and \$32.2 million goes towards the special anti-crime unit of Trinidad and Tobago. This special anti-crime unit under Brigadier Joseph, we are still to know to whom this unit reports. Does it report to the Minister of National Security? Does it report to the Commissioner of Police? We understand they have built a fortress in El Socorro; you cannot see inside the building. That is a special anti-crime unit, you know, Madam President, and they have been allocated \$32.2 million.

What percentage of this is going towards the purchase of vehicles? Would the Minister of National Security tell us? What percentage is going towards wages and salaries? We need to get some more information on these matters, because the police was about to march if they had been given permission by the Commissioner of Police, because they were saying that the Minister of National Security is under-funding the police service in favour of this special crime unit. This is an elite force that he has established in Trinidad and Tobago to fight crime, but crime is worse today with this particular elite force. Now they want political control of the police service in this country.

Finance Bill
[SEN. MARK]

Tuesday, June 15, 2004

We would like the hon. Minister of Finance to give us a breakdown of the sum of money that has been allocated to this particular unit. The Ministry of Labour has been given \$4 million in order to deal with a number of items that are detailed in the document before us. But we would like to find out from the hon. Minister of Finance, what is happening at this time as it relates to the workers' struggle at Carib Glassworks. Is there a shortage of conciliators at the Ministry of Labour? Do they need more money to employ conciliators? Eight hundred and seventy-five workers have been locked out at Carib Development Company and Carib Glassworks for the last few weeks in this country. We all saw on television where thugs, hooligans and bandits, hired by a company; they broke the workers' picket line; they had guns in their hands, knives, cutlasses. A video of that was shown on television. I saw it. The acting Commissioner of Police also saw the videotape of these thugs, criminals and bandits, who were trying to terrorize the workers.

Do you know they have not arrested a single person, although it was on videotape? Instead of that, do you know what the Minister of National Security is doing? And he must tell me if I am wrong. I have information that the Minister of National Security is using the police service in order to escort scab labour onto the plant while a legal lockout has taken place. So you have policemen stationed at the plant in the morning whilst Amalgamated Security is bringing in busloads of scab labour in order to break the workers legitimate struggle.

The same thing took place at Atlantic LNG. I want to know if the police service is there to protect big business or to protect and serve, regardless of your position or class.

Madam 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. S. Baksh*]

Question put and agreed to.

Sen. W. Mark: So, Madam President, I would like the hon. Minister of Finance and the Minister of National Security to tell us why they are allowing cutlass-wielding and gun-toting thugs to intimidate these locked-out workers.

We saw in this document that was circulated that the Ministry of Foreign Affairs has allocated some \$10 million to deal with renovations of properties occupied by foreign missions. I would like the hon. Minister to tell us what is it costing the taxpayers of this country to repair and refurbish the office of the High Commission in London. We would like to know whether the Minister of Foreign

Affairs is aware that two new Mercedes Benz were purchased by the new High Commissioner in London recently and whether the \$10 million that is allocated here is part of that arrangement. *[Interruption]* I am talking about London—very clear about it. So I would like the hon. Minister to tell us what is taking place in that area.

While I am on that, let me just inform you that I understand—and the Minister of Foreign Affairs would have to investigate this and bring documentary evidence for us—no approval was given by the Ministry of Foreign Affairs for the purchase of Cdn. \$80,000 SUV, Nissan Armada, Pathfinder, that is now in the possession of the High Commissioner in Canada. I would like the Minister of Foreign Affairs to bring the necessary documentation to show this Parliament where approval was sought and permission granted to the High Commissioner in Ottawa, Canada, to purchase that vehicle. That vehicle is still parked in the person's personal garage. So I want him to investigate that one for me. *[Interruption]* No, London is the two Mercedes Benz; London is the big chancery, and so on, and they want to allocate \$10 million. But in Canada we have some clarification we need there.

3.45 p.m.

In the Ministry of Community Development, Culture and Gender Affairs we see an allocation of an increase of \$32 million. I indicate to this Senate that it is very wrong for anyone, particularly those officers on contract—maybe the hon. Minister of Community Development, Culture and Gender Affairs needs to be in charge of her ministry a little more. Maybe you are sleeping too long in the Hilton. You are sleeping when you are supposed to be on the job. *[Interruption]* I left there a long time.

I have a letter about a jetty at the Carenage fishing depot that I want to pass on to the hon. Minister of Community Development, Culture and Gender Affairs. A letter went out for tender for the construction of a jetty at the Carenage fishing depot. It is dated April 19, 2004. They wanted people to tender to construct this jetty. It is a tender for the design and construction of a jetty at the Carenage fishing depot. Do you know who signed this document? It was not the Permanent Secretary in the Ministry of Community Development, Culture and Gender Affairs. It was the technical advisor to the ministry, a contract officer, Etienne Mendez. Where did he get this power from? This project costs \$1.5 million to \$1.8 million. The Permanent Secretary has the power of up to \$500,000. You have a “fella” called Etienne Mendez, a PNM public relations officer in the last executive and a contractor. It is signed here. It is the technical

Finance Bill
[SEN. MARK]

Tuesday, June 15, 2004

officer. He is telling people that when they want to apply come through him. Contact me the undersigned at 946-8148 for additional information. “Call meh on meh cell.” If you want to get involved in a construction project on the jetty for \$1.5 million, “call meh on meh cell”.

I want the hon. Minister of Community Development, Culture and Gender Affairs to take charge of her ministry. How could you have this particular individual, a contract officer engaging in this kind of exercise valued at \$1.5 million? This is a recipe for corruption in the ministry. When you are dealing with tendering of documents you carry a bond. These documents that were sent out came in my mailbox. I want to make copies available to the Minister so she could take charge of the ministry and stop sleeping during the course of the day at Hilton. Be in the ministry and take charge instead of accumulating \$150,000, although you are getting a housing allowance of \$8,000. That is criminal! You should be brought before the fraud squad.

I want to remind everyone in this Parliament that wrong is wrong. What is taking place is wrong. A technical advisor who is a contract officer should not sign a critical document like this to go out to the public of this country. He is not accountable to anybody. He is a technical advisor. The Permanent Secretary is the accounting officer there. Minister of National Security, he did not even put the official number of the ministry. This is something for you to investigate. He put his personal number.

Sen. Yuille-Williams: Madam President, I do not want my friend to spend the whole evening debating it. The hon. Senator raised something similar with me concerning the said officer that I investigated. It was unfortunate that was done. I was thankful to the hon. Senator. I also told him that the Permanent Secretary wrote to as many persons who received that type of document and that he had to rescind them and put things straight. She could not control that. Things do happen. I was thankful to the hon. Senator for raising something similar to that with me. He knows that had been corrected to a point. It is good news for him this afternoon.

Sen. W. Mark: It is what happened and I have the information before me. I was very kind to you. The next time I would not inform you, I would expose you.

The truth is that under this administration the economy has not performed in the robust way that the Minister is trying to project. The non-oil sector of this country is in trouble. Whilst the energy sector is growing by leaps and bounds, the non-energy sector is not growing at that particular rate. We have a bubble economy. It is an artificial economy.

I would like to indicate that under this PNM Government in the *Human Development Index* devised by the United Nations that deals with the quality of life and living of the population of different countries of the world, our rating has fallen. When the UNC was in government in fighting poverty we were about No. 37 to 39 in the world. Today, under the PNM we are No. 54. Under the PNM we have gone back. All this CEPEP “wok yuh givin people” and starving people with poor wages are not improving their quality of life. These YTEPP and On-The-Job Training programmes and 1,000 different programmes are not helping the people. It is wasting time. They want sustainable employment and meaningful education so that they could live independently of the PNM or any other government.

When we became part of the global family as it relates to growth competitiveness, in the first year information was established about the competitiveness of this country. It is called the *Growth Competitive Index*. In 2001 and 2002, Trinidad and Tobago ranked No. 37 in the world community. Today Trinidad and Tobago is ranked No. 49 in the world. We have developed from 37 to 49 under the PNM and we continue to fall. At this time inflation in this country is almost 4 or 5 per cent. In 2003, the last report we got from the Central Bank it was averaged about 3.8 to 4 per cent. We have been told by the hon. Prime Minister and Minister of Finance that we could expect to live and experience an inflationary rate of about 7.5 per cent and that is something we should get accustomed to, because that is where we are going. That is not something that we would ever like to get accustomed to. Ordinary people cannot get accustomed to a 7.5 per cent rate of inflation.

The first act that they committed against poor people during 1991—1995 was to increase the price of fuel. Gasoline went up. We came back last year and did the same thing. Since the price of gasoline went up in this country whether it is super, premium or diesel, the cost of living has gone up. Poor people are under pressure and stress. We are not getting anything from this Government in terms of helping poor people. This economy is not helping the poor. It is helping the rich; it is making the rich, richer and the poor, poorer. Under the PNM, the prices of rice, sugar, macaroni, chicken, bread and egg have gone up. Every time the PNM gets into power they crush the poor people and lick up workers. Under this regim, unemployment and underemployment have worsened. The Minister of Finance gives the impression that all is well. All is not well in this country. The distribution of income is widening between those who have and those who do not have; the owners of capital and the working people.

Bring us up to date with all these initiatives and promises that you made. How would this \$640 million that you are requesting help our people? We do not

Finance Bill
[SEN. MARK]

Tuesday, June 15, 2004

think that it would help our people. You need a revolution in this country to bring about change. The PNM would not be able to bring about the necessary change to improve the quality of life of the people of this country. All we have are declarations, announcements and promises.

Thank you.

Sen. Prof. Ramesh Deosaran: Madam President, coming after my friend Sen. Mark, I feel a sense of intellectual impoverishment. I also feel politically embarrassed because the items that he has delivered to us were very attractive in content and scintillating in provocation. I would ask if he would help me get access to some of those documents he gets so regularly. Perhaps, they would help to embellish my contribution. He spoke about Mercedes Benz and cell phone contracts. I would certainly like to gain the benefit of his acquaintances.

Before I proceed with my few comments, I want to make reference and bring to the attention of the Minister, what is becoming a very serious matter with respect to the statistics provided by the Central Bank and those in a parallel form by the Central Statistical Office. In this Parliament and government publications, on many occasions I have witnessed reliance on one or the other source which sometimes are slightly, if not substantially contradictory. For those of us who may be versed in these matters, it is not that there is mischief afoot, as much as the methodology used to arrive at the statistics are sometimes different. This is evident in matters such as the unemployment figure or the basket of goods which lead to certain measures of poverty and the indicators for growth and development. There has to be a way of educating the national community as to how these apparent differences arise and where they are not mischievously motivated. I think it is a matter of policy. We need to attend to it because it can be embarrassing both to the CSO and the Central Bank apart from the particular Minister involved.

Whilst I am on that point, we cannot ignore the very disturbing fact that we are having—apart from the reference to a one-legged economy—a rising black market economy in this country. This means primarily that there are people with earnings that do not face Inland Revenue. That income is distorting what we see as growth and even what we might see as development. Apart from the PH taxis, maxi-taxis, vending and the whole informal sector with the drug trade and all its appendages fermenting this black market economy, we cannot continue so. We would have to attend to that at some time or the other. While this is growing next door to those that are supposed to know about it, there seems to be almost a relentless drive to kill the middle class, figuratively speaking, with taxation; the new legislation with revenue authority and institutions of that kind which

dutifully collect taxes from income. It is becoming an advantage on the middle class earners in this country such as the public servants, teachers, police officers and people whose incomes happen to be exposed.

With those few remarks arising from Sen. Mark's intervention, I wish to preface my comments with the closing remarks made by the Minister, especially where he spoke about transforming the nation to developed world status. He indicated that the Government is pursuing growth occupied by a broad-based development; while investments are taking place they would be inserted into social infrastructure and his pronouncement that the Government is now in the vanguard against crime. With those remarks, I would refer to Heads 22, 23 and 28 in the items of expenditure, the Schedule and other documents presented to us.

About 100 years ago a number of studies and enquiries were made as to how some countries without natural resources, especially those in Europe, happen to be more prosperous than those with natural resources. A literature emerged from that called *The Achievement Motive, The Spirit of Entrepreneurship, Pioneering Inclination* and a number of such explanations. They are relevant to us today because it seems as if whilst we are having money, we are far away from calling ourselves a wealthy country. The difference is that we do not have a culture of prosperity. We have a culture which is based primarily on money and it does not show any increase in the quality of life in the way we feel about ourselves. I am quite sure that the Government should be bothered by that. If you look at the Preamble to the Constitution, the ultimate objective is for the Government to secure not only the material welfare of the country, but also the well-being of citizens. It is not entirely the Government's fault. There are other institutions and currents of activities which are sometimes beyond the Government's control. Perhaps, at another time we would elaborate on those to explain the limits of government in a democratic society. When the "licks" is sharing, I do not think whether it is the UNC or PNM government, they should take all the blows, not when there is a democratic society where there is a limit on a democratic government.

We have to study government policy makers because I have the feeling that the Ministers are not getting the proper advice that they ought to get with the money at their disposal and the problems that they are facing in terms of the social sector and security issues. I cannot say too much about fiscal policy. I do not believe that the Ministers are getting appropriate advice, even though so much money is at their disposal. I would encourage the Ministers to tell their advisors to read and get au courant with some of the literature on a culture of progress; the

Finance Bill
[SEN. PROF. DEOSARAN]

Tuesday, June 15, 2004

kinds of values that stimulate an economy beyond just having money; the notion of thrift; the value of sacrifice; delayed gratification and the connection between the educational system and a civilized country as has been uncovered by some of the literature to which I referred. On this occasion, I do not want to injure your patience by venturing too far into the literature. It worries me to know that the solutions are there on how to cultivate a civil society and that cultivation does not rest on money alone. Time and time again, I keep getting the feeling that our sole reliance is on income that we are deriving and getting excited about the price of oil per barrel, without paying greater attention to the other streams of behaviour that would lead to augmenting the income that we get from our natural resources.

Sitting at the centre of this discussion is Head 22, on national security. Reference to this was made by the hon. Minister and elaborated upon by Sen. Mark. There is need for \$132 million more. When you look at page 30 of the Schedule you see how the amount is broken down and on page 4, much of the money is going to the police. I wish to emphasize to the hon. Minister that the time has come to ask the police service to give value for the moneys being spent on them. I do not think it is wise or fair for the Minister to go out to the national community, making one excuse after another which makes what he is saying incredulous. People know what is happening in the police service. If, out of duty or political obligations, he wants to protect the police service, those days are fast passing. You have to let the country know that the police service is in serious problem. As to how we would deal with that, I would comment in a few minutes.

I do not mind the police officers getting an increase. I do not think that anybody in the country would object to it, if members of the public are convinced that the police officers are doing the job to protect and serve as they are constitutionally required to. They are not doing that job! I say so without fear of favour. They have not been doing that job for many, many years now! The UNC had its trial and tribulation. I mean no disrespect to them. They had tried almost everything in the book to deal with the police and make this country a safer place. I do not want to make a list of all the things they have done and failed, including something called the Law Enforcement Action Plan (LEAP).

When Lance Selman introduced it, I was on a committee. I must have been on a million committees dealing with crime. I am always answering the call because this is my country. What would I do? I cannot say that I am not turning out for service. That is why it hurts me doubly so. Many people have tried and keep on trying and you still see the problem growing in spite of all these expenditures which are being drawn, apart from the energy and corporate sectors,

from the middle class in the national community. When the middle class comes near to civic rebellion by letters to the editor and they are so intently disturbed, it is because they are not getting value for their money from the police service. No government should remain silent and be diplomatic about that any more. The time has really passed for that misguided diplomacy.

To be more specific look at the question of overtime. Maybe, my colleagues in the Opposition would correct me. When the PNM was in office in the early '90s, they made part of an agreement with the police service, the Welfare Association particularly to do away with this 40-hour per week and introduce a 60-hour per week, at least in principle. This was a significant improvement on the required service from the police. It was connected to this overtime nightmare which is linked to much money for little or no value. This overtime is over \$100 million and would go on year after year. I know that it is connected with the recent wage increase. Some policemen get as much as three times their salaries in overtime. Mr. Chin Lee knows that. I had pointed that out to him when he was the minister. He is a happier man now. Naturally. He looks relieved. What kind of service is that? What kind of organization is that? What kind of management is that? The Minister does not manage the police service. He cannot. We know where the line is drawn.

You have a culture not only of inefficiency in the police service, but also of waste, "squandermania", almost parasitic on the taxpayers of this country. I must say that you have in the usual way many good, dedicated and punctual officers. Everybody in Parliament, the public gallery and the country know of which I speak and of whom I speak. In such matters the voice of the people is sometimes nobler than that which comes from the court. The Police Service Commission Report would tell us that it takes years and years to resolve matters of discipline and corruption in the police service. With all this overtime you would expect the service to be more efficient. This threat from the police about marching and threatening the national community with civil disorder is an absurd proposition from a service that should be ready to stand by to defend a country that is already under such heavy siege. I am aghast.

The President of the Social Welfare Organization is my good friend for many years, but I would like to advise him to cease and desist from such reckless threats to the national community. I wish that other people would say the same things that I am saying because they know the truth. I do not think that I would like to stand alone in these matters because I would have to ask the Minister for some protection. Sometimes I wonder how come I do not have a police officer to

Finance Bill
[SEN. PROF. DEOSARAN]

Tuesday, June 15, 2004

protect me and he could have one. What is the difference? After hearing what I am saying this afternoon, perhaps, he should offer me one rather than waiting for me to ask because of the danger in which I now put myself. I might be going at 25 miles per hour and be charged for speeding. We know what this country is with false charges against people who try to speak frontally.

We have a situation where money is being poured into certain institutions. In this case it is the police. It looks as a bottomless pit, both in terms of the money required and the expectation for more. In this context we have one hoax after another; one piece of propaganda after another. One of the greatest hoaxes perpetrated on people of this country is the matter of one police officer to how many citizens. I have to laugh unwittingly, knowing him as I do. I am sure that the Minister did not willingly get sucked into this piece of propaganda.

It is said that we have a better ratio of police to citizen than many other countries, primarily developed countries. I compared the United States and other places. I would say, "poor fellow, he is trying to defend his turf". I sympathize with him. More than sympathize, I empathize with him because I know the terrain of the police. Some of us have been there for many years. We have to put a stop to that. The political directorate in this country has to bite the bullet in dealing with the police service! The figures I have come from the work of the Centre for Criminology, corroborated by the Inter American Development Bank (IADB) and the World Bank. Our comparisons contain Europe and America, but we think it is better to put this comparison because it has implications for taxpayers' dollars, in terms of how many more police officers you would get. The police service is always asking for more. I am surprised that all police officers are not named "Mr. More". Every turn you make and call on them for some service, it is the question of more resources and more manpower. That is one of the hoaxes I am speaking about.

The ratios I have of the Dominican Republic, Jamaica, Haiti, Guyana, Bahamas, Barbados, Suriname, Belize, Grenada, Antigua, St. Vincent, St. Lucia and St. Kitts put Trinidad and Tobago in a lower bracket than almost all these countries. For example, a few years ago, the ratio in Trinidad and Tobago was one officer to 244 persons; at that time Bahamas had 121 citizens to one officer; Barbados 183 citizens to one officer; Grenada 133 citizens to one officer; St. Lucia 293 citizens to one officer; Dominica 167 citizens to one officer and St. Kitts 95 citizens to one officer. I do not want to clutter the discourse except to say that this thing about needing more policemen now given what they have, is not the answer to deal with crime from the police's point of law. What is more

fundamental to analyze is not the ratio in comparison to other countries, but how many more officers have been added to the police service in the last five or six years. In that context we outstrip all other Caribbean countries even those in the developed world. Having put the issue that way, it comes back to my initial premise. Are we getting value for money especially in the context of that increase, when you put that increase alongside the escalating overtime rate? Every turn you make it is more vehicles and motorbikes.

It is becoming a scandal. I am urging the Government to bite the bullet. I am trying to alert the national community because I know something about it. I mean no disrespect to the police service, but this is for their benefit. I am quite sure that they want a culture of efficiency and something they could be proud about like in the 1960s. When you were a police officer or a teacher the village turned to you with respect because you had not only legal authority but also moral authority. This nonsense that keeps going on over and over has diminished the moral authority while they have more legal authority. We do not only have a one-legged authority, but also a one-legged police organization. It is not on two feet. More and more resources are not the answer.

A committee recommended more money to the Government. I made a calculation per year. I worked with Mr. Holder on the recommendation and I asked him to join with me to make an estimate of how much more it would cost the Government per annum to put 1,000 more officers almost overnight. That was what the Ken Gordon committee called for. It was a reckless proposition to bring 1,000 officers overnight in an organization that was already sickened with dysfunction, unpunctuality, irregularity and mismanagement. If you ever heard about new wine in old bottles, this is a case in which it occurred. I was a bit disappointed and I remained silent at the time. I should have spoken but, Madam President, you know that we are not the kind of people who like to appear rude, discourteous or know it all. The first thing that they would say is: "He feel he know everything." We have to remain silent but sometimes it catches up with us.

The Minister is almost a management expert. Anybody who could have brought back the Mayaro seat for the PNM under such trying conditions—You now tell me that he cannot bring back the police service to where it belongs with moral authority and civil obligations. I thought that he would have put a stop to that. He did partially stop it because he did not take in 1,000. He took a few hundred and did it with instalments. I got a sense that he was looking at it in the context of which I am speaking, that it would have implications on tax dollars in the documents we have before us. It is almost over 700 now. He put them on the road a couple of months ago.

Sen. Joseph: In terms of that exercise we stopped at 400 and we are reviewing to see the efficiency and effectiveness of that particular project.

Sen. Prof. R. Deosaran: Thank you very much. I think that he understands the point I am making. You have them at Curepe Junction and High Street, San Fernando. They have told their families that they are now police officers and they are out on the streets. A couple of weeks after you do not see them. They become like shadows. They are shadow policemen.

My understanding is this! This culture of inefficiency is a serious challenge for the Minister and any government. They complain to their superiors that the sun is hot; they are getting tired so they take leave. That is why in a document dealing with the human resource aspect of the police service presented to the then minister in 2002, in the Office of the Prime Minister, one recommendation after the survey was done on the police capacity; the human resource capability and the mismatch between expertise and functions, was that a reliable service should be undertaken with regard to the extent of leave of all kinds and resignations over the past 10 years to obtain a fuller policy oriented assessment of the human resource capability of the police service. This is what you need to do! It is not 50 more vehicles or 1,000 more officers overnight. Some officers are on leave here but they are working in New York. Would I need a bodyguard? This is the truth! How long would you, as a responsible government, have these things covered and scared of the Association of the First Division or Second Division? I could never be a minister of government of Cabinet and allow these things to pass unnoticed. If my colleagues do not accept my views as to how to deal with it, I would have an option. It is a very serious matter. I do not know which was better, LEAP or Anaconda.

Madam President: I regret having to interrupt your contribution, but we have to take the tea break. This Senate is now suspended for tea. We would return at 5.10 p.m.

4.30 p.m.: *Sitting suspended.*

5.10 p.m.: *Sitting resumed.*

Madam President: Sen. Prof. Deosaran.

Sen. Prof. R. Deosaran: Thank you, Madam President.

I belong to an organization called the University of the West Indies. Part of the problem I have observed is how the hardworking and dedicated members of staff get demoralized by the wickedness, mischief and neglect of the incompetent

and uncaring ones. I make the same point in the context of our police service. About two years ago, the Centre for Criminology undertook a special assignment with international collaboration in some basic training in community policing with about 500 officers. We did not just train them and let them go. We tested them on the operational aspects; conceptual measures and tools in community policing with some field surveys practice. We awarded prizes such as \$1,000 and \$500. That is a matter of record. I am making the point that from that lot there were some sterling officers. Their complaint was that there are others alongside them who do not pull their weight. Then you get into the question of demoralization. If those who do not pull their weight or do not care happen to be their superiors, you recognize the bottleneck you would be faced with.

I would have liked to leave this point alone but it is so critical to our national community, in the context of the vast expenditures put upon by the police service, now and quite likely in the near future, time and time again, I wish to add a few more points.

What happens to these demoralized officers? They choose the easy way. They join the rank of incompetence. That happens to an organization which moves from hell to dysfunction. It happens in most organizations. That is why you need leadership. Sometimes I think we confuse democracy with quality. The tail cannot continue to wag the head and in many organizations that is happening. Part of the reason I know is from those American textbooks about lateral decision making; quality circle and a set of utter foolishness which we imbibe unthinkingly and apply here, whereas we should have a more indigenous understanding of how we operate. It is a sickening thing. As soon as you hear it is from New York, the businessmen and everybody in this country open their arms as if Jesus has come again, the second coming. I would not talk about colonialism. It is obvious what is happening. This lack of confidence in our capacity and the reluctance to deal frontally with problems, we could do with a higher measure of those things especially in the police service. Let us try to save the police service from itself!

This is what my contribution is all about, if I could put it in a succinct way. Together, let us try to save the police service from itself because it is haemorrhaging—there is leakage such as I have mentioned—and to inspire those few officers. I see one there who is a corporal. He was part of the community policing. He is running. [*Police officer runs out of Chamber*] Just now he offered to be my bodyguard. [*Laughter*] I have known him for a long time. There are some officers in Morvant and Caroni where we trained them and some young ladies whom I met in Sangre Grande. I would not call their names. These

Finance Bill
[SEN. PROF. DEOSARAN]

Tuesday, June 15, 2004

officers are eager to serve country and community. They always tell me quietly by letter that they are demoralized because they are not getting the support from those who matter.

My remarks are confined to the culprits in the service and not those many soldiers who are willing to serve God, country and community. I could understand why the Government has a preference for an anti-crime unit. It is not that it wants to strain taxpayers with additional expenditure. It is because the state of the police service has grown so decrepit over time. I believe that Karl Hudson-Phillip described that situation as a mess. My contribution is focused largely on that because it is around this essentially, that the \$600 million expenditure would revolve. It is about people's safety and a sense of security. The over \$20 billion budget would fall or rise on whether people, including investors, feel secure in this country.

This is no simple matter. Many of us have produced proposals to the government over time. I can give you a list but it might sound vain and immodest. Sometimes I ask myself like the calypsonians since they refuse me time and time again: Am I ugly or what? I cannot say so of myself. I would prefer to say: Am I duncy or what? [*Laughter*] I have to ask myself: What is wrong? Time and time again, there have been tested proposals, empirically based or what is commonly called evidence-based proposed. One minister, a good friend said, "I doh like to read plenty thing, yuh know. Gih meh in two lines." I understand the problem of time. If you are a leader you have to burn the midnight oil. There is no option in a country like this if you want to become a minister.

I would like the senior Ministers of Government to show example to the junior ones. They can easily go astray and down the part of ministership with all the embellishments, they could forget their duties and pay more attention to the trappings of office. I have seen that happen time and time again. The worst disaster was with the National Alliance for Reconstruction (NAR) where the arrogance was overwhelming, but they paid the ultimate price.

I move on to Head 28. In this context I have a suggestion whereby the Government could economize. I am quite sure when Hon. Enill hears the word "economize" he would become doubly alert, having emerged from the credit union movement.

On page 34, in the Minutes sent to us, I see the Ministry of Health where there is some justification for the amount that has been decreased to \$44 million. It is elaborated more on page 23 of the Schedule. Some more money would be needed for matters related to health to support the commission of enquiry. My

estimate as these enquiries go, the first six months would require about \$5 million, if you establish the commission of enquiry into health. This is just in passing to come to the point I wish to make with respect. I was wondering if as a matter of economy, instead of establishing this commission of enquiry, we could not use the existing provisions in the Constitution through the joint parliamentary select committee which looks after the Ministry of Health and matters related to health. That is a committee that I believe is now examining the different Regional Health Authorities, one by one and is collecting the documentation to answer all the questions in the terms of reference which have been enunciated by the hon. Prime Minister. They are the adequacy of facilities; quality of services and qualification as propounded by the hon. Prime Minister.

I say this not out of disrespect for his and the Government's concern because there is a body that is closely related to Parliament. This enquiry would have to produce a report at great expense and go through all the meanderings of the bureaucracy but still come to Parliament. Here you have a first cousin to Parliament as it were, a replica of the Parliament itself with the possibility of quick consensus because it comprises the Government and Opposition. If you talk about an expression of national unity, genuinely, this is the route to go in terms of health and the concerns raised here. I merely submit that for due consideration. I am surprised in terms of economy and parliamentary proficiency that these enquiries were not done within Parliament because it could be done. That is another story which certainly would not go away.

This Government asked me to serve as a chairman of one. As you can get the tenor of my speaking, I am growing uneasy day by day why certain facilities and support are not being given. If they did not want me to serve well, they should not have asked me. I am putting it bluntly. I am one of those persons like those in the Senate who when asked to perform a duty, it is done with the fullness of heart. In this context I make that remark.

My final point concerns Parliament in Head 23 on page 23 of Senate document. It stipulates the refurbishing of Parliament and the reason for the shift in expenditure is understandable. Most of the items that the Minister pointed out for increase or reduction have their proper justification. What is worrying me as a taxpayer and I believe other taxpayers is that if you spend this money to refurbish and extend the Magistracy, as indicated on page 11 of the Senate document, construction of the Magistrates' Court, money already spent, and you are owing the Urban Development Corporation of Trinidad and Tobago Limited (UDEcOTT) some more money, the question that the Minister might wish to answer is if you are still spending money on that premise and given your statement on page 23—

Madam President: Hon. Senators, 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.

5.25 p.m.

Sen. Prof. R. Deosaran: Thank you, Madam President. I merely wish to refer so that the Minister may reflect—perhaps he may want to rest, relax and reflect on this point, which is important, not only for the value of money, but for the principle of the issue. If he says that the continuation of the project has been suspended, pending a decision of the House Committee, in light of the Cabinet decision that the restored Red House be allocated to the office of the Prime Minister and that NIPDEC prepare a user brief for the restored Red House, is he still going to spend money on the Magistracy, when it is possible that that site might be part of the acreage used for establishing a new Parliament?

I might be wrong, but we need that assurance in light of public expenditure. It brings to mind many projects that have cost this taxpayer millions of dollars by duplication and bad policy. One that comes to mind is the Caroni Racing Project, where millions of dollars were spent and it remains vacant up to today. Who should pay for this? We had an enquiry and so on. I am just trying to save the country some money by making reference to this particular point.

In closing, I cannot resist this one in terms of the views of the new Minister in the Ministry of National Security, as published on December 30, 2002 in the *Trinidad Express*. There is a very interesting headline:

“Laventille MP knocks police.”

It is very interesting. I want to see if people now would put their money where their mouth has been. He seems clearly to understand some of the problems as he indicated here. He said:

“We have to remain calm and we have to accept our responsibility that we all have, whether we are journalists, police officers, parliamentarians or community leaders.”

I must say it is quite insightful. He also said:

“In short, the solution to our problem will have to do with the concept of love and business of prayer. If you have love, you're not going to rape, steal or assault another person's character.”

Earlier he did say that the police service was in a bad state and needed urgent attention. With that belief of his, I am pleased to see him appointed to the Ministry and we, therefore, look forward to his giving great support to his senior Minister Martin Joseph.

Madam President, I thank you very much for the opportunity. I hope my words have not fallen on deaf ears. If there is disagreement, I want to assure the Senate that it was given with all sincerity in the name of our country's progress.

I thank you.

The Minister of National Security (Sen. The Hon. Martin Joseph): Thank you very much, Madam President.

My colleague, Sen. Prof. Deosaran, in coming after Sen. Mark said that it was a hard act to follow. I am placed in a strange situation coming after my colleague, who made certain comments, some of which I want to address. Before I do that, I want to indicate to him that I listened with intensity to the contribution he made and I assure him that as soon as the *Hansard* is available, I would avail myself of it so that again I can read it.

He spoke about misguided diplomacy in terms of how we are dealing with the police service. As the Minister of National Security, my philosophy is to praise in public and to criticize in private. I cannot, notwithstanding the limitations of the police service, publicly beat upon the police service. That is the same police service that has to provide us with whatever it has to do in the immediate, as we transform. I want Senators to understand that this Government is not unmindful of the fact that the police service needs to be transformed—and I will come to that just now. We are going to be taking measures to do that transformation. I smile because I am sure that when these bills come to the Parliament, I have, if only one supporter on the Independent Bench, it is Sen. Prof. Ramesh Deosaran. I am not playing politics, because by listening to the concerns that you have raised, the question about the management of the police service is paramount.

Let me just indicate some of the things we have done so far. We recognize that we have to change the leadership of the police service from administrators to managers to leaders. We also recognize that the solution is not importing foreigners to treat with the executive leadership of the police service.

One of the first things that we did was introduce what I call an executive leadership development series. Let me tell you who are the persons whom we

Finance Bill
[SEN. THE HON. M. JOSEPH]

Tuesday, June 15, 2004

have had so far to share their leadership experience. For too long the police service has believed that police activities are unique to policing and that state-of-the-art, successfully operating organizations, some of those concepts cannot be transformed to the police service. All around the world they have gotten past that, but ours have been a little reluctant to take that on board.

The first person we got to talk to this executive leadership that I refer to, as the executive leadership development series, was Robert Riley, President of BP Amoco. He was followed by Mr. Harford, the Chairman and Managing Director of Republic Bank; Mr. Ken Gordon, Chairman of FCB and Chairman of the Prime Minister's Crime Committee and Dr. Bhoewar, Principal of the University of the West Indies. We then went outside. We brought in Chief Gerald Darling, the Deputy Chief of the Miami Metropolitan Police, to deal with some specific policing—the whole question of the COMPSTAT Model, the use of force and community policing.

Let me say something about community policing because we still believe that community policing ought to be a department of the police service. Community policing is now a concept. Successful policing requires community policy, so that we are getting people to—and I am glad that you talked about the 500 that you exposed to the whole question of community policing. When we move to a modern, successfully performing police service, community policing must be a way of life. There are some police officers who still believe that community policing is soft policing. Community policing involves going into schools and doing other kinds of things. We still have to get over that concept.

Then we brought in the former Mayor of Cali, Colombia, Mr. Rodrigo Guerrero, part of an IADB consultation that took place two weeks ago. Of course, you know that he had this real challenge with respect to kidnapping and crime in that city, so he shared some of his experiences. Only this morning, we had the Chairman of the Integrity Commission, Mr. Gordon Dean, sharing the experience.

So we are using local successful leaders in their various sectors because it has to start with a change in attitude. I said that we are trying to move from administrators to managers to leaders. We do not believe that the leadership of the police service could be comfortable and satisfied with what is happening in this country. We believe that provided with the right attitude and concepts, that change can be made. Like anything else, it is going to take some time, but efforts are being made in that direction.

We are trying to get to the point where the persons in charge of our nine divisions—I have to be careful because I say divisional commanders and

somebody said that I am borrowing American concepts—are responsible for the performance of their police station districts. Of course, you know we have nine divisions—eight in Trinidad and one in Tobago. Different divisions have a different number of police station districts.

We are taking crime statistics. As it stands now, we are getting it on a quarterly basis. That is still too late because we want the information to be almost real time so that we can identify the hot spots and the patterns in a particular division and as a result bring the resources to bear on that. You will never be provided with the resources. There will never be sufficient resources.

Philip Rochford used to say if a manager or a leader had everything that he needed to run an organization, then there is no need for management because management is about making decisions with scarce resources. So you will never have the resources. We are trying to get a change in approach to policing. These are the hot spots; these are the patterns; how do we now allocate the resources to treat with that, as opposed to saying, “I ain’t have enough of this”.

I hope a lot of people listen to what you are saying because you also hear other people in other quarters say that before the Government starts talking about the management of the police, we need more of this. Give them more vehicles. Give them more police. Provide them with more resources and some of us are falling into that trap; believing that that is the solution. It is a management challenge. I do not like to say a problem. It is a management challenge that we have to treat with.

My responsibility notwithstanding, because I am sure I will have an opportunity, and I look forward to treat with some of the larger issues. There are many people to come after and I do not want to be too long. I want to focus on the fact that the Ministry, for which I have responsibility, is provided with the largest amount of money—\$132 million and most of you have identified where most of the money will go; some \$94 million will go to wages and salary.

Let me say something because it needs to be put on the record. One of the things that this Government was bent on doing was making sure that the resources required for the police were provided so that we could not be accused of not satisfying the requirements of the police service. One of the first things was to make sure that the remuneration of the police was satisfactory to avoid them from doing other jobs; to avoid the temptation of saying that because we are paying them so badly, there is temptation.

I need to put that on record to clear up a little misconception that was in the public domain. I am going to take time to remind this honourable Senate, and by

extension the national population, that this Government, earlier in the year, successfully concluded negotiations with the police to improve their wages. The salaries of police constables moved from \$3,036 to \$4,395 per month; corporals from \$4,528 to \$5,805 a month; sergeants from \$5,537 to \$7,075 per month; Inspectors, from \$6,036 to \$8,405; Assistant Superintendents, \$7,270 to \$9,970 per month; Superintendents, from \$7,634 to \$10,720; Senior Superintendents, from \$8,377 to \$12,210; Assistant Commissioners, from \$8,949 to \$15,000 per month. That is basic salary.

If I tell you about some of the allowances, you will be amazed.

Allowance	Old Rate	New Rate
House	Married Officers \$900 Single Officers \$650	\$1,400 \$1,100
Duty (First Division Officers Only)	Nil	\$2,000 (Specialist areas) \$1,200 (non-specialist areas)
Cost of Living	\$55	\$60
Proficiency	\$575	\$600
	\$850	\$1,500 (Officers who are qualified Attorneys-at-Law)
Meal Allowance	\$375	

The allowances go on. So the question of ensuring in the first instance that our police officers are properly remunerated was taken care of.

Very recently you were hearing talk about police wanting to march for increased wages or for better conditions. The Second Division was making representation on behalf of the SRPs. As part of Government's SRP 1000 initiative, we recruited 400-odd SRPs. Under normal circumstances, SRPs are recruited and they are called to do special duties. This group was recruited a little differently to deal with some of the concerns at the time. Those SRPs are now paid a basic monthly salary of \$3,091, a meal allowance of \$375 per month and a COLA of \$55 per month, which brings them to about \$3,521. They are at the low end of the old police scale.

The Second Division is making representation while discussions are still taking place. The Second Division felt that they should have been involved in the whole discussion as it related to the recruitment of these SRPs in terms of the salaries, et cetera while they really have no locus standi under the law. That was the issue they were raising. The impression was being given that police officers are upset with how things are going and they want to march and the commissioner prevented them from marching—misconception. They are making representation on behalf of some 400-odd SRPs.

The first area for which an additional \$94 million is needed is to treat with some of these salary-related issues. The second area for which some \$5 million is needed: \$1 million for the Military Led Academic Training (MILAT) and \$4.8 million for the National Youth Service. This Government recognizes that we have to take a holistic approach to dealing with crime and criminal activity—challenged young people. People have been talking about the need for national youth service and we are looking at the development of a national youth service.

The mission is:

“To engender in young persons between the ages of 18 to 30 the value and benefits of giving back to their communities through selfless service.

‘Creating the Will to service’”

So the \$4.8 million for which we are asking for the National Youth Service is to develop a pilot project to deal with the development of this particular area.

In terms of MILAT, as I said, the Military Led Academic Training Programme, the mission is:

“To alter, in a quasi-military environment, the attitude and response of young persons between the ages of 16 to 20 years to the value of instruction and accepting personal responsibility to enable their attainment of a full certificate of secondary education.”

These programmes are led by the voluntary arm of the Defence Force coming out of the success of the Civilian Conservation Corps, but it is a spin off, again designed to engage young people who, under normal circumstances, would not be properly channelled—to get them out of crime and criminal activity. That is the second area for which funds are being requested.

The third area for which money is sought: my colleague talked about the PNM making promises and not being able to keep the promises. The Prime Minister, in his budget speech, it is history, indicated that crime and criminal activity was

Finance Bill
[SEN. THE HON. M. JOSEPH]

Tuesday, June 15, 2004

really the dark cloud hanging over the nation. He indicated further—and I have to be careful because I think that Sen. Prof. Deosaran did it all for me; I am not going to say anything more on that—that a special Anti-Crime Unit needed to be established. That Anti-Crime Unit became operational in January of this year and in order for it to be operational, it has to be provided with funds. Part of the funding—I will indicate but I cannot go into detail—is with respect to some of these activities.

I keep being accused of being the silent Minister, the Minister of National Security whom you cannot see and “he needs to come in the public a little more often”. That is not going to happen. If that is the expectation, I am sorry, it is not going to happen because the responsibility of this Minister of National Security, as I see it, is to make sure that the Executive understands what the law enforcement agencies need, provide them and challenge them to make sure that the performance necessary is provided.

I was reading this document, the *Report of the Police Service Commission* that I saw today, but which was laid in the Parliament. There is an interesting part. Permit me to read from the second paragraph of the foreword. The pages are not numbered. I am just highlighting a little part of it because it is very instructive.

“The Commission is an independent body whose members are appointed by the President after consultation with the Prime Minister and the Leader of the Opposition. The Constitution gives no power to, and confers no legal duty on the Commission to manage or to supervise the operations of the Police Service. By section 85(1) of the Constitution the responsibility for the efficient and effective management of the Police Service is clearly and specifically that of the Minister of National Security, the Permanent Secretary of that Ministry and the Commissioner of Police. Under the doctrine of ministerial responsibility, it is the Minister who is answerable to the nation in Parliament for the efficiency and effectiveness of the Police Service.

On the other hand, the management and control of police officers are the responsibility of the Commissioner of Police who is independent of any ministerial or political control in the area of crime detection, law enforcement and keeping the peace.”

My colleague, this evening, was doing a little equation to show how it is that the Minister is supposed to be responsible for a certain aspect, yet at the same time, the aspect that will ensure the whole question of safety and security, he is not responsible for. So there are some serious dichotomies that exist as it stands now.

My colleague indicated that it is time that we start getting value for money from the operation of the police service. We will make every effort to get value for money, but we are constrained. There is no question about that and pretty soon an opportunity will present itself for which we can remove some of the constraints in order to have a better handle on how the police service is managed and operated so that we can get the type of society for which the law enforcement agencies have primary responsibility.

Madam President, with these few remarks I thank you for giving me an opportunity to participate in this debate.

Sen. Roy Augustus: Madam President, thank you very much. As usual, I will not go into any marathon. I will try to make my points as succinctly as possible.

I listened with a lot of interest to the Minister of National Security and I want to indicate to him that we on this side have absolutely no problem with any allocation of funds to the Ministry of National Security in a variation bill, particularly when we are dealing with a situation of crime in this country. You did not have to make any real defence of increased allocations to the Ministry of National Security. Neither on this side are we against the point that you made coming to the close that the Commissioner of Police must be responsible for the management and control of police officers, particularly when you went on to say that he must also be independent of any ministerial or political control. That is where we stand on this side. Of course, as you indicated, we will go further into that exercise on June 29. It is interesting that you chose the 29th. I wonder why. You know that 29 in Whe Whe is opium. I wonder about the drugs in the pouch, the drugs in the tank and now opium and we are dealing with a bill that you say is anti-crime. Anyhow, we will deal with that when we come to it.

We will always be interested in what you are doing for the youth. Any kind of programme that is used to develop the youth in the country and to guide them in a particular direction as far as attitude and behaviour are concerned, we will always support. So when a government wants to spend money on that, we say that they are dealing with the situation of crime in a progressive way.

Finance Bill
[SEN. AUGUSTUS]

Tuesday, June 15, 2004

When a government decides not to spend \$100 million in the Ministry of Education, we say they are not serious about dealing with crime. It is my firm belief that the main vehicle in the long run to ensure that we deal with this crime situation is what quality of citizen we produce and that is the preserve of education. Therefore—I am saying it this way because I want to tell you that if you produce quality citizens, then those citizens will behave in a particular kind of way and it will give you better quality police officers.

As much as we talk about management and leadership and so on, remember that police officers are being recruited out of society and we have therefore to understand the kind of citizen we are recruiting out of our society; the kind of society our education system has developed over the years that would lead us to produce some of those people we are talking about now both in terms of the criminals and in terms of those in the police service and many other areas in our societal life, who are miscreants and who move away from the norms of good behaviour. I am saying that the Ministry of Education has a fundamental role to play in ensuring that we produce good quality citizens.

Therefore, when the budget was read and I saw the kind of money that was being allocated to the Ministry of Education, I felt good; I felt that we are being serious about education. The first intimation I had via papers from this Parliament when the variation bill was coming, that we were going to hand back \$100 million from the education budget and reallocate it elsewhere, I got very worried. Is it, Madam President, that we did not sit down carefully and work out how we were going to spend that money that was allocated to us? When I got this information, I talked to people in the service because it affects all of us, not only within the service, but also outside the service. One “wag” said maybe they got too much money. I said that there could never be too much money in the Ministry of Education because there is so much to be done. The “wag” continued, “No, maybe they did not think about it properly. Maybe it was that the allocation was not decided upon in the boardroom of the Cabinet, but elsewhere”; maybe in a kitchen. Having allocated that sum of money now, we cannot spend it, so we hand back \$100 million.

What could we have done with that money? I am looking at the Heads here. We are talking about improvement, refurbishments and extensions to primary schools. The state of disrepair of many of our primary schools in this country begs for attention; begs for help. There are teachers out there—and just as people talk about police officers who are not working, we talk about teachers who are not working too, but in the main our teachers are extremely good workers and on many an occasion I have called some of them magicians because of the quality of

work they produce in the kinds of buildings in which they are asked to perform. This is something that has been going on for years.

There was a time when we could have said that we did not have the money. We cannot say so today because we have \$100 million we were not able to spend. I listened to the Minister earlier reading a statement and I was trying to figure out the reason for that statement. While listening, I asked whether there was anybody in the Ministry of Education who could write a speech in the past tense. I keep getting speeches in the future tense. Of course, I looked back at the budget 2002, the budget 2003 and this statement this morning. They seem to be the same. “We will do this. We will do that. We will do the other.” Therefore, “we will refurbish primary schools; we will repair primary schools” and we are getting a litany of “we will do this” each year.

I want to hear that we have refurbished 250 primary schools. Do you know why I want to hear that too? Because there used to be a small department in the Ministry of Education called EFMU and that “U” stood for “Unit”. I understand it is now being converted to the EFMD, which means that the “D” now becomes “Division”. My information is that that division will now have a director. I am happy that we are looking at a division for the management of the educational facilities in our country and I am looking at the expansion of that unit. My information is that there are about 43 to 50 persons in that division. It is larger than many of the divisions in the Ministry. Again, I will have no quarrel with that if the work is being done. If that division exists and it has so many people and yet it cannot convert “we will repair schools” to “we have repaired schools”, then I am worried.

That division cannot convert “we will put additional blocks on to certain secondary schools in the country so that we will have additional space”. The schools are listed. That division has not converted “we will add blocks” to “we have added blocks” and it allows \$100 million to go back. I understand that a Kenrick Burgess, someone who wrote a report on the Biche High School, heads that division. I remember that report very clearly, so probably—

Sen. Manning: I would like to inform the hon. Senator that that division is headed by one Mr. Tom, an engineer, a project manager and a senior manager at that.

Sen. R. Augustus: Thank you very much. I stand corrected. It was my fault. I understand that Mr. Burgess is a consultant in the Ministry of Education. I am very sorry for having made that error. He is a very highly paid consultant, I

Finance Bill
[SEN. AUGUSTUS]

Tuesday, June 15, 2004

understand and —[*Interruption*] I am not saying he is not worth the money. After all, he wrote a report for you. Certainly, he is being paid for the work he did before to deprive so many children in Biche from attending a school in their locale. So he is still being paid.

I am saying that Mr. Burgess is the big consultant who said that there were 50 projects running simultaneously. He is a project management consultant and therefore he would get things streamlined. My information is that since he has stopped those projects, everything has stopped. They are still streamlining and Mr. Burgess is still being paid. There is also information, which says that not only has Burgess come, but he has brought people from his private company on to the payroll. I do not know if I have to be corrected at this point.

Sen. Manning: I feel I have to be getting up and down, Madam President. I do not know where the goodly Senator is getting his information, because they are not facts. In the EFMD, at this time, there are about 42 members of staff. There were advertisements in the newspapers and a number of people applied. We have employed a number of very young engineers, some now out of school, some with experience. The division is up and running slowly, but up and running at this time. I would really like to ask the hon. Senator to make sure he has his information correct so that he is not putting on record things that are totally not true.

Sen. R. Augustus: Madam President, I do not understand from the explanation how what I am saying is totally untrue. I am talking about 40-plus workers. I am talking about Mr. Burgess being the project consultant. I have accepted the correction because it was my error, but I still want to argue that there are a couple of people from Mr. Burgess's private firm who are part of that EFMD. Be that as it may, I go on. The point I am making is, having done all of that, we still have not been able to deliver repairs to as large a number of schools as has been budgeted for and therefore we have to send money back.

We have been talking about computer labs in every school. How far have we reached in that project in terms of the computer labs in our schools? Have we completed that exercise? If we have, then I can say congratulations and you have been able to save money that is why \$100 million is going back. You were able to spend the money with thrift, saved money and sent it back.

Have we completed the exercise of the computer labs in schools? The science labs that we have been talking about; the magnet schools that we have been talking about—I understand that we cannot find proper sites because the site

committee has not been able to meet because of someone from the Ministry of Works not coming on; a simple thing like that. What are we doing? While we send back \$100 million to the Consolidated Fund to be used elsewhere, there are education district offices in this country where the phone lines are cut regularly. The phone lines are cut regularly and we are sending back \$100 million?

There are education districts in this country which are without minor equipment, like a fax machine, like a proper working computer, education offices and they are talking about the nine districts that were alluded to earlier where there is an office in each of the districts to manage the affairs of the teaching service in the district and the school population not yet on line. They are not yet on line, and we are sending back \$100 million to the Consolidated Fund?

We have been talking decentralization. We have taken a person who has come through the ranks and placed her in charge of the Decentralization Unit. At last count I remembered it was a lady who was a CEO; a lady considered to be pretty competent for decentralization. What do we mean by decentralization? It is where we acquire property for proper offices for education districts and where we equip those offices properly in each one of the districts and where we staff those offices, not only with the full complement of supervisors, which is something we do not have today—we do not have the full complement of our supervisors in the education district and expect schools to be supervised—and we are sending back money. We are supposed to have those offices staffed with guidance officers, counsellors, special educators; all kinds of human resource to assist in providing the quality citizen that we want to get leaving schools.

My information is that only two districts have been on the verge of decentralization. They both used to be housed in the same office. I understand that they have now acquired property for them. One is Victoria, which includes, I think, the constituency of San Fernando East, and the other is St. Patrick. You know the name? St. Patrick! Maybe it is co-incidental. Those are the only two, so we still have seven districts with which to deal. I am not too sure, when I say that decentralization has taken place, that they have been equipped and staffed. They now have buildings, but have they been equipped and staffed? That is what I am talking about when I worry about \$100 million going back.

I am happy to see that there is a unit now headed by a Dr. Mayers. I never knew the lady, but there is a particular guy in the unit for whom I have a lot of respect—Mr. Lochan, I think he is. I am happy because that is a question of teacher education and I see it has been set up and that terms of reference have

Finance Bill
[SEN. AUGUSTUS]

Tuesday, June 15, 2004

been given. I am hoping, therefore, that the next time we have an exercise like this, when we get the report, we will get it in the past tense indicating that they have done some work, if they are allowed to do so.

Some of this money that went back could be used elsewhere. I have been arguing always that it is about time we stop moving teachers out of schools during school time to go on courses sponsored by the Ministry of Education. There is nothing to replace teacher/child contact when you lose those hours. On any given day, teachers are out of school on Ministry-sponsored courses. Maybe we can allocate some of that money that went back and in future allocations to having courses during the long vacation that teachers get; courses that will have credits leading toward diplomas or degrees.

Madam President, you know that we are now going to appoint only people with degrees as principals in primary schools. So what we have now is a situation of people going away from schools to study and becoming principals while those who remain in school and work hard cannot become principals. I am saying that you have to provide them with the opportunity from now. The young people must be exposed during the July/August vacation to credit courses so that we will not have to take them out of their schools and deprive our children of that teacher/child contact.

6.10 p.m.

Some of the \$100 million could have been used to pay the gratuity and pension of some supervisors who have not yet been paid, I understand. Although there is a Cabinet Minute which indicates that the allowances which supervisors get now are pensionable, people who are retiring as supervisors, however, are retiring on their old salary, minus their allowance. My information is that there is a Cabinet Minute of November or December, where the authority was given by Cabinet for these allowances to become pensionable and, therefore, to influence the kind of gratuity and pension that people get until the full de-linking exercise has taken place. Why has that not been implemented? Yet we can give back \$100 million to the Consolidated Fund.

I am happy to hear the Minister of National Security talk about increase in salaries as an incentive to the human resource factor, which is the policeman. In the same way, salaries and increases in salaries must be used as an incentive for our people in education, particularly our supervisors. Again, I was talking to some of my principal friends who have refused to apply for positions on the supervisory staff. They are thinking down the road—they are properly

qualified—in terms of what remuneration they would get when they leave the service. They do not know what is happening. They are seeing their seniors going home, almost as paupers. We have sent back \$100 million to the Treasury.

There is much that can be done. We have to. I do not know whether we have built any schools in the last couple of years. We have opened the schools. I heard that there were seven schools built in 2002. We have opened schools that were built before. Correct me if I am wrong. We need schools. We need secondary schools in the Diego Martin area. What has happened to all the noise and bluster that was being made? The Government said: “We are building in Westmoorings. Who do not like it, that is their business.” Was the \$100 million not enough for the Westmoorings schools? Do you know why I have a passion for the Westmoorings schools? I remember an idea that was generated just before I served in a short stint in the Ministry of Education. I think it was conceived by the same Chief Executive Officer whom I was talking about previously.

I remember the Ibis High School. While it was not my specific responsibility, I went into that school, because there were children from the areas in which I lived. These were children who needed a lot of help. I liked the idea. I was not comfortable with the locale, but I liked the idea and the kind of programme that was being developed for them. Then I looked at the plans. I remember a senior officer in the Ministry of Education had on her wall, the number of schools that were being built. There was always pride on that senior officer’s face when she went to the wall and saw the progress that was made towards the design to construct these nine, 10 or 11 schools. I kept saying: “We will keep the children in this building, teacher-contact is important for the short time that it will take us to build those schools in Diego Martin.” Teachers would know, you always try to mainstream children.

I remember clearly, the political football that took place about the poison in the building. Do you understand? There were all kinds of stories. That building is being used today, by the very Ministry of Education. Those children were taken out and they were sent to a trade union hall in Laventille. There was nothing there. There is no longer the kind of quality that we had in the Ibis High School. What is a major secret, is that the same teachers who were also engaged in the political battle—who said that their hands were getting blue, red, all sorts of nonsense—for approximately two months, 12 or 13 of them, did not go to school. They were also protesting about the conditions there. Nothing happened to them. Teacher/child contact was lost. That is politics. I always rue that I was not able to stand up to people, even more, during that period. Those children could have

Finance Bill
[SEN. AUGUSTUS]

Tuesday, June 15, 2004

benefitted more. Now they are in Morvant. My report is that things are still not as they should be. There are some members of senior staff who are telling me the kinds of problems they have.

We have a way of dealing with the thing politically and then taking the political problem and putting it in a nice image outfit and leaving it. The problems that exist at the Russel Latapy High School are rife. The \$100 million could have been spent in some way to provide better teacher training for that particular kind of school, so that what exists there now would not have been allowed to reach the stage it has reached. That is all I am saying.

I have always said that I would monitor what is happening. This is not because I want to criticize anybody—please forgive me if it sounds like criticism—but because it is essential that we talk about education, just as we talk about many other things. Hon. Minister, I do not mind that you had to get up. The more you get up, the more information you will provide me. I really want information, so that I can know and the population can know what is happening in our schools.

With those few words, Madam President, I thank you for affording me the opportunity to engage in this debate.

Sen. Mary King: Madam President, like my colleague before me, we welcome the opportunity to be able to discuss some of the items before us; not that we are criticizing, but we feel by the exchange and osmosis we may get something better.

Madam President: Could you please give way for the Procedural Motion?

Sen. M. King: Of course.

PROCEDURAL MOTION

The Minister of Community Development and Culture (Sen. The Hon. Joan Yuille-Williams): Madam President, I beg to move that the Senate continue sitting until the completion of the debate.

Question put and agreed to.

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) (NO. 2) BILL

Sen. M. King: I was saying, by exchange of ideas and listening to each other, we all learn. Perhaps, we will come out with a better Trinidad and Tobago than we have today, if we are not so sensitive to people's opinions.

The Bill before us is a Finance Bill. Its implementation has nothing to do with our approval; whether we approve of it or not. I would just use some of the headings before us as lead ins to some of my questions and to make some comments.

We note, under the Heads of Expenditure, the Government wishes to increase the allocation for the monthly operation and maintenance of constituency offices. This is indeed very laudable. I wish to bring to the attention of this Senate and the Executive that the Independent Senators are representing a vast constituency of people, in particular.

We have quite a lot of work to do, both for meetings of the Senate and for the special committees which we are all on, yet there is very little support for us in the form of research assistants and the like. We do get some marginal support from the present staff of the Parliament, but it is both insufficient in number and is certainly insufficient. It is not at the correct level of the kinds of staff that we want for analysis. This allocation for the Senate, I believe, needs to be substantially increased if we are to develop the capability and capacity to do the job that the public expects of the Senators; in particular, the Independent Senators. They write and call us all the time. We have to go and talk to them. There is much work to be done and much analysis to be taken care of.

I noted under the Ministry of Finance, the Government has underwritten a discounted rights issue at BWIA so as to meet critical payments and working capital. I am making a presumption here that this means that the people of Trinidad and Tobago now own additional shares in BWIA. I have my doubts whether BWIA, in its present form as an international carrier, is really going to be an efficient carrier and whether it should not be considered as a regional airline. But you know, time will tell. I would like the Minister to answer that particular question when he is summing up; as to whether or not we will now have additional shares in BWIA.

I also noticed that Caroni (1975) Limited is again getting a \$30 million handout. I would like to ask what really is the vision for Caroni (1975) Limited? Are we going to continue to subsidize our high production costs, or are we going to declare sugar as an area for development and research, maybe at the new University of Trinidad and Tobago, in order to produce new and competitive products? Research worldwide has developed areas for added value, such as fibres and ethanol from sugar. What are we doing? What are we thinking about? Are we going to have some research done at the new university? Are we going to

Finance Bill
[SEN. KING]

Tuesday, June 15, 2004

continue, like Caroni (1975) Limited, to be a URP-type social service? If so, how does Caroni (1975) Limited really fit into our Vision 2020? We need to be very clear on the spending of these scarce resources.

Another area I paid particular attention to was the fact that we had a very lively discussion in the Senate, not too long ago, on the performance, as indicated by the Auditor General of TTPost. Yet, we see that we are giving another allocation, this time \$15 million, to implement a pension plan and to fund a projected deficit. My question is: Is this a short-term measure or can we expect this also to continue; especially now that our New Zealand partners are bidding us goodbye? Through you, Madam President, what is the allocation really about, Mr. Minister? I have concerns about this allocation.

Another area is the Ministry of Science, Technology and Tertiary Education. This Ministry is getting \$85 million extra to implement various training programmes. These various training programmes are at the craft/skills level. Part of it is to establish the University of Trinidad and Tobago. How do both of these fit the economic restructuring of Trinidad and Tobago's offshore sector? How does it link with the development of the onshore sector? We have also been told, and we note, that the university would be an entrepreneurial and development and research university. This is good, but I think that it will fail in its objectives if the other points of the diamond, which are critical to national development, are also not in place. These other points, that I have mentioned in this Senate many times, and in other places, include venture capital; that really takes the economic development risks and the market development to facilitate the branding of any new innovative products or services that we should develop.

When I look at the amendments to the Venture Capital Act, which we have in our possession, those amendments do not address this problem. The new procurement of the Government products and services will also have to be readdressed, if we are going to avoid the liberalization, as was suggested by the World Trade Organization. As we expect, and the Minister expects, we will be forced to implement it in Trinidad, under the Free Trade Area of the Americas, if they are to give our start-ups a firm advantage in the development of the onshore sector.

However, we must live in hope. At the end of the day, the Minister will tell us whether we should live in hope; that the idea behind the University of Trinidad and Tobago would be expounded one day in this Senate so that we can all benefit from the wider platform of comment and information sharing that ought to take place before the final establishment of the new University of Trinidad and Tobago.

On a related note to science and technology, I note that \$6.65 million is being allocated for the National Information Communication Technology (NICT) Plan. The initial sum that was given to this plan was \$1.5 million for pilot projects. We have no idea what these pilot projects were and what exactly will be the projects under the \$6.65 million that we are now allocating. What are these? I note also that we intend to employ a swathe of consultants. I am wondering, are these going to be the usual visitors from the North? Can we not use this NICT Plan to develop the local capability and capacity of our own telecommunications and IT professionals? Surely, our University of the West Indies has been providing competent engineers and computer scientists who are at present tragically under-utilized. Can we not use the opportunity of developing the NICT Plan, among other things, to create a new start up, high-tech industry in Trinidad and Tobago?

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

I noticed we are very sadly lacking in linkages, as exemplified by the number of software/hardware systems that are being put out to Government tender, presumably to be supplied by foreign intellectual property; another area where we can create the linkages and develop an IT industry in Trinidad and Tobago. One example of this is tendering and, obviously, looking for foreign intellectual property. We have allocated \$10 million to the Ministry of Housing to develop its land bank GIS system. How much of this is going to be allocated to foreign intellectual property? How much is going to be for local chaperoning of the foreign imports and importers? I really have to ask the question: Are we serious about developing a local IT industry? If so, why are we not walking the talk?

We are also providing \$22.1 million to alleviate the adverse impact of recessionary pressures, which are being experienced by the member states of Caricom. This is recognized as part funding of the revolving fund and to meet the expenses of the secretariat. Mr. Vice-President, simply giving loans to our partners in the region is of little use, as we saw before in the days of the last oil boom. Caricom is a valuable market for us. The best way for us to develop it is to invest in it ourselves, not by way of loans. I suggested, already, if we are intent on building a smelter—I have my reservations on the feasibility of such a smelter—it should be built either in Jamaica or Guyana and the natural gas shipped there; rather than trying to build it in Trinidad and Tobago. This will provide jobs in the region and, obviously, develop people of those islands, so that they would become our customers for all our export markets.

I also noted that the Laventille Tech Centre needs another \$15.2 million and that it is scheduled to open in September 2004. I must ask whether we have the staff to man this institution? When we opened the John S. Donaldson Technical

Finance Bill
[SEN. KING]

Tuesday, June 15, 2004

Institute, we had equipment, classrooms and workshops, but we had insufficient staff. It was “ole mas” for some time. It looks like today, for different reasons, we will still have “ole mas”.

On a related question, I would like to ask the Minister, with respect to phase one of the development at Laventille, whether that tender went out for open tender? If so, how many people tendered? There are doubts in the minds of many people that this particular development was not tendered for, under the conditions that we normally expect from the Government of Trinidad and Tobago.

Mr. Vice-President, still on education. The Bill tells us that MIC, Cariri, IMA, JSDTI, San Fernando Technical Institute, TTIT and the Point Fortin Vocational Centre will all form part of the new university. If one is allowed to say, I dare say, and I will say, this is, to me, indeed an unusual collection of institutions to form our university. This grouping ranges from the craft and vocational levels, to the technician, the technologist, the professional engineer and research scientist. It spans the gamut of the science and technology. It is unusual even for institutions of technology, such as MIT, et cetera. I have a concern about the managerial problems that this can present and more so, on the propensity for a lack of focus. We cannot have so many different levels attached to a new so-called university. It is not making any sense or gives me the idea that we have not actually focused on what we want that university to do. The idea of focus that we understood was to generate new and innovative start-up companies and develop new and innovative entrepreneurs. The mention of the structure of the university in this Bill is en passant. We look forward to a proper laying, in both Houses, of this very exciting project and a very exciting prospect of a university geared towards entrepreneurship and industrial innovation.

Another item, I noticed, which has been mentioned before today is that we have stopped the renovation of the Red House, pending the decision of the House Committee, in the light of the Prime Minister’s ambition to occupy these hallowed halls. I know that, but for now I am going to let sleeping dogs sleep.

We also note that \$32 million was allocated in 2004 for the teaching and learning strategies, under SEMP. Part of this included the installation of computer labs: computers, software, Internet connections, upgrade of multi-media and the upgrade of the science laboratories. Together with this money, ministries appear to be doing their own thing, with respect to computers, networking, software, broadband and wireless. You name it, they are all doing it and they are all involved in it with no cohesive plan, from all appearances.

On a related matter to education and SEMP, we had a statement today, which raised a few questions for me. When I picked up the first error on the statement, I thought I would read it. The first thing that caught my eye was that it is dated May 15, 2004. Then I read:

“Statement by Senator Hazel Manning...at the Senate...”

Whether the English is correct, I doubt. I do not know whether it should have been, to the Senate or in the Senate. I do not think it is:

“...at the Senate of...Trinidad and Tobago”

I am just skimming through it. I am sure the Minister did not write this speech. We found one error on page three, which they corrected. On page four, paragraph two, we have:

“Madam President, there are many other initiatives that are assisting students, their teachers and their parents. These include consist of...”

I am really at a lost that this is coming to this Parliament.

“These include consist of...”

On the last line of the same paragraph it states:

“It also includes the establishment of Homework Centres by and the increase support for...”

I presume we mean, increased support for. Then we have—[*Interruption*]

Sen. Manning: I would like to say to the Senator that those corrections were made. I did not say that. If you look at the original, which I have, before I made my contribution, I made the corrections. Those corrections were made.

Sen. M. King: Mr. Vice-President, I am reading from what was circulated to us. The Senator’s corrections were not picked up. Another one, Madam Speaker,—[*Interruption*] No, I am reading from the document.

“Madam Speaker,

It was prepared for the Senate, but we are “Madam Speakering.” I have a problem with that.

“...for the first time in the history of Trinidad and Tobago such great emphasis will be placed in facilitating...”

That sentence is finished. We could not have that. That is not proper English. If we are saying such great emphasis, we have to say that we did something. We say such great emphasis was placed on something that... The document states:

Finance Bill
[SEN. KING]

Tuesday, June 15, 2004

“...such great emphasis will be placed in facilitating the immersion of Special Needs Students in our education system.”

There are a couple of others. The last one, to me, is absolutely amazing. It is the last paragraph of the last page.

“The substantial investment of eighty point twenty-seven (\$80.27M)”

I never heard of it in my life. I presume the Minister meant \$80.27 million. Eighty point twenty-seven does not exist in the scheme of things, especially in Mathematics and statistics.

However, going back to the funds that have been spent by the different ministries, my concern is that all these funds are coming out of the people's pocket. That is our pocket. Without some kind of coordination, into a master plan, we could get mismatched, poorly constructed systems that contribute very little to an increase in efficiency throughout the ministries in Trinidad and Tobago. One must ask, how does the computerization and the networking of the various ministries: e-government and the NICT plan all fit together? Do you have to fit them all together? Tell us, what are we actually doing? We do not have a clue at this time.

I also note, and I will comment on the Health Sector Reform Programme, that it is not going as quickly as expected. The reduction in the 2004 allocation to health is recommended. This may or may not be unrelated to the recently announced commission of enquiry into the health sector by the Executive. Yes, the Executive has a right to enquire into anything it likes. It must be remembered, however, that there is a parliamentary Joint Select Committee, which is at present addressing this task. One hopes that this does not impede the other, or that such an opportunity is not seized to do just that. We have concerns about that.

Mr. Vice-President, I wish to conclude by saying that all we have before us is a request to spend another \$644.8 million, since what was originally allocated was proven to be insufficient. We note that for the 2004 budget, we were given both a deficit and the intention to borrow some more money. We expect that, with the high-energy prices for the year so far, our income would have actually increased. I would have thought that by now, a report on payments made by foreign investors would have been released to the public, under our obligations to that initiative: the Extractive Industry Initiative that we signed last year. Perhaps, this gentle reminder to Sen. The Hon. C. Sahadeo will result in this information sharing, which we agreed to as a country and expect as a Parliament.

The other question on the income is, what part of it will be injected into the energy stabilization fund? What part of it will go into the fund? We have not debated what we will do with the fund. I think that can wait for another day. Mr. Minister, through you, Mr. Vice-President, I have raised many questions. I trust that the Minister of Finance would be good enough to respond, if not immediately tonight, perhaps at a later sitting. I thank you very much.

The Minister of Foreign Affairs (Sen. The Hon. Knowlson Gift): Mr. Vice-President, last week during my absence from the Senate, Sen. Wade Mark, with his usual propensity for the dramatic and the sensational, raised a number of questions in a language—if I might quote a couple of his references: spending spree, scandal, PNM secret order, taxpayers' expense; all of this in relation to what he was describing as transpiring at the Trinidad and Tobago High Commission in Canada.

I thought that the Acting Minister, my friend and colleague, Sen. The Hon. D. Montano, dealt with the issue rather clearly.

Sen. R. Montano: Mr. Vice-President, on a point of order. The Minister seems to be going back to the debate—

Mr. Vice-President: Please state your point of order.

Sen. R. Montano: The Minister is being irrelevant. He is going back to a debate that took place last week.

Mr. Vice-President: Sen. Montano—

Sen. Seepersad-Bachan: It is not relevant.

Sen. R. Montano: It is not relevant to the debate today.

Mr. Vice-President: Sen. Montano, the issue was raised today. This is a finance Bill. Please continue, Sen. Gift.

Sen. The Hon. K. Gift: For the fidelity and completeness of the record, even though I thought that my colleague, Sen. The Hon. D. Montano dealt with the issue rather completely. It seems that on the other side, they are either falling asleep, or not paying attention. For the completeness of the record, I want to read the latest information out of the High Commission in Canada, to clarify beyond any reasonable doubt, the situation and the questions posed by Sen. Mark. This information, which reached me this afternoon, is barely a couple of days old.

Tuesday, June 15, 2004

“SUBJECT: Vehicles at the High Commission – Ottawa

1) In August 1997 a Mercedes Benz was leased by the mission for 48 months at a monthly installment of \$1,060.341 for use by High Commissioner Robert Sabga. This lease terminated on the 19 September 2001.

2) In December 2001 Audi #014CDW was leased by the mission for use by the said High Commissioner, over a period of sixty (60) months and eighteen days at a monthly installment of \$1,264.76.

3) In February 2003, High Commissioner Arnold Piggott assumed duty at post at the High Commission of Trinidad and Tobago, Ottawa. This mission has continued the leasing of the aforementioned Audi for use by High Commissioner Arnold Piggott.

This vehicle is now 30 months old and has caused some embarrassment to the High Commission. During the last winter (2003) the Audi #014CDW became inoperable while on the roadway on at least three occasions. The last being in the middle of the down-town Ottawa area.

4) The existing service vehicle at the mission is a 1995 Oldsmobile #151CDE which was bought in 1996, to be used for general purposes. It is a nine year old vehicle, which has outlived its useful life. At present, this vehicle is a liability for the approaching Canadian winter.

The mission proposes to dispose of the 1995 Oldsmobile on the open market, since an appraisal by a reputable motor vehicle firm has given it a market value of Cdn\$2,000.00 but marketability will be an issue.

5) In May 2004 a Nissan Armada was leased for use by the mission, as a replacement for the Oldsmobile on the basis of a lease arrangement over a period of 48 months on a monthly installment of Cdn\$859.62. This excludes GST (Goods and Services Tax) of Cdn\$60.17 and a PST (Provincial Sales Tax) of Cdn\$68.77...

The purpose of this vehicle is as follows:

- (a) Internal mail/package distribution
- (b) Transport of the diplomatic bag to and from the mission
- (c) General movement of officers around and out of town
- (d) Attendance of officers at meetings and official functions

- (e) Transporting Staff, equipment and promotional material to special event sites
- (f) Transporting supplies to High Commissioner's office and residence
- (g) Transporting visiting officials from Trinidad and Tobago
- (6) At purchase the Audi was equipped with a semi built in Cellular Phone, which was originally in the Mercedes Benz. However, that phone became non-functional and a replacement phone was installed. This phone is not portable and can only be used when the car is operational and is required for greater efficiency and security.
- (7) The hand set cellular is a seven (7) year old phone which was acquired in 1997 by the mission for use by High Commissioner Robert Sabga and now being used by High Commissioner Arnold Piggott has become outdated and due for replacement.
- (8) I wish to unequivocally assert that contrary to any claims, the recently leased Nissan Armada is not for the exclusive use of the High Commissioner, Ottawa, who will continue to use the official vehicle which is the Audi #014CDW, which has been so assigned."

Mr. Vice-President, I thought that for the clarity and fidelity of the records—since Sen. Mark raised it in the afternoon and since he referred specifically to the question of Members misleading this Senate and the penalty that may be applicable thereto—we should set that record straight. I thank you.

Sen. Prof. Kenneth Ramchand: Mr. Vice-President, I want to begin by saying that I share Sen. King's concern about money being allocated to TTPost. I share her wish that details about the University of Trinidad and Tobago be brought to this Senate for a debate at some time soon. I have my own misgivings about money being doled out to LIAT. I am a federalist and I would not support a regional airline. I do not believe in those kinds of gifts. I am very concerned about what SEMP has done, is doing and how much it has spent. I would have called for a commission of enquiry into the operations of SEMP, except it will take 10 years. I would certainly like an investigation and a full report about SEMP.

I wanted to support Sen. Prof. Deosaran in his argument, that we are spending money on the Magistrates' Court that may well turn out to be space required for the Parliament in due course. I cannot support him because I would be condoning an illegality.

Finance Bill
[SEN. PROF. RAMCHAND]

Tuesday, June 15, 2004

I am very troubled, by a reference to a Cabinet decision that the restored Red House be allocated to the Office of the Prime Minister. I want to remind the Parliament and the Government that the decision to renovate the Red House, to make it more accommodating to Parliament, was a unanimous decision of the Parliament. I do not believe that the Cabinet has the right to reverse a decision of Parliament. If Cabinet wants to overturn a decision of Parliament, there is a procedure. It has to bring an amendment to Parliament and let us have a debate on the subject: What the renovated Red House should be used for.

Sen. Dumas: Why?

Sen. Prof. K. Ramchand: Why? I am talking about the Constitution of Trinidad and Tobago. I am going to let sleeping dogs lie. I just wanted him to raise his head and bark once. *[Interruption]* I am not like Sen. Mark, I am not taking you on. *[Interruption]* “I done. Ah fend twice.”

The document before us has alarmed me; it has reawakened many of my fears about what is going on in education in this country. Given the importance of education, the dereliction of our schools, the lack of basic equipment and the demoralization of many of our teachers, I would have thought that education would be the last Ministry to return money to the Consolidated Fund.

6.55 p.m.

Mr. Vice-President, I make it my duty to go around to schools and talk to teachers. I do not quite agree with my colleague, Sen. Prof. Deosaran. One of his reports was quoted in the press as suggesting that many teachers are bandits. There are bandits in the teaching profession, but I agree with Sen. Augustus that our teachers—

Sen. Prof. Deosaran: Certainly, it was not reported as the Senator claimed. Nobody mentioned the word “bandit”. If this is his view about banditry, I certainly did not say so, and I wish that to be corrected. What I said was a large number of teachers commit absenteeism in the schools, and they throw that portion of the work onto the more conscientious teachers.

Sen. Prof. K. Ramchand: Thank you very much. Actually, I just call them bandits, because I call fellows who do that, bandits. Certainly, I know Sen. Prof. Deosaran did not use the word bandit. I call them bandits when they do that. There are bandits in every profession. A set of bandits was hiding another bandit when he was going to the Siparia Magistrates’ Court yesterday. I saw it on television. Did you see it? I do not want protection. If I dead, I will be leaving this miserable place and going to heaven. *[Laughter]*

Mr. Vice-President, I was talking about our teachers. They are performing magic and miracles every day. This is not only happening in primary schools. If you go to secondary schools and look at the desks that the children have to sit at; the chairs they sit on; the desks that the staff use; the condition of the staff rooms; the furniture in the staff rooms—you could feel the heat in there; they have no telephones; they are called to the telephone in the principal's office; and you cannot reach teachers in those schools. If you go to a toilet in most of those schools you would get constipated, and then there is the issue with teachers' salaries. People do not seem to understand what teachers do. I am going to talk a little about what teachers do.

Mr. Vice-President, teachers have to dress properly; they have to speak properly; they have to be on time; they are treated like little children; they have to go and sign a book, and the principal is waiting to see if they are late, and then the principal would draw a line. If teachers should reach to school late, they would have to sign below that line. The Ministry takes away the minutes from the teachers and then they hold it against them. If you are late very often, and you want a promotion, the Ministry would say, "Nah, this is a teacher who is always late." They do not think that on your salary you cannot afford a car and you have to get there by a taxi.

Teachers spend a lot of time at home preparing work; they spend a lot of time marking work; they spend a lot of time counselling children; they spend a lot of time cowering when children and their parents want to beat them and cuff them down; and teachers are glorified babysitters. That is why parents do not like it when teachers go on strike, or threaten to take industrial action, because they do not know what they would do, if the teachers were not in school to take care of their children, while the parents go out and work to bring in two salaries in their home. The Ministry of Education cannot afford to lose \$100 million. There is so much use for that money.

I want to go to the details and proceed through them in the way Sen. King proceeded through the document, but I only want to concentrate on the Ministry of Education.

Mr. Vice-President, we were told that there was an allocation of \$25 million for the construction of additional blocks at nine secondary schools, which were built under the Secondary Education Modernization Programme (SEMP). There was no expenditure under this Head. There was a sum of \$25 million and it was not spent. What is the reason for that? Is it still in the design stage? It took nine

Finance Bill
[SEN. PROF. RAMCHAND]

Tuesday, June 15, 2004

months to design an additional block. Are they bringing the experts from Timbuktu? Are there not people who could design a block in a week?

I do not want to sound as if I support the enlargement of our schools. One of the fundamental things that is wrong in the provision of education, is that we create these huge penitentiaries and then we put 800, 1,000 or 1,500 children in them. The teachers do not get to know one another; the principal does not know his staff; and the teachers do not know the students. If you want to solve some of the problems of discipline and lack of performance in our schools, we should have small schools for about 500 children, where the staff would know each other; the staff would know the pupils; and the staff would get to know the parents. There should be a small coherent unit almost like a family unit, and you are going to find that the children are going to respond to the human contact that they get in those schools. That is all they want. They want proper human contact and understanding. I do not know how any principal in charge of a school of 1,200 children could exercise any kind of management or control, when he or she does not know what kind of intimacy to create. You need the intimacy. I am not really in favour of putting additional blocks, but I am saying that if you had the money to put in additional blocks, and it is the Ministry's policy to have additional blocks, why are they taking so many months to do it? Why is it in the design stage for so long?

Technical upgrade of 100 secondary schools to establish multimedia learning centres: The sum allocated for this project was \$25 million to establish these multimedia learning centres at 20 schools. We are told wearily that it has reached the design stage. It took seven or eight months to reach the design stage. What do they have to design? Is it explorer III? We are not the first country in the world to set up multimedia learning centres. This is not the first multimedia learning centre in the world or the first multimedia centre in Trinidad and Tobago. Why is it taking so long to reach the design stage? The allocation of \$25 million is now being reduced by \$15 million. Mr. Vice-President, do you know what that means? It means that it took \$15 million to reach the design stage. What has happened to my \$15 million? I am vexed that it only reached the design stage, but I am also vexed that it cost me \$15 million to reach the design stage. I want some accountability.

Under teaching and learning strategies—this is a big glorious matter for this famous project called SEMP, led by foreign experts and deadbeat local experts—this is the wonderful magnificent thing that they are about to produce for us since they are telling us about teaching and learning strategies.

Thirty-two million dollars were allocated in fiscal year 2004 for the continuation of the textbook rental programme. I am coming to why they are doing that. What is the record? Mr. Vice-President, \$0.187 million was spent as at March 2004. If I give my son \$32 million in January, by February he would have spent all the money. A whole Ministry got \$32 million—seven months passed—and the Ministry only spent \$0.187 million. I am glad because I want to comment on this textbook rental scheme.

In the first place, if you are redesigning your education system—let us say that they were doing it in 1996; they would have known that the textbook is no longer the sole medium for education. The conventional textbooks—the kinds of textbooks that are being produced and sold here are outmoded and totally irrelevant, and they are not squared with the sensibility of our young people. The textbooks have to be redesigned. We have not redesigned the textbooks.

There must be an interactive book; there must be a book so that people who know about television and computers could read this book. We are buying these textbooks, which we are going to rent for at least three more years. One year after renting these textbooks, we should realize how obsolete and silly that was since it is money just going down the drain. Thirty-two million dollars were allocated to buy clapped-out textbooks to give to our children.

Well, I am glad that they did not spend the money, but we are threatened that in the academic year, September 2004, they are going to spend \$17.9 million; in August they are going to spend \$12.0 million and in the fiscal year, 2005, they are going to spend the other \$5.9 million. So, they are reducing the \$32 million by \$12 million and \$20 million would be going back. I am glad the \$20 million is going back. Let somebody thief it, I do not mind. It is being wasted on those textbooks and on the textbook rental scheme.

Incidentally, I hope the Minister of Education would answer a question. I would really like to know whether the Textbook Evaluation Committee has submitted a report and recommendations to the Ministry, and whether the Ministry has considered such a report and approved it and issued by circular with a prescribed list to school principals. The information I have from school principals, whom I spoke to last week, is that they have had no such circular.

Sen. Manning: Mr. Vice-President, through you, I would like to say that the Textbook Evaluation Committee has submitted a report. The report has been taken to Cabinet. Last week, Cabinet approved that report and the Ministry is going to let principals and staff know the results of the evaluation committee. A

Finance Bill
[SEN. THE HON. H. MANNING]

Tuesday, June 15, 2004

Textbook Expert Committee has been set up to do exactly what you are talking about. The Textbook Expert Committee has to look at the books that are being produced in the country right now and the redesigning, et cetera. The Ministry of Education is doing what it has to do. [*Desk thumping*]

Sen. Prof. K. Ramchand: I am very glad to hear about that. There is, in fact, a letter circulating in schools announcing to principals that this book has been prescribed and the schools could buy it. I do not know what authority is circulating this letter. I am glad that a committee of experts is thinking of redesigning the textbook.

Mr. Vice-President, we move now to de-shifting, conversion, technical upgrade and general rehabilitation. Everybody knows that one of the beams of the education system is the shift system that exists in our junior secondary schools; and everybody knows that the sooner we abolish that concept—is either have junior secondary schools in all the regions so that everybody could go to a junior secondary, or we get rid of the notion of a junior secondary school and only have five-year schools or seven-year schools throughout. We cannot have a mixed system where some people are being dumped into junior secondary schools with no way out.

If one looks at the dropout rate from the junior secondary schools and the criminal figures for the last 10 or 15 years, one would see a connection. One of the sources of criminal activity in this country is the whole bundle of children who drop out between year three and year five from these schools. They do not have any self-esteem; no piece of paper in their hands; no job prospect; no love and no nothing. They must get bad. We know that the junior secondary school system was part of a good idea. When that concept was first introduced, it was hoped that everybody would go to a junior secondary school, and then there would be a logical movement away from the three-year schools—it was an administrative and teaching convenience—and then children would go to the upper schools.

The big schools like Queen's Royal College, Fatima College, St. Mary's College and, of course, the denominational schools were asked to co-operate. They were just dodging and they refused to co-operate. So the prestige system remained and this led to all kinds of problems in the system. De-shifting might be the first step in the abolition of the junior secondary schools. If the Ministry had money for de-shifting and they did not de-shift, I feel that is being very irresponsible. "By hook or by crook you should just thief the money and hold it in

your pocket and use it after the fiscal year.” You have to de-shift. I think I have made the case for general rehabilitation. This is money that we cannot afford to give back.

So, \$60 million were allocated to commence rehabilitation works at secondary schools throughout Trinidad and Tobago. As at March 31, 2004, expenditure on this project amounted to \$3.38 million. The Ministry had \$60 million and they only spent \$3.38 million. I suppose the rehabilitation work is in the design stage, too. It is anticipated that these general rehabilitation works would complement the technical upgrade works under SEMP, as well as allow for the conversion of junior secondary schools. As Sen. Augustus was saying, why are they telling us what they anticipate and what would happen? They should tell us that it has been done. Is this a plan? Dr. Eric Williams intimidated this notion and everybody stopped using “will” and they used “would” instead. They say, “I would go down the road”, meaning if Dr. Eric Williams permitted them to do so, that habit has remained. It is anticipated that these general rehabilitation works would complement. They should say that we are going to make sure that so and so is going to happen. This piece of thing here is just a bit of fluff. It is a confession of not having done anything.

The project is still in the pre-tender stage—I did not know there is a thing called “the pre-tender stage”. All that means to me is that nobody has even tendered, so the project is in a pre-tender stage. They are just pretending that they are doing something—with designs expected to be completed. Mr. Vice-President, do you know what I want to know? Who provides these designs? I will go and look for these fellows who provide these designs and beat them. They are the ones who are holding up everything—everything is in the design stage; and they are still waiting on the designs. Who are the designers? Is it Elias? [Laughter] The project is in the pre-tender stage with designs to be completed towards the end of the fiscal year 2004 and, as a result, that sum was reduced by \$14 million. They are sending back \$40 million on a big project like de-shifting and rehabilitation.

Mr. Vice-President, I want to look at improvement, refurbishment and extension. Do you know what I think might be one of the problems? This is a very cumbersome system. I do not know why it is impossible to either give a budget to a school and say, “Listen, you have \$5 million and you have to account for how you spend it, or use the regional districts and give each region a certain amount of money and say this is where the money is going to be released from.” Do not tell me that they would get one-twelfth of the money per month! This is

Finance Bill
[SEN. PROF. RAMCHAND]

Tuesday, June 15, 2004

what seems to be happening in many ministries. The money is held somewhere. I do not know where. I do not know who could hold all that money, and then it is released in segments. So, no one could really plan and say what he or she is going to do with the money. That is why schools are notorious for not getting people to work for them, because it takes so long for people to be paid. I think this is so as well with many ministries. If the Ministry of Education goes to a restaurant and says that it is having a meeting and they would get a voucher to pay, the restaurant would say, "No, no, we have to wait a year for our money." I really feel that something has to be done about the way in which funding takes place. I am in favour really of the educational districts having their own headquarters and being responsible for disbursing funds. With respect to improvement, refurbishment and extension works to primary schools, there was a reduction of \$10.0 million.

An allocation of \$24.73 million was provided for improvement works to be done on primary schools, including the completion of designs. So we have designs again. So as at March 2004, expenditure amounted to \$4.88 million. So there was \$24.73 million available and they have spent only \$4.88 million.

Mr. Vice-President, as you well know, I have an interest in the Icacos Government Primary School. For the last four years, I have been hearing about the designs for that school. You could see why I do not like this thing about design, because the last four years I have been hearing about designs. This is going to be one designer-school when we get it down there because we have been waiting for a very long time for this school.

Tenders were invited for designs and supervision consultancy services and bids are being evaluated. Now, at last, the devil—it is not the designs—there has been a delay in securing requisite representation from the Ministry of Works and Transport on the evaluation committee. It is anticipated that the designs would commence in the fourth quarter of the fiscal year 2005. Mr. Vice-President, this is a very sordid document, which speaks of failure to perform. There is no earthly reason why, given these allocations, so little was done and so much money has to be put back.

If I knew as much about other ministries, I may be able to say the same thing. I have a suspicion that we really have a problem of efficiency operating throughout the whole public service. I could go back to the schools and say how distressed I was in my visits to schools to find that people are being paid to be heads of departments, they are being paid to be deans; and they are being paid to

be vice-principals and principals. They know some of the things that are going wrong. No head of department would report that a teacher in his department comes in and signs and goes away; no vice-principal who wants to be principal is going to report anybody, because if he goes and reports a teacher, the principal would zap him. The principal is already a principal so she does not have to worry, she is cool. The dean would say that is not his responsibility; they are just in charge of the students.

So there is internal self-government within the school system and they are all afraid of the Ministry. They cannot do anything, because the Ministry would be vexed with them. They do not take decisions; they do not even want to recommend expulsion because they are afraid of the Ministry and they are also afraid of the parents. With respect to discipline, administration and teaching there is this kind of atmosphere in the schools. That is why I feel we really have to liberate our schools and respect our teachers as hardworking decent human beings who just want an atmosphere in which they could show their initiatives.

Mr. Vice-President, I am waiting for the budget debate to have another say about education. I am glad for your patience. You have allowed me to go beyond the strict confines of the facts and figures.

I just want to close by repeating the point that education is a very serious business, which requires a lot of original thinking, clear thinking and an understanding of the realities that surround us, and the realities that have produced us. If we keep allocating money and spending it badly, or not spending it at all, we are spinning 100 tops in the worst kind of mud. This document has allowed me to make that point.

I know that the Minister always listens. We are talking about the problem about the police; we are talking about the problem of crime; we are talking about the problem of lack of productivity; and we are talking about the flight from agriculture, and all these problems relate to the failures of the education system.

Mr. Vice-President, thank you. [*Desk thumping*]

Sen. Basharat Ali: Mr. Vice-President, I expected that at the end of the Minister's contribution in piloting the debate, I would have heard, "Let the Bill pass", but he did not say that. I presume he may be waiting for the end of the debate to say, "Let the Bill pass". Mr. Vice-President, it must be subliminal messaging in the TV advertisement with which we have been bombarded since last Friday, June 11, 2004. The little girl who says, "Let the Bills pass" probably

thinks that it relates to dollar bills. I hope she has received an ample supply. For the benefit of the verbatim reporter that “ample” is a lower case adjective and not a higher case acronym. I hope the girl has received sufficient dollar bills in large denominations to open a starter account at a bank, whilst TV6 and the National Broadcasting Network (NBN) go laughing to their respective banks.

I was disappointed with the lack of data provided to us, what I would like to call, “accounting for the dollars”. When I say, “accounting for the dollars”, I mean what is coming in to start with in terms of tax, property income like royalties, and capital income. The State is still an investor. I believe somewhere along the line there must be a substantial amount of income because of high prices in oil and gas. I was hoping that matter would be addressed. This matter was not addressed in the other place. They were only talking about what they are going to spend and not what they are going to earn.

In the days of our first Prime Minister, who was Minister of Finance, I remember that when he was doing a budget debate, he would end by saying “revenue, so many dollars; expenditure, so many dollars; and the balance, zero”. That was how he handled it. We do not hear anything about revenue. I have heard the Minister speak about the move from big deficit to big surplus. I heard even a figure of \$1.008 billion at the end of seven months, but we really do not know anything about the figure. We did not see an analysis of this.

In the Lower House, the Member for St. Joseph was, in fact, asking for that and his question was not adequately answered, even with the intervention of the hon. Prime Minister, the real Minister of Finance. In the debate in the Lower House, there was even some misinformation and misconceptions, if the *Hansard* record is accurate.

The presenter, in the Lower House, my good friend, the hon. Minister of Trade and Industry and Minister in the Ministry of Finance, gave some figures to support his statement that tax revenues from oil companies have fallen despite the \$29 per barrel for oil now against the budgeted price of \$25 per barrel. He said that the shortfall was due to a drop in production. The figure he gave was a budget, presumably in 2003/2004 Budget Statement of 29 million barrels, and that is now estimated to be some 26.5 million barrels. I do not know where those figures came from. When I multiplied 133,000 by 366, I got 49 million barrels and that is the budget. I really do not know where those numbers came from. I would really like an explanation on that issue. With respect to price, that is a different story. They are saying the average—for whatever period—was \$29 a barrel against a budgeted price of \$25 per barrel.

I have here the West Texas Intermediate (WTI) benchmark crude, and just at the time when we changed into this fiscal year, the oil price was \$27.50 per barrel. That was the only low figure and that figure keeps going up and up. On June 10, 2004 it was \$38.45. I do not know how they worked out that figure. If I look at this graph and average it out, it is not going to come out at \$29 per barrel by any mean when compared to the \$25 per barrel. We are talking here about benchmark against benchmark, and average against average. The WTI is being preached as the gospel.

The hon. Minister needs to give me an explanation as to where we are going, or what is the real figure in terms of production. I suspect that the gross revenue is well up. What has caused a drop in taxation is the fact that there were dry holes and dry holes could be fully expensed. If the figure was \$100 million it would be \$100 million expensed at one time, and that is how the tax law is based. [*Crosstalk*] I am of the view that gross revenue is quite high. I would like to either have that matter confirmed or denied.

What is the production levy for the anticipated period? That levy is now based on a cap of 4 per cent. I remember this matter was raised in the last budget debate and most of that money went to the Community-based Environmental Protection and Enhancement Programme (CEPEP) or the Unemployment Relief Programme (URP) or whatever. What about the subsidy on gasoline and diesel fuel? Surely, those subsidies should have gone up. The National Petroleum Marketing Company Limited (NPMC) should be collecting more subsidies. Ex-refinery prices are also up. Is the levy sufficient to pay the subsidy even though it was increased by 4 per cent? These are answers that I would really like to get at sometime and, hopefully, before the end of the session. This is why I was trying to speak early—not to get in front of the camera—but to give the Minister a chance to find out some of these things.

Mr. Vice-President, what about the revenues from gas production? What about the resale of natural gas by the National Gas Company (NGC) to methanol and ammonia companies? Let us look at the prices of methanol and ammonia. I would start from the start of the fiscal year October 2003. Methanol was \$226 for three months; then from January to March, \$249.45; and the quotation for June 01, is \$269.40. That means that with this flexible gas pricing system, NGC is collecting a lot of money. When NGC's income goes up because it is a transport company and a reseller; it buys from companies at more or less a fixed price and then it resells—there is a lot of revenue that is going into the coffers of NGC. Perhaps, that big number on corporation tax may be due to the fact that companies

Finance Bill
[SEN. ALI]

Tuesday, June 15, 2004

like NGC are paying quite a bit more tax. All the methanol companies with these prices are doing well. We have quite a lot of revenue floating around somewhere. I would like to know whether or not we have collected these revenues in taxes in quarterly collections.

If you look at ammonia, it is the same kind of story, and luckily for us ammonia prices have been very high. I have a graph here from the Fertilizer Institute and one could see how the prices of ammonia fluctuate. At the top of this graph it is almost \$300 per tonne. I always say the “high crests” and “deep valleys”. When I say “valleys”, I am not referring to my good friend who I thought might have been here today. I hope by now that he would know how to calculate his body mass index, which is kilos per square metre, in the metric system in pursuance of the Metrication Bill, which is waiting to be proclaimed at a much later date. So we should be getting tax or dividends from all these ammonia companies. We still have a substantial shareholding in ammonia. The Government still owns 51 per cent of the two TRINGEN plants. Where is all that income going? We are going to spend a lot of money, but if we do not have to spend it, I would be glad if the money is saved.

I believe, in the Lower House, Mr. Yetming, the Member for St. Joseph, asked a question with respect to high crude oil prices. How much money are we going to put in the Revenue Stabilization Fund? If you remember, at the very last moment, this Government put in a sizeable amount of money to get over that barrier. It is said that they did it because the International Monetary Fund (IMF) forced them to do it. I do not know. I understand that they were going to revise it.

Mr. Vice-President, Mr. Yetming also raised the question in the Lower House with respect to what I would call, “the elusive tax regime promised”. I put down the date here by mistake as January 01, 2020, but it really should be January 01, 2004. The hon. Prime Minister, who addressed the Lower House, highly commended the Member for St. Joseph for his contribution. I am afraid that the Prime Minister ducked the question that the Member asked with respect to the new tax regime. The Prime Minister did not answer that question on the Wednesday of that debate. I was quite surprised that just two days later, in a post-meeting interview at the Hilton, our Prime Minister said to the media—before giving it to Parliament—that the new tax regime was expected to come into force by the month of August. I was pleased to hear our Minister here saying by the end of July, so it looks as though we have gained a month or so somewhere.

I would like to read from this article in the *Newsday* dated June 12, 2004 headlined: “Separate oil, gas taxes by August” and it says:

“Prime Minister Patrick Manning is optimistic that Trinidad and Tobago will have separate oil and natural gas taxes by the end of August. Manning told reporters at the Hilton Trinidad yesterday that there were many technical reasons for the delay in implementing these taxes.

‘That has turned out to be a very difficult and contentious issue. That is the subject of discussions between Government and the companies involved,’ the Prime Minister said. Manning added that Government has now ‘set a target of the end of August’ to have those taxes implemented. Asked to elaborate on the delay in implementing the taxes, Manning disclosed that Government was not entirely pleased with some of the recommendations put forward by its consultants.”

I do not know the name of this consultancy firm from Scotland. If they were not pleased with some of the recommendations put forward by the consultants, I am saying that whichever Minister let that contract then there should be a good retention sum. If he is not satisfied, then he should go and claim that they have not done the job properly, and we should get back some of our money from the consultant’s fees.

I did not get the name of the Scottish firm that did the consultancy work. *[Interruption]* It is really immaterial. I was just asking the question as to whether or not we have a retention sum on the contract, or whether we could, in fact, make a claim against them. If we are not satisfied with the work they did, why should we pay them? I am sure it is not a big fee, but I would like to know what was the fee.

Mr. Vice-President, with respect to the subject of relevance of Parliament, I wish to refer to a recent event, “Breakfast with the Prime Minister”. I wonder how many citizens and even non-government members of this House knew that this event was a party sponsored occasion? Apparently, for \$2,500, you could have bought a table for 10 persons for your particular private company. So we now have a party affair where the political leader was speaking as Prime Minister, and he announced major policy matters. I would say it was a shadow budget speech. We have been promised more of these speeches.

Mr. Vice-President, unless I am ruled irrelevant—I remember I was ruled irrelevant on June 01, 2004—let me explain that at the press conference on June 11, 2004, the hon. Minister of Energy and Energy Industries, announcing that the return of some failed companies was one of the spin-offs of that breakfast meeting with the Prime Minister. I believe that there are many more of these press conferences to come.

7.40 p.m.

[MADAM PRESIDENT *in the Chair*]

Madam President, I was speaking of this press conference or this luncheon where the hon. Minister of Energy and Energy Industries announced the two new—well, this newspaper, *Newsday*, was very kind. It says “Two new energy enterprises coming”. One other paper, the *Guardian*, I think, said it was a steel of a deal. S-T-E-E-L, “Steel of a deal”. I did not see what the *Express* said.

Madam President: Senator, could you please give way?

Sen. Yuille-Williams: Sorry about that, lest you felt that the party was deceiving anyone, the invitations carried the symbol of the Balisier, the banners carried the symbol of the Balisier, the pennant carried the symbol of the Balisier. So everyone knew it was a PNM function; that breakfast. I just want to let that be clear.

Sen. B. Ali: Thank you, Madam Minister, for the correction. I am afraid I was not there to see the banner. All I saw was what was on the television and the next day I saw this little thing at the bottom which said “Sponsored by the Public Relations Department”, because it really looked like an official Government thing. When somebody says “Breakfast with the Prime Minister”, I expect that is what it is. That the Prime Minister, as the head minister of this Government, is speaking. He is not speaking in his capacity as the political leader of the party, and when some people are saying that Parliament is becoming more and more irrelevant, these are the things that come to my mind.

Let me get back to these two new energy enterprises announced at this time. One of them is called International Steel Group (ISG), and the other one is Nucor Iron Carbide. They are here in their second coming, so to speak. The Energy Minister explained that the ISG intended to purchase the DRI plant used by Cliffs and Associates. These are the people who left it behind a couple years ago, and to produce approximately 350,000 tonnes of steel per year with the aim of increasing that figure to 1.5 million tonnes per year. Approximately 60 or 70 people will be trained and employed when the plant begins operation in mid-August of this year. We are not far from that, and this was really the first time we were hearing about this major project coming back, utilizing a plant that was left mothballed by the previous owners.

Then Minister Williams stated that NICI, which is Nucor Iron Carbide, in conjunction with Brazilian mining company, CVRD, proposed to relocate a 1.5

million-tonne-a-year hot bricketing plant to Trinidad at the cost of US \$180 million. The plant, which is the most recently constructed Midrex Megapod is expected to be relocated from Convent, Louisiana and installed at the former Nucor site at Point. Lisas.

Madam President, Nucor was here before. Nucor came with what they said was new technology, which is what it was, and we gave them a lot of concessions, including the lowest gas price that you can think of, below the prime cost of gas, below the prime cost that National Gas Company paid, and that was about 60 cents. It was not a large amount, granted, but the problem was not the process technology. The problem was that Nucor, as a company, failed or ignored what is considered the norm for going from the patent or laboratory work to commercialization.

So, all the processes involved in installing a large demonstration plant including scaling up was not carried out, so Nucor did not have a process technology problem. They basically had equipment failures because they did not want to spend the money in getting that kind of work which is essential. And so, people say well, we did not lose anything. Of course we lost. Well, apart from giving them that gas at below prime cost, which could have been sold elsewhere, people fail to realize that when a company like that comes, you have to provide all kinds of infrastructure for them, and that is not free. In fact, they may pay something for it. I believe, in fact, the Government, in winding up the Nucor arrangement, bought a lot of things including buying back the land and we have acquired a harbour, and everything else.

Just to cut short this, in terms of the discussion on this, this second Nucor plant, one module, in fact, has the same capacity as the DRI plants in ISPAT, so 1.5 million tonnes a year is three plants or three modules in ISPAT, and one module here. So, Midrex is a well-known technology, so I do not think Nucor is coming now with anything as revolutionary as iron carbide, and coming with a well-developed process known all through the world. We have had experience with ISCOTT/ISPAT with that same process for a number of years, and it is well-known throughout the world, so I have no complaints about that. I do not have any reservation.

This plant, they say, which will employ approximately 500 persons during construction, and open up direct employment for 100 highly skilled employees, is expected to be completed by October 2005. Minister Williams explained that based on the Government's decision to accept in principle, both proposals by Nucor and ISG, the Natural Gas Export Task Force of the Ministry of Energy and

Finance Bill
[SEN. ALI]

Tuesday, June 15, 2004

Energy Industries—I do not believe they belong to the Energy Ministry, but this was reported—has been holding discussions with T&TEC, WASA, NGC and NEC. These discussions are aimed at resolving outstanding issues including land leases, natural gas contracts, PI usage, utility contracts, land and building contracts and tax incentives.

The Minister was asked whether there was going to be any tax holiday. He says no, no. It is from the “get go”, they are going to pay taxes, but those of us who know what incentives are will know that if you get a good accelerated depreciation from the Government through—it used to be through the Fiscal Incentives Act. Whichever way you do it, Income Tax in Aid or through the Fiscal Incentives Act, which I believe is still in force, it is even better than getting a tax holiday, because if you do not make any profit on a tax holiday, you lose that year.

If you have the depreciation, you have loss carry over and carry forward and everything else, so, many companies will say “Look, I do not want a tax holiday. Just give me the depreciation allowances.” That is what they call it. Say 15, 20, 25 per cent, so in four years’ time they write off the plant for tax purposes. This is what we are faced with here with and we never knew about it. I certainly did not know about it until this famous press conference from the hon. Minister.

On the question, Madam President, of these new companies, we were told that they are huge companies, they are two and three, I think, in the US steel market, in terms of size, and so forth. Last night I was speaking to one of my friends active in the state enterprises energy sector, and I was cautioning that the credentials and background of the two companies must be thoroughly checked. He assured me that that was being done by NGC. I asked him who in NGC and he could not tell me.

I promised to investigate myself. Here is what I found out. ISG, International Steel Group, has risen in two years from an unknown to the second largest US company. How? By a strategy of buying bankrupt companies cheaply, for the benefit of my labour friends, voiding their labour contract and restarting as a fresh entity. Their latest acquisition is the giant Bethlehem Steel. No wonder they are doing so well. Nucor has been here before and they are reputed to be the US lowest cost producers. That is one of the reasons they might be here.

International Steel Group—and this is information provided to me by a financial analyst, not of the company of which I am a director. It is by a foreign one, and this person tells me that ISG and Nucor are bitter rivals. So, I asked why,

and they said the CEO of ISG, Mr. Rodney Mott, I think his name is, who has done all the deals for ISG, is an ex-Nucor executive. We have to tread carefully, Madam President, because we may find ourselves facing two people who are neighbours, but they are not friendly and, in fact, in agreeing on a project, if we are skilful we can probably use one against the other because they are fighting with each other. One of them may last or may stay, but we are also likely to lose both of them.

This is the caution I give to people when I say tread carefully. I know what I am talking about. I have been through it. I have been negotiating with companies to find that we were negotiating with the wrong people. I say it now, but experience is the greatest teacher, and that is how I have learned to question all of these things, because when you go through that whole process of embarrassment, going to your Cabinet, getting approval and everything else, and find in the long run that those are not the people you should be talking to or that their bosses above them did not know anything about it, I am passing on from my own experience, some of them which are failures, and I am not afraid to say that I failed sometimes. That was one of them. We have to see where we go in that one.

I come now to my earlier comments on misconceptions in the debate in the Lower House. It has not been touched or corrected up here. Madam President, the hon. Prime Minister and Minister of Finance spoke at length about how critical we are to the energy security of the United States of America, and what he was asking for in return. Let me quote what the Prime Minister said. It is from the *Hansard* record:

“Right now we have CBI—”

Which is Caribbean Basin Initiative.

“and CBI gives us one way free trade access to the United States market for all goods outside of the energy sector.”

I repeat that: for all goods outside of the energy sector.

“We are asking that same provision be now extended to the energy sector, in other words, our production of aluminium, iron and steel, methanol, ammonia, urea and all the derivatives can enter the US duty-free.”

That is what we are asking for.

Madam President, we have been exporting ammonia to the USA since probably the early '60s from Federation Chemicals. There is no duty on it. We were duty-free from the inception of production, and we have had granular urea being exported since 1984 in the plant which is now owned by PCS Nitrogen, and we have never paid any duty. I will come back to that.

We first started exporting granular urea in 1984 and our first production of methanol from this country, and it is close to me because it was my project, was in 1984 also, and at that time there was a general tariff on methanol of 18 per cent on CIF value. It is a lot of money, however, under the CBI, we could export our methanol duty-free into the United States. So for the last 20 years, all of our methanol has been going wherever—to the United States in one case—free of duty, and in the case of the United States, I understand from the people who sell the product, that there has been progressive reduction of duty under GATT so now it is only 11 per cent. The objective is that eventually they will scrap all duty.

Our exports to Europe of the three products, ammonia, urea and methanol have also been duty-free under the Lomé Convention which has been renewed from time to time. For the sake of completeness, let me mention that in the late '80s, we did pay some duty on urea exported to France, but that was imposed on us as countervailing duty following complaints of dumping brought against us as a result of the strong lobby of the French traders.

As regards metal products, and I do not call them energy products. If one looks at the classification, they are metals. I know that ISCOTT/ISPAT have had to pay countervailing duties on the claim that we give subsidies, or we subsidize their production by giving them low gas and electricity prices. We do not produce any aluminium or petrochemical derivatives, but I am sure that if we want, we can easily check general and preferential tariffs on any product which we may make, whether it is melamine from ammonia, acetic acid from methanol; whatever it is. We can easily check that out, and so, for the time being, we enjoy benefits under CBI or under Lomé.

I am afraid that we are going to ask for what we already have. If we go now and say to whoever the person is, the secretary of industry or whatever it is—I do not know the organization—and say well, we would like to have duty-free concession on methanol, ammonia and urea, they might look at us and say, “Yes, okay. You can have that.” We have it already. Worse than that, they can say, “Well little Trinidad, we can leverage against them. They want that bad because 18 per cent or 11 per cent duty is a big amount.” I say, let us tread carefully. CBI or no CBI, let us tread carefully in asking for concessions that we may not need.

Madam President, I do hope that the powers that be in the US know what part of the world our PM comes from. I make this statement in the light of an article in the *Express* on Friday June 11. That is the day of President Ronald Reagan's funeral. It was courtesy the *Jamaica Observer*, the author was one Michael Burke, and I would like to quote some small extracts from this article. It is page 11 of the *Express* on Friday, June 11, 2004. It is a long article, but I will just quote a couple paragraphs out of it.

This starts with:

“About a year after assuming office, Ronald Reagan announced a Caribbean Basin Initiative.”

So he did initiate it.

“What this meant was that Jamaica and other Caribbean islands got grants of money as long as we did not go communist and stayed away from Cuba and Fidel Castro. It was around that time that a Cuban publication referred to Edward Seaga as a choir boy for Ronald Reagan. Apparently on the first visit of Mr. Seaga, Head of State Visit Reagan called Seaga ‘our man in the Mediterranean’ rather than the Caribbean. Seaga waited until he was out of power to comment negatively on that.

Our good friend, entertainer, Harry Belafonte, was one of the persons who used to visit Jamaica and he took strong exception to an ad appearing in America—”

A tourist ad, of course.

“‘Come back to Jamaica, where your children will be nursed by a black nanny’ and this was seen on billboards all over the United States. This was criticized by Belafonte. As a result, the JLP's Edwin Allen moved a motion in Parliament to have Belafonte declared persona non grata. Apparently the motion was withdrawn.”

And the final paragraph, I recommend that you all read, because it may not all be what you think, but it was what Jamaica was and what President Reagan gave, and what his attitude was to countries. I mean, everybody knows he never opposed Apartheid. He supported it in South Africa. The final paragraph says:

“In 1982, Ronald Reagan visited Jamaica briefly. At the Norman Manley Airport, one of his security guards asked, ‘Why are there so many black people standing around?’ No one ever told him that Jamaica is a country of black people. And this in a nutshell is Reagan's impact on Jamaica.”

Finance Bill
[SEN. ALI]

Tuesday, June 15, 2004

This is an article I recommend people to read, because that is part of history, of Mr. Reagan's presidency and his attitude to people. That is why I asked whether the powers that be know where Mr. Manning comes from. They looked at Mr. Seaga and said he is a Mediterranean man. If they look at Mr. Manning, they might say he comes from some part of Africa, or whatever, because as we all know, the present administration did not know where Iran and Iraq were. That was horrible pronunciation until this last war. Now they say "Eran" and "Eraq" and they go and kill them nevertheless. That is how it is.

Madam President, as regards the Bill itself, I have very few comments. When I first looked at the Head 05, Parliament, I thought that the 50 per cent decrease of \$9.3 from the original \$20 million allotted to the Red House was due to a loss of enthusiasm by the Government or the Prime Minister for the Red House as Office of the Prime Minister. I even scanned Susan Mills' "No Red House for Manning" column in *Sunday Newsday* June 13, 2004. Her "Who vex hush" article featured the Sharma/Valley bout, as I call it.

I must say it was a good article of the happenings at 2.00 a.m. on Corpus Christi morning, but she had no comment on the proposed decrease in the Red House allocation. That was what I was looking for. I was not looking for any criticism of our beloved Prime Minister. I read the hon. Minister's explanation on page 23 of the explanatory document. I can only ask, when can we expect a decision of the House Committee in the matter relating to this august Chamber, and I think my fellow Sen. Prof. Ramchand addressed it quite adequately.

Madam President, I wish somewhere in the budget numbers, budget document, and certainly in these, there was an easy way to access a global figure for advertisement and promotion, because I know we are spending a great amount of money in that field. I know that having said it a number of times, many of you will know that I am not a supporter of what I still think is a lot of spin, and I question often whether we are getting value for our money in this matter. But people who handle the portfolio in ministries are well paid. Perhaps not as much as the Communications Specialist in the Ministry of the Attorney General, who we are advised grossed over \$350,000 per annum. With such remuneration we should not expect waste and sloppiness, and if we could deduct the cost of such sloppiness from their pay, then we may get a better service.

I am not making any empty accusations. I have proof of such waste of taxpayers' money. Sunday, May 09, 2004, some of you may remember—Madam President, I believe you may remember also—was a Sunday before the occasion

of the annual meeting of the Board of Governors of the Caribbean Development Bank held at Plantations, Tobago. The dates were May 13—14, 2004. In both the *Sunday Guardian* and the *Sunday Express* on May 09, which is three days before, they both carried an ad thanking all concerned for the execution of a successful conference and thanking the media for their coverage of the meeting. That is what I call thanking in advance. *Sunday Newsday* got it right. They gave a welcome to the delegates and observers.

The same ad, at least in one of the other newspapers, carried over into the Monday. Who was disciplined for such an embarrassing faux pas? Perhaps no one. Maybe nobody else noticed it. I did, because I had an invitation for the opening of June 12 and picked up this discrepancy. I did not attend because they did not send me a ticket to go there. I hope that the hon. Minister will give us some insights, if possible, of benefit data in his winding up.

I have one reservation. Can we spend the additional \$665 million in the remaining months of this fiscal year? My second one is a more serious one. I have one serious fear which is a sense of *deja vu* in respect of profligate spending in the late '70s to early '80s. From boom to bust in less than 10 years. Madam President, I hope the hon. Minister can allay our fears in his response before the Senate.

Thank you very much.

Madam President: Hon. Members, I believe that there is dinner available, so that we would take a half an hour break. Let us say we will be back here at 8.35 p.m.

8.07 p.m.: *Sitting suspended.*

8.35 p.m.: *Sitting resumed.*

The Minister of Local Government (Sen. The Hon. Rennie Dumas): Madam President, in offering a few words in support of this Bill, I would just like to go to the object of the Bill. I think I want to take it from the Explanatory Note that we have, where it is pointed out that the object is to supplement and vary the appropriation provided for by the Appropriation Act, 2004, and to authorize the utilization of any sums accruing from a reduction of expenditure under certain Heads of expenditure for the purpose of meeting any liability incurred through the increase in expenditure under other Heads.

Madam President, in doing that, I return again to the theme of this year's budget, which was "Charting the course to 2020, Empowering people." In going

Finance Bill
[SEN. THE HON. R. DUMAS]

Tuesday, June 15, 2004

to that, I took note that one of the areas of focus that was drawn to our attention then is that there was a responsibility which the Government was taking very seriously to build strong and cohesive communities, recognizing that these constitute the social fabric that bind our citizens together.

Taking the fact that the Government is the government because there is an acceptance of an argument by the various communities and the people living in those communities that we are taking seriously the responsibility to build those communities, and accepting that one of the serious charges of the Ministry that I happen to be in is that local government is an important instrument for deepening the democratic process by widening the participation of the people of our country in the process of government. Madam President, the people we talk about are not the leaders of the political parties. They are also not the people who come from places where they have gained their own individual respect across the national community and, therefore, can speak in their own voice; but they are the people who ask the Government to speak on their behalf.

In that context, and standing here this evening, Madam President, we try to meet the responsibility to account for what are the areas of responsibility that we have had and for which we are asking the increases. I would still like to take a little time to put it into context, because earlier, I was a little unsure how other people want us to respond. You see, I heard one speaker say that we should have spent every cent that was allocated under particular Heads, and that speaker, that Senator, was suggesting that the processes, maybe those of planning, maybe those of allocation, those processes seem to be a bugbear. The reality, Madam President, is that those processes are those by which we work. The same people say, I am very clear, that if we want to hire people, we must have a commission. If we want to do particular projects, then we must have a tendering process. Of course, if we are coming here to Parliament for the money, then we must have a plan.

That is very reasonable. The problem is how we apply it. We seem to feel that we can discard the plan when we want, discard the process when we want, for those matters that are of interest to us. Unfortunately, we have a responsibility to live according to those standards even while we are castigated for—it is the first time I am hearing that—acknowledging that a saving is real and that the money can be reallocated to something else, and in allocating that, maybe there is a problem in the process, and if the process cannot carry us to fulfilment, then we need to take a reversal, take a step back and allocate the activity for another time.

Then we find that some people tell us we should not talk to each other. Some people tell us that we must come here without having spoken to each other in the Cabinet, or we must come here without having spoken to each other and the communities in other places. I think we have to be real. We are members of a declared political party and the process of communication within the party must include us talking to each other. As members of that party who have accepted the responsibility for government and governance, we must talk to each other before we come here. Some people seem to suggest that we should not speak to each other at all in those various councils that we sit; that we must bring everything to Parliament before we have had a chance to discuss it among ourselves.

I think we should look at that. When one sees a declaration that the Cabinet has decided, or the Cabinet has looked at something, I do not think we should take it as an insult to Parliament or any entity, because by definition, we are expected to come to you from a collective perspective. Madam President, in that context, and I think that is the context in which the Bill came, I would like to speak to it from that.

The Ministry of Local Government had an initial PSIP allocation of \$25.37 million, and this was distributed across the various corporations with an additional \$10 million or so to be spent by the Ministry itself. We now have an increased revised allocation of \$1.72 million, and being a careful student, I remember, and incidentally, thanks to the official record today, in looking through this, I saw Sen. Dr. Eastlyn McKenzie warning us that we are supposed to say what is the performance percentage. I think you would remember that, Sen. Dr. McKenzie.

She was asking us what is the performance in utilization of the funds which we are allocated. It is in the context of that, I think it is right and proper that we can point out that in the PSIP utilization to May 31, 2004 in the Ministry of Local Government, we have been able to release to all the local government bodies 83 per cent of the allocation that came to us. Those releases include the approved assurance of funds to those various corporations. It means that there might be other things, for example, design, planning issues and other things that might not have allowed us to give to each corporation the hundred per cent of the allocation.

We would have also taken into account the fact that again, the Ministry of Finance has a process by which it says one must account for the funding one receives in the first quarter to receive funds in the second quarter, and so forth. We have been able to push this pace to the extent, if I may repeat, that 83 per cent of the allocations to the regional corporations are in the hands of the regional

Finance Bill
[SEN. THE HON. R. DUMAS]

Tuesday, June 15, 2004

corporations to be expended by them, and we still have three and a half months in the year. It is in that context that we ask for an increased allocation for local government.

If we look at some of the areas also, for example, the Penal/Debe Regional Corporation, somebody was on radio and the TV saying some things about Penal/Debe and the extent to which we support them. I take the opportunity to point out that they got a little more than everyone else. One hundred and four per cent of the original allocation went to them by some transfers from the central allocation to the ministry. Chaguanas Borough Corporation got 40 per cent more than was allocated to them. Again, by reason of transfer from the central allocations to the Ministry.

The pattern being that wherever the regional corporations were able to demonstrate that they were able to give value and service to the burgesses living in their area, they got the support of the Ministry of Local Government and, in turn, the central government.

Madam President, I think I will be remiss to my colleagues in the Cabinet if I did not also take a little time to contrast that performance with what was happening when another administration was there, and if we do not take time to point out the priority, the equity in the distribution of those funds to those corporations as against when another administration had the same responsibility, because I think sometimes we take more than our share of licks.

We can point out tonight that every single corporation had access to the funding allocated to them, and this was done in an equitable way without this allegation of discrimination and disfavour to corporations, as when managed by the other party. The PSIP run by the Ministry of Local Government included work on roads and bridges, and we are saying across the country, general public services across the country; administrative services including institutional strengthening of the Ministry of Local Government and the regional corporations.

Computerization, yes, and we do have a computerization policy which, contrary to a view or opinion expressed, has to fit with what is being done by public administration, and must be approved by the computerization's central system. So it is not the Ministry and the local government bodies all going off on their own. It is one cohesive, coherent, well articulated set of systems, but by definition, it must be multiple systems to seek to satisfy the multiple needs and the different types of needs, as for the different organizations, different levels of organizations and different tasks they manage.

Public buildings, again, across the country, improvement and renovation, construction of administration buildings, renovations to markets and the upgrading of East Side Plaza. Port of Spain City Corporation, as every other corporation, is dealing with drainage and irrigation; development of recreational facilities; development of cemeteries and crematorium facilities; construction of markets and abattoirs; local roads and bridges programme; and procurement of major vehicles and equipment; just to mention some of the Heads.

In addition to those allocations and the expenditure in those ways, the Variation of Appropriation Bill comes to the House to seek approval for an increased expenditure on the Chaguanas market of \$850,000; the Point Fortin Regional Corporation building, \$520,000; and the Penal/Debe Kennedy Park pavilion, an addition to the previous allocation, \$350,000. In addition, the law makes provision for the use of unspent balances by corporations and, again, Princes Town, Kumar recreation ground, \$85,000 approved; Mount Stewart pavilion, \$600,000, and San Juan's workshop and garage, \$1.18 million.

Madam President, these were activities long outstanding, unspent balances being held by the corporation. Again, resources that had to be mobilized and which were approved by this Government acting in support of the local government bodies seeking to bring some benefits to the burgesses.

Under recurrent expenditure, the provision in the estimates for 2004 is \$722,436,486. A request for an increase is \$77,259,500. That allocation is expected to deal with requirements for garbage collection from the Port of Spain City Corporation, Arima Borough Corporation, Diego Martin Regional Corporation, San Juan/Laventille Regional Corporation, Tunapuna/Piarco Regional Corporation, Couva/Tabaquite/Talparo Regional Corporation, Mayaro/Rio Claro Regional Corporation and Penal/Debe Regional Corporation.

Madam President, the Ministry of Local Government takes responsibility for part of the Road Improvement Fund. The allocation for the Ministry's Road Improvement Fund was \$23,750,000. In accordance with the management of the fund by the Ministry of Finance, the Ministry of Local Government received \$10,782,257, and this was disbursed as follows:

The Diego Martin Regional Corporation received \$597,100.

Penal/Debe Regional Corporation, \$491,000.

Siparia Regional Corporation, \$430,000.

Couva/Tabaquite/Talparo Regional Corporation, \$573,000.

Finance Bill
[SEN. THE HON. R. DUMAS]

Tuesday, June 15, 2004

Point Fortin Borough Corporation, \$517,000.

Sangre Grande Regional Corporation, \$579,000.

Arima Borough Council, \$554,000.

San Juan/Laventille Regional Corporation, \$566,000.

Port of Spain City Corporation, \$1.12 million.

And again, that is because of the stature of Port of Spain and what it means having a carriage of 70 per cent of our population on a daily basis.

Chaguanas Borough Corporation, \$565,000.

Mayaro/Rio Claro Regional Corporation, \$586,000.

Princes Town Regional Corporation, \$584,000.

Tunapuna/Piarco Regional Corporation, \$688,000.

San Fernando City Corporation, \$590,000.

Madam President, I want to contrast that, again, for purpose of clarity and to try to put some of the nonsense that we hear every day away. I want to read this set of numbers for you, and I am sure you can guess in 2000/2001, this allocation was made by another administration. Zero dollars; \$6,698,169.60. Another corporation, \$8,249,872; another corporation, zero; another corporation, zero; another corporation, zero; another corporation, zero; another corporation, zero; another corporation, \$10,468,019; and another corporation, zero. We could guess. We could be very clear that every corporation that was run by the UNC got an allocation and every corporation that was run by the PNM got zero under the Road Improvement Fund.

Hon. Senators: Call the names.

Sen. The Hon. R. Dumas: Call the names? I am getting tired. Arima Borough Council, zero dollars; Diego Martin Regional, zero; Mayaro/Rio Claro, zero; Penal/Debe Regional, zero; Point Fortin Borough Council, zero; Port of Spain City, zero.

Sen. Seepersad-Bachan: Penal/Debe?

Sen. The Hon. R. Dumas: Princes Town Regional, \$10,468,019; San Fernando city, zero; San Juan/Laventille Regional, \$20,261; Sangre Grande Regional, zero; Siparia Regional, \$2,670,000; Tunapuna/Piarco Regional, \$95,000. That is the record of the UNC in allocation of Government funding.

Sen. Mark: What is the problem with that?

Sen. The Hon. R. Dumas: Madam President, we have a proposal, and we are asking, making a request for approval of funding for a programme that we call the Infrastructure Renewal and Development Programme. A proposal for \$25 million. This is an agreement that the Cabinet is asking as a matter of support from the Parliament to be distributed across the regional corporations for activity that is designed to reduce longstanding irritants and to improve the local infrastructure in various communities.

The intention is to ensure that we have major outputs of noticeable local infrastructure improvements and the alleviation of infrastructural irritants in the various communities. The types of projects are to be submitted by the municipal corporations and to constitute a programme constituted of projects of three different sizes: 60 per cent of the expenditure is to be on projects between \$350,000 and \$100,000; 25 per cent between projects of a size \$100,000 to \$250,000; and 15 per cent on projects of \$250,000 to \$500,000. The intention is that advertisement for firms or organizations willing to undertake such projects be awarded on a regional basis.

9.05 p.m.

Madam President, each corporation has submitted a body of projects throughout each local government electoral district and in each regional corporation, and with your approval, the funding would be made available to them on a demonstrable basis of equity.

The Unemployment Relief Programme (URP), a community oriented mechanism to empower persons through the provision of employment opportunity, training, and skill enhancement continues. To achieve this vision, the ministry has set some definite programme objectives:

- to provide short term unemployment relief to 11,500 persons per fortnight;
- to deliver small-scale construction projects in the CORE Programme of 1,700 over the 22 fortnight period;
- to deliver 365 small, medium, and large scale special projects over the 22 fortnight period to enhance community and infrastructure;
- to provide through the Special Projects Entrepreneurs Skill opportunities to individuals in the communities;

Finance Bill
[SEN. THE HON. R. DUMAS]

Tuesday, June 15, 2004

- to serve the unemployed low-skilled and underprivileged clients in an efficient and humane manner;
- to continue to decentralize the programme in both the CORE Programme and Women's Programme; and to redesign and bring to maturity the Women's Programme management and deployment; and
- to ensure that the women's programme continues to be managed by women from recruitment to remuneration.

The programme constitutes the CORE Programme, the Women's Programme and special projects with a job skills training component that is being considered to be provided in collaboration with the Ministry of Science, Technology and Tertiary Education.

Madam President, this much maligned in public, but secretly coveted programme provides opportunities throughout the country. All Members of Parliament, without exception, make requests against this programme, as well as all communities in the country, and all I ask for is the honesty to acknowledge that the programme has worth, value and provides sustenance for community members and improvement in the infrastructure. That is all we ask.

Do not malign the programme in the Parliament and go secretly to the managers of the programme seeking favours. Let us deal with it honestly. Clean it up if it has problems and go forward with it. That is where we are, and all we could ask for is that honesty for the programme. It is a Trinidad and Tobago programme nationally run across all communities, and all groups in the society make requests.

Under this programme, special projects to be run across the country will feature bidding, contracts, and we will have clear and open rules as to how these bids are to be made and communicated to stakeholders.

The programme is being professionalized. There is human resource management in this programme and all of you would have seen the advertisement for the personnel that we have asked to come in. We are seeking accountants, human resource managers, IT managers, quality control managers, project evaluation officers and personnel development officers.

The emphasis is on quality control, project evaluation, project development, and strict and stringent measures for registration and management of pay systems

including ensuring that individuals collect their cheques and can change them without other people intervening.

We also got the Comptroller of Accounts to clearly identify mechanisms to allow persons to collect their cheques and cash them on the same day so there is no need for any middleman. That would be removed.

With respect to the procurement of goods and services, a system of procurement of materials would be implemented through regional tenders committees and a tight set of systems under the management of the public officers in the programme.

What has this programme done to date? It has made in its CORE Programme 80,839 payments to 32,389 persons; 51 per cent of them female, 49 per cent male, from a registered total of 69,000 persons. That is nearly half of those who are registered. That is why the programme had to be extended. There was a need that went beyond the original allocation.

The programme made 31,319 payments while employing 13,000 persons in the Women's Programme from a total of 21,006 women who registered. That is just over one half or 60 per cent of the people who indicated interest.

We therefore made a total of 112,158 payments to 53,395 individuals who registered in the programme, that is, serving 75 per cent of those who registered over the last 14 fortnights. This was done over 6,963 maintenance projects in the CORE Programmes throughout the regions in the country.

We undertook 267 small, short-duration construction projects in the programme; building box drains, retaining walls, footpaths, curb and slipper drains, basketball courts, bridges, and fences. In the Women's Programme we deployed 3,366 maintenance crews in 350 schools throughout Trinidad and, of course, we did it in a way that dignified the people presently in the programme and ensured that we kept it clean as far as is humanly possible.

We expect that by the end of the year the money we are asking for will make 162,715 payments to 57,922 persons in the CORE Programme and 59,517 payments to 39,917 persons in the Women's Programme, a total of 222,232 payments to 97,839 persons by the end of the fiscal year September 2004.

Madam President, we have spoken about local government reform off and on and approached it in different ways, and I would like to answer Sen. Mark when he said we made a promise of local government reform. Yes, and one of the areas

Finance Bill
[SEN. THE HON. R. DUMAS]

Tuesday, June 15, 2004

of the increase for which we are asking is the \$1.3 million allocation to the Local Government Reform Programme.

It is the intention that that money would be carefully spent to bring a concerted effort to full consideration and management of the local government reform in the country, and we hope of course, to have the support of the Senate. We are asking for it.

The municipal corporations have been suggesting that the accommodation, which they enjoy and from which they operate and service the burgesses has been less than adequate. It has been agreed, and we are seeking support, that the administrative complexes of the local government can be upgraded and we have agreed that each individual local government body can propose the way in which it wants to build its municipal complex. Of course, according to good sense, proper design and agreed processes. The Chaguanas, Penal/Debe, Diego Martin and Arima Corporations have already received their approvals and we are working towards that.

Finally, Madam President, I think that it is only fair to say that sometimes when you seek the guidance from the people who purport to give you guidance, you get further confused. But I want to say that we take one thing on board and the thing I listen to all the time is the one that says, this is the people's funding and we have a responsibility to report on what we do with it and ask for it in ways that can demonstrate that it can be well spent. More than that, what I worry about is the argument that seems to suggest that there are Government expenditures that reach a group of people whom we are finding very easy to decry and we do not afford them the sense of pride, the sense of feeling, the sense of change and the opportunity for development that the Government provides.

When we seek to decry and denigrate them and the opportunities that they grasp, sometimes I wonder if we want to build a society that floats in the air, and in which there is only one type of activity; the highbrow, highfalutin activity we want. Sometimes I listen to what I can only consider insults being cast at the feet of these people and I hope that we could find the breadth of spirit to agree that we can spend these moneys we are asking for in the ways we have asked.

Thank you, Madam President.

Sen. Walton James: Madam President, I wish to express my concern over the hundred million reduction in allocation to the Ministry of Education. This is a substantial amount of money, and obviously means that certain programmes and

projects which were due to be started during this fiscal year will not be started until next year or some future year.

Until I saw the Senate's explanation brochure, I thought that here again was action being taken where there is to be a curtailment in the budget and education becomes the one to lead the way in terms of reduction. This is not unusual.

I think the problem is of course that these changes in the education budget, while having effects, are not evident in the short term but tend to be rather long term so people feel that it can be done and not be noticed, or maybe they can correct it, or it may become somebody else's problem. Education of our children to become productive and well-balanced adults is an area which is in dire need of attention and, in my view, the root cause of many of the problems being experienced today such as the unemployment levels, crimes, drugs, shortages of qualified professionals and craftsmen to meet our needs, to name just a few.

Many of the speakers before have already talked on this topic so I would curtail some of what I was going to say and get to the three points, which I really would like to make. One is in relation to the shift system which was introduced in order to find school places for the number of the then 11-plus, now SEA examination students who got through those examinations and there were insufficient physical places available because the construction of secondary schools had lagged behind. So by having a shift system allowed for a larger intake of students.

Also, what evolved at that particular time in order to accommodate these additional students, was the system whereby students were promoted annually, there were some who did not meet the pass requirements of the particular year but were promoted because there was an absolute need for a continuous student flow through the system. What resulted was what is called the "up-and-out system" where students entered secondary school and spent five or six years as the case may be and many came out without having passed any subject at the CXC level.

We have ended up with a high percentage of so-called graduates who are in fact now unemployable and they constitute some of the youngsters who are involved in many of the criminal activities that we are unhappy about today.

My view is that we need to get rid of this shift system as soon as possible. I know it has been mentioned by the Minister in her presentation as one of the objectives, but I feel that a time should be stated by which it is going to be accomplished, and I would like to put that question to the Minister to get an answer at a later stage, if not tonight.

I believe that time lines need to be established and timetables need to be adhered to for achieving the objectives she has outlined. In this context as well, there are obviously some students who are not entirely suited for the academic system and should be channeled through a more practical technical stream. I feel that there needs to be more effort in that direction in terms of developing technical school alternatives and that some system needs to be put in place whereby a determination is made of which stream a student should be in and be directed after some consultation and agreement on their part.

There is another problem that relates to the underperformance of boys. The girls are performing well, but too many boys are not, and this raises comments at every graduation ceremony but nothing more is heard after that. It is a very serious situation and needs to be given urgent attention as a potential serious social problem is certain to develop over the years ahead. A thorough study of this problem needs to be initiated and a programme developed to deal with it.

Madam President, I touch on these problems as large expenditure in infrastructure, teacher training, curricula development, et cetera will be required in effecting remedies, and I fear that they may not be realized in a timely manner unless we set out to do so seriously. We must set time lines for execution and completion of projects and adhere to targets.

Thank you.

Madam President: Is there anyone else?

Sen. Mark: Madam President, I saw where the Minister of Finance was about to rise. I want to make it very clear that we had an agreement that we would have had one more speaker and adjourn around 9.30 p.m. and return at 1.30 p.m. tomorrow. Is the Government changing its tune on this matter? Minister Saith, are you changing?

Sen. Dr. Saith: Madam President, I am surprised that the Senator did not ask me to come in the back because we have been having some discussions, including Sen. Dr. McKenzie, and I would still prefer to do it that way than to respond.

So if the Senator would join Sen. Dr. McKenzie and I in the back—

Sen. Prof. Ramchand: Madam President, there was a Procedural Motion by Sen. Yuille-Williams that the Senate sits until the end of—

Sen. Dr. Saith: That does not really stop, and Sen. Dr. McKenzie knows of which I speak. I would prefer that you join us in the back.

[*Sen. Dr. L. Saith, Sen. Dr. E. McKenzie and Sen. W. Mark proceed to the back*]

Sen. Brother Noble Khan: Thank you, Madam President, for allowing me these few moments. The night is long, we could become a little tired, but what is before us is the nation's business and we will more or less try to address ourselves in the circumstances.

I always feel that one of the reasons for our Parliament is for funding and if we were to look at the models of Parliaments and their evolution, it all evolved around money and how it is spent. The Finance (Supplementation and Variation of Appropriation) (No.2) Bill is such, and as we know, this type of Bill has been with us since the promulgation of Act No. 20 of 1959 which establishes our financial system and that has been with us for quite some time.

Much has been said with respect to the systems, and what is before us basically comes from a systemic origin and it would seem to me that much of it has brought repetition over the period, and I particularly make mention not only of the system that is before us and the way in which the data are fed to us, but also what we hope to achieve over a period of time through these mechanisms.

As we know, the finance system is to ensure through Parliament, that what would obtain in the country expressed in financial terms would really be obtained, and from that the hopes and aspirations of our people insofar as the economics, sociology and what have you, would definitely be receiving what I would like to refer to as the cement in terms of a mixture. Without funding, nothing goes on, without cement no concrete would be made so it is very important.

Within recent times, the question of utilization of the funds in what has been referred to as an effective and efficient way—I guess these words have become clichés over a period of time and our goals and objectives seem to be very elusive when we think in terms of it. Here we have at the beginning of the year high hopes and expectations coming and then in about three and a half months before the termination of the financial year, we see this before us, but this is understandable in a dynamic situation.

We have heard too, a host of concepts that have flowed from the Minister of Finance for whom we have high respect and great expectations. The question of Central Bank, inflation, productivity, and stock exchange to which we pay some form of respect, and if all is well we would have things going well so to speak, but in the real world, one thinks in terms of what this funding was supposed to be to make us realize as a nation what has been. Obviously, the system does not

Finance Bill
[SEN. BRO. KHAN]

Tuesday, June 15, 2004

provide for that. It has come for more money and shifting of money and we just happen to get, by the way, what has taken place, and no strong commitment of that.

The question here at the moment is what is the situation? We have heard at the beginning that this Finance Bill seeks to amend a deficit expected and, if I have it correctly, we have a surplus. So in counting, there is about \$2 billion and what are the implications of that at the moment? I would like to share with you something that happened earlier in the day.

I was at a funeral of a close relative in Arima and there were people from the north coast, Matelot, all over and we exchanged our sympathies and so forth, but what came out is that there is nothing going on and we are talking about hard core areas from Matelot to Arima and people were expressing concerns about that.

That is one thing we should pay respect to. I do not know what feedback systems you or other Senators have, but I think you can see me any place, anywhere, any time. So there is a mechanism where I get some form of data. Applying that as a feedback mechanism to what obtains at the moment and what we have been told, one would think as though there has been a betrayal because in this time of plenty what is reaching down to those who are supposed to have a share in it?

I listened closely to many of the comments and statements made and it took me back to what Sen. Ali said in dealing with people from the north, and basically the economy that is being fired at the moment is that the natural resources of our land are being exploited by persons from the north. I mentioned before what part of that overflow of the value added remains with us. Even the accounting and the sharing are handled outside. There was a big building erected by the savannah where a hotel was, but where does the transaction really take place with respect to what is mine?

9.35 p.m.

These are questions. My mind takes me—just to divert a little—to Anegeda, a small island somewhere in the windward passage in the early days; I am talking maybe 40 years, and what took place. We are dealing here with the north interacting with the south, and we are part of the south with our natural resources. God help us. We are at their mercy. Even here what is taking place, those who were at one time friends, now bitter enemies, coming here to fight. I speak about those two steel companies.

These are some of my concerns. We have been hearing for quite some time now about the levels of poverty and poverty line. What is the effect of the poverty

line in this time of plenty? Have the numbers gone down? Have the line moved up? These are some of the things that occupy my mind.

Then, again, it is the quality that comes to us. We have heard it said that thousands of people are applying for jobs and half of them are getting jobs and it is like a big favour for half of the people—I heard about some 21,000—getting work. Is there dignity in the work? Of course, my father told me that. He never worked for anybody. He walked around and that is how he and my mother were able to raise 15 children.

So there is dignity in work; there is honesty in work, but in this modern day in the time of plenty, one thinks in terms of what we are fashioning in our country. This is an important factor. Over a period of 48 years or thereabouts, we were substantially responsible for ourselves and the question of our attitudes, the question of change, the question of building and moulding a society, how far have we reached? We have heard very noble expressions by the Minister of National Security and our Minister of Local Government, but if we did not hear that before—what is the word; I think Sen. Ali used it—*deja vu*. Forgive me if I mispronounce.

But these are the things that befuddle my mind and the deceit reaches out, and the question of trust. We speak about building a society and from day one I have been saying collaborate, cooperate, form partnerships. They are wide words, not only as our Minister of Local Government is saying, down the line, but truly across the board. They are using many different words for it. You hear of unity, but unless we are able to mould and build that society, one wonders where we are going.

We hear about different cultures. Within recent times we have been hearing the words, culture of death permeating our society. These are important factors to which we have to pay respect. Of course, on the question of culture of death, there are the social services; there is the Ministry of National Security that deals with these sorts of matters. Lest I be accused of drifting off, I have tried to fit it in under a Head of expenditure. So these are some of the things that come to my mind.

The question of responsibility has always been with us and we always like to shove responsibility onto somebody else. Accountability is a very difficult word to come to terms with. For myself, I am aware of it from a practical end, even as a person where I have to give personal accountability for myself. I also worked as an auditor for about 10 years in the government service and I know that subliminally people do not like to answer questions. Of course, it depends on how

Finance Bill
[SEN. BRO. KHAN]

Tuesday, June 15, 2004

you approach them also. But basically there seems to be a feeling of having to answer.

So unless we own our responsibility and really build in it that there is a duty to account, we would be in much trouble. I am not only speaking in terms of dollars and cents, but to ourselves, within our own hearts, so when we lie down, we know we have done a good job. There are no qualms in our hearts when we go to rest over what we have done. This should not only be for the other person but for ourselves, that sort of selfless approach to what we are doing. They may appear to be difficult, but these are important aspects.

On the question of agriculture, I mentioned in past debates the whole question of that direction in which we are supposed to go. We know that for quite some time, the Caroni basin had some funds flowing through it because of Caroni (1975) Limited, and there has always been money pumping into it. With the dry-up of that, one wonders what is taking place in that area. The feedback is not so pleasant. There is some money that was accumulated over time being utilized, but down the line, with the lack of work, there are social effects taking place: the alcohol, drugs and what have you, and I dare say some of the spin-offs of a quick dollar taking place in certain areas. I would not like to go into those areas, but I am sure we are all familiar with what I am making reference to, and I speak here of the elements of crime and negativity.

All the speakers who mentioned the question of education realized that this is the key area. For myself, I feel that there is a total commitment of our Minister of Education and what she is doing. Of course, we cannot have everything being done at the same time or in the correct way. But I feel comfortable with her and what she has been able to do and what is coming through. So to some extent I have hope in that area, of meeting those challenges, in particular in the area of values judgment, social interaction and more so with our young people; what are in train, what I know of and form part of and which I think would go a long way in bringing our society onto the type of road that we would really like it to be.

I would never say anything against young people. Their deeds might not be what we want, but when we produce a society, it is we, ourselves, who have created it. So whenever we reflect, we must think in terms of looking at a mirror, with the negatives and the positives. But there is need, definitely, to address that question of a redesign of the system.

Of course, I might be talking about what everyone knows and what I think is in train, but what is most important is the question of deliverables. Of all the

Caribbean people, coming down from the Bahamas to ourselves and Suriname—which is our basin, so to speak—I would like to think that Trinidad and Tobago is the furthest in the closer line away from the negatives, let me put it that way. If it is that we are in that situation and what is coming down to us, one could imagine what is taking place in the other Caribbean islands. They may have very different ways and they might not be like us in many of the different negatives, but there is definitely need, even as the leadership that could extend within our people themselves, and as a nation as such, to try to strive to be an example in the Caribbean and beyond. These are some of the things that I would like to think in terms of.

I have always warned, perhaps because of my age or my experience, on the question of the funds. We have heard quite a bit of money is coming. Sometimes it is like some of the young people when they “put down a wok”, they cannot understand what is in front of them when they pull a big job and they have plenty money. They cannot conceptualize it; they cannot go to spend the money. That is a fact of life when you hear what happens. They would go in a store to buy and the girls and “dem” could just take what they have, because of the state of the development which we have produced.

So this is one area that we need the education system. I always like to think in terms of simple models. The development of a conceptual, technical and human relations, we could put that against that and if we could genuinely bring this to bear and see something emerge out of it; if we could give some sort of credence to what Sen. Ali and many others have said, where are we going? This cash flow that is coming, who benefits? What type of society do we build?

These are all of the things that come to my mind when I think in terms of this Finance Bill that is before us. Again, I would like to urge ourselves that if we do not have our concepts right; if we are not able to transfer that feeling to whomever we come into contact with, that feeling of outward love, of belonging, of caring—I do not think anybody who says they care for people does not believe it, but you develop the conceptual skills, the technical skills, the human relations skills, so that you could really transfer it over and the elements of our spirituality would be built in such a way so that our society would become the type of society that we truly would like it to be.

Thank you, Madam President. [*Desk thumping*]

ADJOURNMENT

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move that the Senate be now adjourned to Wednesday, June 16, 2004 at 1.30 p.m.

Adjournment

Tuesday, June 15, 2004

Madam President: Hon. Senators, there is a matter to be raised on the Motion for the Adjournment of the Senate.

**Mobile Harbour Crane
(Status of Enquiry)**

Sen. Wade Mark: Madam President, in response to a question that was raised in this honourable Senate on March 31, 2004, the following answer was given by the hon. Minister in the Ministry of Finance, Sen. the Hon. Christine Sahadeo, and the question had to do with the awarding of a tender to a particular company at PLIPDECO. The Minister did, in fact, give this Senate an undertaking that the board would appoint an independent auditor to carry out an investigation with respect to the procurement of a harbour mobile crane.

If I may remind you, there were two companies that tendered for this particular crane and at the end of the process, one Fantuzzi of Italy was successful, even though in response to my question we were told that the management evaluation team for the tender of October 15, 2002, did not recommend the successful bidder, and the successful bidder would have been Gottwald Port Technology and, therefore, the recommendation for the acquisition of the crane came from the board's tender committee. The Minister indicated to this honourable Parliament that as a result of the concerns that were raised about this tender process, Cabinet directed that the Minister of Finance cause an independent investigation to be carried out into all aspects of the procurement of this harbour mobile crane.

We believe that the Minister in the Ministry of Finance owes this Parliament some update, some status report, on this investigation. We have been, of course, conducting our own enquiries into this particular matter and we would like to share with you and this honourable Senate, and maybe the hon. Minister can take account of these developments. We have been informed that the original tender received from Fantuzzi did not meet the specifications stipulated by PLIPDECO for the supply of this harbour mobile crane. We understand that under the particular tendering role, Fantuzzi should have been disqualified.

The tendering process was subsequently temporarily discontinued whilst the specifications were altered to conform with those of the Fantuzzi crane. We understand that tenders were then re-invited from three companies. One of those companies, Liber, objected to the re-tendering and refused to participate and, as such, two tenders were received the second time around, only one of which, Gottwald, was received by the deadline date for submission.

We understand that Fantuzzi should have once again been disqualified. The deadline date was then extended by PLIPDECO to facilitate this particular Italian company, Fantuzzi. This was another fundamental unacceptable breach of the normal contract procedure.

We also learnt that the Fantuzzi tender did not include the mandatory performance bond. It is a type of insurance against failure of the supplier to provide a crane in accordance with the contract. For the third time this particular Italian firm ought to have been disqualified and, therefore, the additional cost of selecting this particular company as supplier, has been very high for the company, PLIPDECO.

We understand that the Fantuzzi technology is inferior as the hydraulic systems are not as reliable as the electrical systems of the Gottwald and Liber cranes, and the Fantuzzi is no longer listed by industry journals as being among the leading crane suppliers in the world. In fact, we understand that in Italy this particular company is under investigation for corruption. We also understand that full payment was made by PLIPDECO to this company, Fantuzzi, and it cost the taxpayers of this country some US \$4.8 million in the purchase of this particular Fantuzzi mobile crane. We understand that full payment was made despite the fact that the specified caterpillar engine was not received and the supply crane has an inferior Perkin engine.

Gottwald had, by letter, sent to the company, threatened legal action against PLIPDECO as they were fully aware of the breaches of the tendering procedure. However, in the interest of getting future business in this country, they were persuaded not to pursue this action.

We believe that this is a very serious matter and we also believe that whilst the Minister did indicate to this Senate that PLIPDECO would investigate PLIPDECO, we believe that is unacceptable and we would like to appeal to the hon. Minister to take steps to deal with this matter in a much more independent manner. We believe, based on our information, that there is an internal audit report on this whole matter and it is incumbent upon the Minister to make this audit report available to this Parliament so that we can get to the bottom of this matter.

There is a kind of incestuous manipulation of the system within PLIPDECO at this time. We understand that steps are being taken by the PLIPDECO board to replace the external auditors, that is PriceWaterhouseCoopers with a new company called Ernst & Young, with whom, we understand, the chairman of that company has very close relations.

Mobile Harbour Crane
[SEN. MARK]

Tuesday, June 15, 2004

We also would like the hon. Minister to recognize that because of the state of affairs at PLIPDECO, this company is undergoing, what is called, corporate distress, and there are many signals that can, in fact, demonstrate the extent of this particular corporate distress. A major defect right now is that you have an autocratic chief executive and chairman.

We believe that if you look at the various ratios of this company and look at their balance sheets over the last two years, those ratios are not good; they are deteriorating. Management salaries have been frozen; capital expenditure decisions have been delayed; the chief executive, Neil Rolingson, has left and is now working at Penta Polimer. One Mrs. Doris Wong has tendered her resignation. There is a high staff turnover at this company right now. The morale of the staff is down and rumours abound in this company.

I think it is incumbent upon the hon. Minister, Sen. The Hon. Christine Sahadeo, to take a very serious view of this matter. We bought a faulty crane from Fantuzzi and it cost the taxpayers US \$4.8 million and we need a forensic audit, independent of the PLIPDECO board to determine what money was passed where and to whom. We want a proper investigation into the activities of the autocratic chairman of this company that is grinding PLIPDECO to a halt at this time. We believe that this decision on the part of the Cabinet to allow PLIPDECO to investigate itself by appointing its own internal auditor in order to get to the bottom of this matter, will not bring forth any meaningful result at the end of the process.

This is why we would like to call on the hon. Minister, if the report has been conducted and completed, could the Minister make that report available to the Parliament of the country? We would like the Minister to publish and lay in this Parliament, the findings of an internal audit conducted into this particular crane that was purchased. We understand that report is in the hands of the PLIPDECO management and the internal auditor and we think that report would give the Minister, this Parliament and the country, a better appreciation of what has happened in terms of the purchase of this Fantuzzi mobile harbour crane.

Therefore, we would like to call on the Minister in the Ministry of Finance to conduct a forensic audit. We do not believe that this so-called internal, independent probe by the board of directors of PLIPDECO—in this instance, the chairman of that company—would, in fact, unearth the truth, because we are talking about millions of dollars that are involved in this matter. Thirty million dollars were spent on a crane that is defective and that is very faulty. We

understand a lot of corruption is involved in this matter and we believe that the Government that speaks to the issue of transparency, honesty and openness, we demand that the Government conduct an independent forensic audit into this particular purchase. We believe if that is done, it would provide the country and the Senate with a better understanding and appreciation of all the facts and circumstances surrounding the purchase of this particular crane that has a lot of implications for the future stability of that company. I would like to appeal to the Minister to at least take that particular matter on board and to let us know what the position of the Government is on the matter.

Thank you very much, Madam President. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo): Madam President, the Motion reads:

“The status of the internal inquiry into the purchase of the gantry crane from Fantuzzi by PLIPDECO.”

Let me state at the onset, PLIPDECO did not purchase a gantry crane from Fantuzzi. However, because I do not wish to be discourteous to this honourable Senate, neither do I want to quibble with Sen. Wade Mark and given that I could sometimes read minds, I would respond to the intended question, which should be: “The status of the internal inquiry into the purchase of the mobile harbour crane from Fantuzzi by PLIPDECO.”

PLIPDECO did, in fact, purchase a mobile harbour crane from Fantuzzi Regianne SPA. You would recall, as the Senator also indicated, there were, in fact, several questions posed on the purchase of both the gantry crane and the mobile harbour crane. You would further recall that based on the concerns raised, we undertook to consult with the board so that an independent investigation would be commissioned. We wish to advise that at the 375th board meeting on May 27, 2004, the board at PLIPDECO agreed that an independent forensic audit would be commissioned with respect to the following:

1. Procurement of one post-panamax gantry crane;
2. Procurement of one mobile harbour crane;
3. Award of contract for the supply, installation and operation of one-way bridge at Point Lisas;

Three local auditing firms with international connections were invited on June 04, 2004, to bid for this. The names of the firms invited are: Ernst & Young,

Mobile Harbour Crane
[SEN. THE HON. C. SAHADEO]

Tuesday, June 15, 2004

KPMG and Pannell Kerr Forster Limited. The deadline for reporting the findings is July 15, 2004.

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

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 10.05 p.m.