

*Leave of Absence*

*Wednesday, June 15, 2005*

**SENATE**

*Wednesday, June 15, 2005*

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 from today's sitting of the Senate to Sen. Parvatee Anmolsingh-Mahabir who is out of the country.

**PAPER LAID**

The Report on the Freedom of Information Act 1999, for the period February 20, 2001 to December 31, 2003. [*The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith)*]

**FINANCE (SUPPLEMENTATION AND VARIATION  
OF APPROPRIATION) BILL**

*Order for second reading read.*

**The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):**  
Madam President, I beg the move,

That a Bill to supplement and vary the appropriation of the sum of the issue of which was authorized by the Appropriation Act, 2005, be now read a second time.

Madam President, the House of Representatives met on Friday June 10, 2005 and agreed to two proposals with respect to the 2005 Appropriation. The first proposal was for the provision of supplementary funds in the sum of \$3,050,211,864 to fund urgent and critical recurrent and capital expenditure to September 30, 2005. The second proposal was for the variation of the appropriation for fiscal year 2005 in the sum of \$16,083,000. The increases in the appropriation and the details are in fact in the Bill, so I will not go through them.

Madam President, the Senate would recall that the 2005 Budget projected a fiscal surplus of \$7.7 million or 0.01 per cent of GDP. For purposes of administration of the budget, an overall deficit of \$770 million was projected for the period October 01, 2004 to March 31, 2005. Based on actual expenditure, the Government recorded a fiscal surplus of \$2.4 billion in the first six months of the

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

*Wednesday, June 15, 2005*

fiscal year. The favourable position is due to higher than anticipated revenues of \$1.690.6 billion and lower than anticipated expenditure of \$1.524.5 billion.  
[*Interruption*]

The additional revenue is due mainly to increases in taxes on incoming profits, taxes on goods and services; and taxes on international trade, which together totalled \$1.613.2 million or \$1.6 billion, along with increases in royalties on oil. The stronger than anticipated performance in taxes on incoming profits is due to a better tax take from oil and other companies, as well as unemployment levy, all of which are associated with higher than anticipated oil, gas and petrochemical prices.

While the estimates of oil revenue for 2005 were based on projected oil and gas prices of US \$32 per barrel and US \$1.50 per MMCF for gas, the average weighted prices for the first six months of the year were approximately US \$40 per barrel and US \$2.26 per MMCF. In the case of taxes on international trade the increased revenue was due to increased importation which correlated with the upward trend reflected in the distributive sectors. With respect to taxes on goods and services the improved performance was due to higher than anticipated receipts from motor vehicle taxes and duties and value added taxes.

Madam President, the shortfall in expenditure for the first half of the year was due in part to the lower than anticipated implementation rate for the Public Sector Investment Programme to the tune of \$592.8 million. In the case of recurrent expenditure the sub-heads registering the highest shortfall in expenditure were "Personnel Expenditure" and "Other Goods and Services". With regard to Personnel Expenditure, spending was lower than anticipated because funds that were included to facilitate the settlement of arrears of salary to primary and secondary school teachers, as well as members of the fire service, were not utilized within the projected time frame because of delays in certification of payments by the auditors and further processing delays by NISC.

The expenditure shortfall in goods and services has occurred because the implementation programmes of ministries have been affected in the main by delays in the recruitment of contract personnel and acquisition of minor equipment as well as tardiness in the finalization of final payments.

Madam President, when the higher level of expenditure, facilitated by the Finance (Supplementation and Variation of Appropriation) Bill, 2005 now before us, is matched against the revised projection of total revenue, it yields a revised overall surplus in Government's fiscal operation for the fiscal year 2005 of \$11.9

million projected. This reflects an increase in total expenditure from the originally budgeted \$24,007.8 million to \$26,756.5 million and an increase in total revenue from the original projection of \$24,015.5 million to \$26,768.4 million.

Madam President, the three largest contributors to the improved revenue projections for 2005 are oil companies, other companies and taxes from individuals. Taxes from oil companies are projected to increase from the original estimate of \$7.993 billion to \$9.004 billion, an increase of \$1,011 million. Taxes from other companies are earmarked to increase from the original estimate of \$2,068.3 million to \$2,879.4 million, an increase of \$811 million. And taxes from individuals are projected to increase from the original estimate of \$3.392.4 billion to \$3.818.1 billion, an increase of \$425.8 million. The details of these proposed changes were circulated to all Members of the Senate.

Madam President, permit me at this time to advise the Senate on the proposals applicable to Heads of Expenditure for which increases in excess of \$250 million are being proposed. Under Head 18: The Ministry of Finance, an increase of approximately \$348 million is being sought. The amount is made up as follows:

In the wake of the Tsunami in South East Asia Cabinet agreed that Trinidad and Tobago contribute US \$2.0 million to the United Nations relief and reconstruction efforts.

Consequently, a warrant in the sum of \$12.6 million was issued from the Contingency Fund to honour this commitment. As a result, the sum of \$12.6 million is now required to retire the warrant in accordance with section 16(4) of the Exchequer and Audit Act, Chap. 69:01.

Madam President, an allocation of approximately \$1,356.9 million was made in the 2005 Estimates to be transferred to the Interim Revenue Stabilization Fund. Based on the computation of oil revenues projected by the Ministry of Finance for the fiscal year, the surplus revenue over that estimated based on a US \$25 price of oil is \$2,376.4 million. In accordance with the present principle of transferring 60 per cent of the surplus revenue into the Interim Revenue Stabilization Fund, a sum of \$1.425.8 billion will be required to be transferred to the fund. As a consequence, a further appropriation to the Interim Revenue Stabilization Fund in the sum of \$68.9 million is now being sought. This would facilitate the transfer of \$1.425.8 billion to the revenue stabilization fund within the 2005 fiscal year.

Madam President, I wish to basically advise the Senate that these are projections at this point in time and if our implementation rate is lower than

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

*Wednesday, June 15, 2005*

anticipated, we have said in the past, and we are going to be doing it again, that there would be additional revenue allocated to the fund.

In November, 2004 Cabinet agreed that the Government of Antigua and Barbuda, a shareholder Government of Liat (1974) Limited, be allowed to access a loan of EC \$5.7 million. No provision was made in the 2005 Budget for that purpose. As a result, the sum of approximately \$13.6 million was transferred from the allocation for BWIA. Also in January, 2005, Cabinet agreed that \$20.8 million be injected as equity into the National Quarries Company Limited. Again, no provision was made in the 2005 Budget for this purpose and a further amount of \$10.4 million each was transferred from the allocations for BWIA and Caroni.

Additionally, Caroni (1975) Limited requires a sum of approximately \$49.5 million to meet its statutory obligations to the Board of Inland Revenue and amounts due to local and foreign creditors to the end of fiscal 2005. As a result of the transfers which were interim measures, as well as the supplementary funding required for the Board of Inland Revenue, provision is now being sought in the sum of \$24 million for BWIA and \$56.9 million for Caroni.

Madam President, supplementary resources in the amount of approximately \$123.8 million is also being sought for the Trinidad and Tobago Electricity Commission to meet its debt service obligations to the National Gas Company in the light of increased market price of natural gas and the attendant cost to the utility.

Under Head 28: Ministry of Health, an increase of \$419 million is being sought. This additional funding is required, in the first instance, to provide for the increases in the provision of services under the Chronic Disease Assistance Programme known as (CDAP) in the sum of \$10.3 million and the provision of dialysis and other medical treatment in the sum of \$4.4 million.

A further sum is also being sought to enable the North West Regional Health Authority to meet outstanding obligations to its creditors, as well as the Board of Inland Revenue and other statutory authorities. Increased provision is also required to meet payment of employee benefits and other incentives. The additional funding required to meet these expenses, as well as the operating shortfall at the East and South West Regional Health Authorities, is \$337.3 million. An additional \$102 million is also required for the cost associated with the commissioning of new wards and the introduction of free services at the Mount Hope Medical Complex.

Madam President, under Head 40: Ministry of Energy and Energy Industries, an increase of \$650 million is being sought, primarily to meet the subsidy payments to the petroleum marketing companies, consequent on the prevailing high prices for oil in the international market. Under the Petroleum Products Subsidy Act, Chap. 62:02, a subsidy arises when the price the marketing companies pay to purchase these products is more than the revenue collected in sales at the pumps. The sum of \$650 million is required to meet outstanding payments due to National Petroleum Marketing Company, which in turn would enable that company to meet its accumulated debt to Petrotrin related to the unmet subsidy payments.

Under Head 43: Ministry of Works and Transport, an increase of \$400 million is being sought. These resources are required to meet the following:

- (1) The cost of salaries and Cola, and wages and Cola for the fourth quarter under the various divisions of the Ministry. The shortfall arose as the allocations were transferred to facilitate payment to the Port Authority for leasing of two additional vessels for the Inter-island Ferry Service. It is now necessary to replace the allocations that were transferred;
- (2) Additional cost associated with the implementation of a short-term drainage programme which includes de-silting and widening of watercourses throughout Trinidad;
- (3) The additional cost of financing the deficit on the operations of the Inter-island Ferry Service for the period July to September, 2005 and for the mobilization fee for interim leasing and commissioning of a high-speed ferry;
- (4) Expenses related to the provision of additional seating on the Trinidad and Tobago Air-bridge for the period May to September, 2005. Replenishment of the debt servicing allocation under the Airports Authority, in order to meet payments due in the month of July, 2005. Funds were transferred out of this vote to meet the cost of providing additional seating on the air-bridge for the period August, 2004 to April, 2005. Replenishment of the debt servicing vote of the Port Authority, in order to meet its commitments due in the month of September, 2005. Funds were also transferred to meet the cost of providing additional seating on the Trinidad and Tobago Air-bridge.

Commitments on ongoing contracts under the Reinstatement and Stabilization of Failed Slopes Programmes which have been accelerated to take advantage of the weather conditions.

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

*Wednesday, June 15, 2005*

Payment for works being undertaken on the Tobago component of the Institutional Strengthening of the National Highways Programme.

Also, to meet payment of retention fees from previous contracts.

Advance payments on contracts awarded for the following major projects of the Trunk Road Expansions Programme:

- (1) Widening of the Churchill Roosevelt Highway from O'Meara Road to Santa Rosa;
- (2) Rehabilitation works from the Pillars to Antigua Road—Churchill Roosevelt Highway; and
- (3) Feasibility studies and design for the highway from Golconda to Point Fortin.

Supplementary resources are also being proposed for the Public Transport Service Corporation for the following:

- (1) The acquisition of 25 conventional buses which are due to be commissioned in June, 2005.
- (2) The purchase of spares and accessories to repair Marco Polo buses; and
- (3) The acquisition of 12 articulated buses which are due to be commissioned in June, 2005 to the tune of \$4.9 million.

Madam President, at this point I would like to address those Heads of Expenditure for which a reduction in the allocation is proposed; that is, the Industrial Court and the Ministry of Trade and Industry. In the case of the Industrial Court, Cabinet gave approval for the Director of Real Property Estates to negotiate a lease agreement for a proposed location to house the Tobago office of the Industrial Court. However, funds provided for this purpose have not yet been utilized and it seems unlikely that this process would be completed in the fiscal year. With regard to the Ministry of Trade and Industry, the designs for the Information Technology Industry Development Project at Wallerfield are not expected to be completed by the end of fiscal 2005 as planned.

Madam President, may I take this opportunity to inform the Senate that \$950.5 million of the supplementary resources provided for in this Bill is earmarked for the Public Sector Investment Programme. The Ministry of Planning and Development in collaboration with other ministries and departments, conducted a medial review of the PSIP, and as a result \$16.1 million is being varied among three Heads and supplementary of almost \$1 billion is required. It is therefore

proposed to increase the allocation to projects which are in need of additional funding and to reduce allocations for those projects that have performed below expectations.

Madam President, may I reiterate that the increased levels of expenditure authorized by the Finance (Supplementation and Variation of Appropriation) Bill, 2005 combined with the revised projections for government revenue, including transfers to the Interim Revenue Stabilization Fund are expected to result in an overall surplus of \$11.9 million in government's fiscal operations.

Madam President, I beg to move.

*Question proposed.*

**Sen. Carolyn Seepersad-Bachan:** Thank you, Madam President. I am pleased to contribute to the Finance (Supplementation and Variation of Appropriation) Bill, 2005.

Madam President, there has been much sentiment about this particular Bill in the public domain. I think the reason for that is, it is the first time that we have seen such a large amount in supplementation. I do not think we have ever experienced a supplementation Bill involving over \$3 billion. When one compares this figure with prior years we have to determine what in essence are we going to achieve out of this \$3 billion, over and above your planned expenditure.

Madam President, to express some of the business community concerns: When you budgeted and you planned your expenditure, one would assume that you have planned and that you have put things in place to be able to meet those commitments that you have made. What seems to be happening here, if you do have excess revenue, you tend to take that excess revenue and put it towards contribution, towards, let us say, the expansion of physical plant, expansion of inventory; these things that would lead to expanding the earning capacity of the economy.

What is amazing with this particular budget is that a majority, at least close to 67 per cent of this supplementary amount of \$3 billion, is going towards recurrent expenditure. When you look at the list of items—which I want to deal with as I go through the Bill—you wonder, what was in the planning process last year. I will just quote one, because when you look at the figures—and let me just summarize; the Minister spoke about \$2.099 billion in additional recurrent funding, and out of that, let us say, there is \$22 million that is going to debt servicing. I wonder, if you knew your debt position and you have been planning on an annual basis, how

*Finance Bill*  
[SEN. SEEPERSAD-BACHAN]

*Wednesday, June 15, 2005*

come you did not plan for this \$22 million in debt servicing and now you are coming with a Supplementation and Variation of Appropriation Bill to include recurrent expenditure towards debt servicing?

Madam President, let me just put my contribution into context. There was a time when the oil price was down to US \$12 a barrel and under the United National Congress government we went out heavily and aggressively marketed this country as a country worthwhile for investment. A number of initiatives were taken, including the legislative reform, regulatory reform, to ensure that we had what we called “a climate that was favourable for investment”. This is why through that marketing effort we were able to attract US \$5 billion into this country which was the highest ever in foreign direct investment, possibly second to Canada. I remember at that point in time every international journal visited this country, hot on the heels to interview the various technocrats, in order to determine and to tell the world about the investment opportunities in this country. For example, you would recall the *Times* magazine, *The Financial Times*, *The Economist*, a whole string of them came to this country and the last one I remember was when we were quoted as an “economic tiger in a sea of pussycats”; that is what we had become known for in this part of the world.

Madam President, today, we see that our only claim to fame is when we go to a Florida courthouse, where we have a member of the Jamaat in heroin deals and gun running, et cetera. Their only claim to fame today, is when a defence attorney could state, in defence of his accused client, that listen: “My client assisted the government into getting into power today.” That is what we have as the fame to claim for Trinidad and Tobago.

What is causing all of this? You will say the relevance towards this Bill is because of the economic management of this country. Many have said it, and I am going to repeat it today. The Government’s expenditure pattern, today, is doing nothing in terms of the expansion of the economy, in terms of the expansion of the revenue-generating capacity of this economy. Instead, what we see are high levels of inflation and what we see are high levels of consumerism—most of it going back into the criminal activity of this country—and that is where we stand today and we cannot refute that.

**2.00 p.m.**

I want to ask this Government: Where are we going from here? This \$3 billion is doing nothing more than assisting in that same path, in accelerating us down that particular path.

Madam President, about four years ago the International Monetary Fund (IMF) did a report. I think it is important that I say this. One of the things the report talked about was the whole issue of the crowding out effect. I remember that specifically from the report and I remember stating it here in this particular place. At the point in time, the IMF appealed to the Government not to follow the same economic policy of the 1970s, because we were going through that boom period of high oil and energy prices. It appealed to the Government, in no uncertain terms, that it should put money into the Revenue Stabilization Fund.

I recall, at that point in time, the Government continued to insist that it did not think contributions to the Revenue Stabilization Fund were important given that its consumerism objectives needed to be met first. I remember the IMF pointing out the dangers of that particular approach. I want to reiterate that what is happening today in this country is the crowding out effect. Let me just quote some examples and put them in context, because in the budget debate last year, we spoke to the issue of the demand and supply side, because the Government continued to focus on the demand side. It is because of the demand side that we are getting these high inflation rates. We spoke to the issue of getting more money into the supply side of the economy; it is clear that has gone unheeded today.

In the Central Bank Monetary Policy Report one of the issues raised several times over was high food prices. Let me quote from page 9 of this report. They listed the prices of all the foods; what we see here is that the price of vegetables has increased by 70.5 per cent. Tell me, Madam President, how people living under the breadline can afford the vegetables they need for the strong nutrition of their children. Food prices have gone up: rice, flour, it is highlighted here in the report. I know that too because I am a mother; I face the grocery and I know how difficult it is. How are we ensuring that we can continue to meet the nutritional needs of the young people and children of this nation—not junk food—the nutritional needs of our nation, when food prices are so high?

Yet we see very little, a mere \$35 million, being put towards agriculture. Time and time again we ask where are the incentives going into the agricultural sector, whether in agro-processing or agriculture? Yesterday we heard from the Minister of Agriculture, Land and Marine Resources. We had to remind him, over and over again, that he was responsible for the fights taking place among the farmers of this country right now. He continues to discourage the farmers from production and this is why we see a 70.5 per cent increase in the price of vegetables; a simple example of supply and demand.

*Finance Bill*  
[SEN. SEEPERSAD-BACHAN]

*Wednesday, June 15, 2005*

Madam President, the business sector comes forward whenever and speaks infrequently on these issues. It was the business sector in the *Business Express* about two weeks ago that spoke about the issue of the Community-based Environmental Protection and Enhancement Programme (CEPEP). Right now with all this money that is going into these programmes, we are wrecking the labour market. That is why I will quote again from the Monetary Policy Report. The Central Bank Governor has indicated that there has been an increase in the Latin American and Caribbean market. Are you aware that although there is an increase in that market, the Trinidad and Tobago manufacturing sector has not increased its share there? And we wonder why. We continue to hear about the languishing non-energy and manufacturing sectors. Why is that? The business sector recently indicated that with the high labour prices being paid to CEPEP and others, there is no way they can compete with those wages and be competitive. That is why they cannot expand their business to enter into these markets.

I am not against the minimum wage level, but we must also remember that in order to increase wage rates, there must be an increase in the productivity level. If you increase the hourly rate to \$10 an hour and increased the productivity level by 100 per cent, that would have resulted in just a \$5 increase in the wage rate. This would only add cost to the business community by \$5 an hour. We continue to increase wages through these self-help programmes and CEPEP and we do not understand the impact they have on the rest of the economy, on the private sector. This is why it comes right back to the crowding out effect; you are crowding out the private sector.

I say this again, because we continue to set up all these State enterprises, which I will come back to in my contribution. We continue to develop all these State enterprises. I do not understand how, to this day, the business community has not responded to this issue. Are you telling me that after so many years we do not have the expertise in the private sector to carry some of these projects? We are, therefore, saying to the private sector that it has failed. It has gotten a grade F, a failure grade, because it cannot be called upon to carry out the construction that is required and the expansion this Government is talking about, whether in the education system—[*Interruption*]

**Sen. Sahadeo:** Madam President, if the hon. Senator will give way; there is a bit of a misleading statement. I have had public meetings with the business community and have indicated that these State enterprises which have been formed are management structures and all the contracts will be outsourced to the

private sector. This has been carried in various newspapers and I have also answered questions on those. I just wanted to clarify the issue.

**Sen. C. Seepersad-Bachan:** Madam President, then tell me what is the need for setting up these State enterprises, if they are going out to the private sector. You already have an infrastructure of public servants; tell me why you need to set up separate State enterprises. Is it because you want to circumvent the Central Tenders Board or the transparency procedures required to award these contracts? That could never be. You are telling me that you are now putting in duplicate infrastructure? That is ridiculous. All this UDeCott and national infrastructure—why do we need them? Are you going to get rid of all those public servants who were charged with that responsibility before or are you going to carry duplication of cost? Tell me why. [*Crosstalk*] No, no, no, Madam President, it is a way for them to set up private entities that will no longer be required to go through a transparent and competitive bidding process. And they are telling us about bureaucracy.

They do not understand the cost they are going to incur by setting up all those State enterprises, because you have to put in proper management; you have to provide space for them; you have to provide vehicles; you have to pay NIS and health surcharge. When you add up that cost, I want to know, are you going to get rid of public servants in order to defray that cost? [*Crosstalk*] You tell me. If you do not want the public servants involved, then you cannot tell me that you are going to keep the public servants there. To do what?

**Madam President:** Senator, speak to me.

**Sen. C. Seepersad-Bachan:** I think this point needs to be made.

**Sen. R. Montano:** You are only getting heckled because you are hurting them, continue.

**Sen. C. Seepersad-Bachan:** I want to see this process when it starts, because we are going to monitor it. If they say that they are going to give it out to the private sector, I want to see how they are going to do that through these State enterprises.

**Sen. Dumas:** You are arguing both sides of the point.

**Sen. C. Seepersad-Bachan:** Going back to what I was saying with regard to the supply side, this is why Trinidad and Tobago continues to slip in the global competitive index, because we continue not to re-skill, retool and develop that supply capacity that would allow us to link the expenditure patterns. I made this

[SEN. SEEPERSAD-BACHAN]

point before and I am saying it again: the Government needs to look at its expenditure pattern, in terms of continuing to spend only on the demand side and not on the supply side. [*Crosstalk*] This is amazing.

I wanted to address one or two issues in the Monetary Policy Report. The Central Bank Governor himself, in a public statement, expressed the concern that the Trinidad and Tobago manufacturing sector continued not to gain their share of the expanding Latin American and Caribbean market. Page 7 of the report talked about the whole issue of unemployment. I raised this issue last year and I remember a minister indicating to us that when we talked about full employment, our employment rate was 5 per cent. The Prime Minister at the time said that our unemployment rate had come down to about 7 per cent. I asked the question that if we are operating so close to our full employment level for this economy— [*Interruption*]

**Sen. R. Montano:** Martin wake up, you might learn something!

**Sen. C. Seepersad-Bachan:**—why do we need to continue to spend more money in these programmes and to employ more people? Why do we continue to see these rising levels of poverty? The Central Bank Governor said that the labour market conditions suggested by the preliminary data seemed very large and that we needed to further analyze. He said in a public statement that he does not trust—not that he does not trust, I do not want to put words in his mouth—but that something seemed to be wrong with the figures presented and they needed further analysis.

This is why when we advanced last year, if in your unemployment calculations you include all these temporary relief programmes, you are going to see this 7 per cent. Our unemployment may be escalating more than we think, because as people move out of meaningful employment into these short-term programmes, if you remove these short-term programmes, unemployment is rising. This is why we are seeing the non-energy sector, non-oil sector, continuing with this widening deficit. It begs the question: Why would you pursue an expansionary fiscal policy if you are operating so close to your full employment level?

Economists will tell you that if you are operating so close to your full employment level, expansionary fiscal policy will only lead to high levels of inflation of an overheated economy. [*Desk thumping*] I do not understand; if this is the case it is either one or the other. It is amazing to see that throughout this entire report the issue of inflation was highlighted. [*Crosstalk*] Do not worry with

them; they do not want to understand the issue. They do not understand that we need to increase the levels of productivity in this country, otherwise we will get expansion; you will get so much money chasing so few goods. I think that they understand the problem, but it is more a political problem for them; they do not want to appreciate it.

There are lots of conflicting issues within this Monetary Policy Report. One of them is that for some time because of the high liquidity position, private sector credit was on the decline and, actually, the private sector was not picking up the credit available and there was some concern. The downward trend in the lending rate provided a boost to the private sector expansion. The document went on to say that there has been some private sector expansion.

I took the opportunity to talk to some financial people here and there and asked, "Where do you think, with this credit expansion, that this money is going?" If the private sector is borrowing, where is the money going? Is it going back into investments? Is it going into plant and machinery? Are we expanding the economy, which is the intention of private sector credit expansion incentives? This seems to be of some concern. Is it that we are borrowing and putting it back into deposits? Are we borrowing and putting back into the stock markets? What is happening?

One of the issues raised was the possibility that because of the inflation issues and concerns mentioned here, the rational expectation may be that because of increasing inflation we might be borrowing, holding on with the expectation that inflation will rise. Are we just holding on to the credit available right now, but using it in no meaningful way?

Secondly, are we putting it into the stock market or is it going into housing, where we recognize that right now there is a bubble in the real estate market? There must be some concern. I am sure there are many on that side right now probably looking on with some concern at the real estate market, because when that bubble bursts, a lot of poor people will get hurt. Everything is just the picture of the 1970s and 1980s, because we had the problem in the 1980s when the bubble burst in the real estate market. No one has to remind you of the consequences as a result of that. Is it because the Fed funds rate went up recently? It is expected by the next two weeks when the Fed Committee meets again that we will be talking about another 2 or 3 per cent increase; it will go up to about 3.25 per cent and then it will stop, from what we understand. Is it that they are holding on, they are borrowing and investing in foreign markets? Where is it going?

*Finance Bill*  
[SEN. SEEPERSAD-BACHAN]

*Wednesday, June 15, 2005*

One of the issues which came up was that there seemed to be a lot of consumerism. You have a lot of these CEPEP and makeshift programmes, et cetera, et cetera, and a lot of it is going back into these big ticket items. With this level of consumerism and based on the level of borrowing, what is going to happen when these short-term programmes cannot be sustained? People cannot continue to maintain that level of borrowing. They cannot honour their debt obligations. I heard some concern expressed about the credit standards. Are we enforcing the credit standards? Are we about to see, not right now, but in time to come, another Trade Confirmers, another Southwest Atlantic, all these institutions that had to be shut down? That is what led banks into deposit insurance and the Central Bank stepping in.

It is something that we need to understand, because we have to remember that there are no free lunches and somebody is subsidizing all of this. If depositors' funds are being used to subsidize this level of consumerism that cannot be maintained, we are going to have a serious problem. I am wondering if, in years to come, we are going to see another major shutdown like that, where the Central Bank will have to step in, because we are not putting the standards in place. Are we stepping up the credit standards?

While I am on that, I raise the issue of the foreign exchange market, because I remember about a year ago we talked about the demands on the foreign exchange market and the amount of money used by the Central Bank to prop up the foreign exchange rate; since then there has been a lot of discussion on that issue. I remember Sen. Sahadeo saying that it was not that, that it was not capital flight, it was because people were raising lots of money to go into other territories for expansion. Well, Sen. Sahadeo, through you, Madam President, in a lot of those expansion programmes that we are referring to whether Guyana, the Dominican Republic or wherever, many of those institutions go out there and raise funds in those territories for those programmes. That was my understanding.

Yes, there has been a high level in this particular market; it is also my understanding that a lot of the placements, the borrowings recently with the capital raised in this particular market, were by other governments; for example, Belize, Costa Rica, Suriname and so on. One of the questions raised by one of the monetary study centres was the issue that whereas these governments are coming to Trinidad and Tobago to raise this level of capital, have we put systems in place? When you look at the institutions buying up, they are the ones picking up a lot of these investments, whether they are banks or mutual funds. With these Caribbean governments, have we put enough in place to ensure that the

vulnerability, the default risk by these governments—are the macroeconomic fundamentals in place to ensure that we reduce our risks?

Remember, when they default, it is going to impact on this market and that is something that we have to be very careful about. There is the whole issue of the regulatory arbitrage. I am raising this issue, because I want the Ministers of Finance to have some discussion on it with the Central Bank. There are concerns outside there in the financial sector with respect to this issue. This is why it brings us back to the consolidated supervision that has been promised, because a lot of those financial houses are going out there participating and I am not sure if they understand—or they probably do—that they are taking on a tremendous amount of risk. With risk comes a downside and we need to understand that.

It is clear that a lot of the borrowings taking place, the capital requirements in this market, are not going back into the expansion of our economy. In the Caribbean Single Market and Economy (CSME) or whether it is because of China, et cetera, et cetera; it is not happening there. I raise these issues, and although it may be the RBTTs and the Republic Banks that may be buying or taking up a lot of these investments, it is a risk because we must look at the depositors of this country.

Moving on from there, I want to go through each of the items out of this, because now that I have put that into context—all the expenditure here is doing is expanding; it is going towards pushing the demand side, pushing up the rates and all it is going to do is spiral the inflation. [*Crosstalk*] That is all right.

They say that this is a Finance Bill, but it involves so much in terms of policy. There is a \$20 million allocated to the National Quarries and I was surprised. One of the things with this particular Bill, when I was going through it, was that I was amazed at the number of variations taking place. I do not know if my colleagues here recognized that; there are so many variations in this Bill. You have to sit and look at it and determine, “Where is the money going?” When you hear that it is to replace a withdrawal from a BWIA fund that went to fund Liat sometime in November last year, part of the money of \$10.4 million from Caroni—They moved \$10.4 million from Caroni to the National Quarries; those things were never approved in our budget of last year; so this Government went ahead and did variations without coming to this Parliament. It was irrelevant. I am amazed; we have not seen a variation Bill; so you have to be very wary when you are going through this Bill to determine what exactly you are funding.

When you are asked to replace the BWIA fund, it is not necessarily the BWIA fund, it is because some moneys went to Liat and that is what the money was used

*Finance Bill*  
[SEN. SEEPERSAD-BACHAN]

*Wednesday, June 15, 2005*

for, to fund Liat. Really and truly, what we are approving today, this \$23 million, is to be able to fund Liat. We are now approving that funding for Liat, in order to allow this drawdown on this loan by the shareholders.

Looking at the National Quarries, we see here that they are talking about \$20.4 million. I saw this draft quarry policy document and I remember that we raised this issue last year in the budget, because it was raised by the Minister of Energy and Energy Industries about the whole issue of repealing the Act. At that point in time, we asked why it was necessary to repeal the existing Mineral Act of 2000. Let me remind this Senate that when the Mineral Act of 2000 was passed, there was extensive consultation in this Senate with the Independent Senators and the Opposition Benches. If you go back to the *Hansard* you will see the kind of contribution made by Sen. D. Montano at that point in time; he was very supportive of that Bill.

I am amazed to hear now some of the problems observed: Absence of regulations to grant quarry licences. Is it not your job to bring the regulations to this Parliament? We passed the Act in 2000, why have you not brought the regulations that will address this issue? Ambiguity with respect to procedures for signing and terminating licences. What ambiguity did you come up with? If there is ambiguity, why have you not brought an appropriate amendment and amended the Act in order to remove this ambiguity? The ineffective, deficient, deregulatory control. Is that not part of the regulations? Bias in legislation which favours large-scale entrepreneurs? How come you did not recognize that in 2000 when everybody in both Houses supported this piece of legislation? If it requires an amendment, bring the amendment. A lack of redress for investor complaints. A lack of redress? We have no mechanisms in this country for investors to redress their problems? I am amazed; I cannot understand.

Then it goes on to talk about the draft quarry policy and the Quarries Authority. Under that Act, the Ministry of Energy and Energy Industries was restructured to form what is called the Minerals Division. As far as I see it, what they are proposing for the Quarries Act is now duplicating the functions of the Minerals Division. Again it comes back to: Why do you want to form the quarries—? Is it that you want to put your own party hacks in this organization so you could avoid the competitive bidding process? The repeal of this Act is only an escape hatch for this Government to avoid the competitive bidding process. I want to remind this Government that under that Act the EMA has expanded powers; hence I do not understand why they are talking about the EMA.

Let me repeat the question: Why has the Minister not brought these regulations to date? Why has the Minister, to date, allowed illegal quarrying in Valencia by a group that we know is attached to a terrorist group in this country and has done nothing about it? [*Desk thumping*] Was a licence granted? When did this happen? If it was granted, how come it did not come to this Senate?

**Sen. Dumas:** Under your watch.

**Sen. C. Seepersad-Bachan:** I remind Senators on that side that when this Act came to the Parliament it was clear that when the government of the day asked that under certain circumstances the Minister of Energy be allowed, for national security reasons, to award a licence, it was shot down in this Senate. This House said no; that all licences must be awarded based on a competitive bidding process. Let me remind this Senate that from 1995 to 2000, not a quarry licence was awarded without a competitive bidding process. All, Dr. Saith, were awarded based on a competitive bidding process. [*Crosstalk*]

This is why I was amazed last year to see on the newspaper an ad announcing all those who were awarded licences without a competitive bidding process. According to the Act, I think it is section 17, it clearly states that if licences are not awarded through a competitive bidding process, a report must be filed in this House no later than six months, with the reasons cited by the committee. It must be on the advice of the committee and the committee must clearly state its reasons for the award of that licence without a competitive bidding process. This Government is breaking the law; this is a lawless Government. [*Crosstalk*]

They are three and a half years in Government and have been awarding licences. Where is the Director of Public Prosecutions (DPP) in all of this? Who awarded those licences? It is against the Act. Furthermore, let me ask this Senate, how is it that we are now hearing about Tracks and Bakes Quarry managed by the EMBD? How was that licence awarded? Who awarded that licence? Was there a competitive bidding process for that licence? We are hearing now about massive corruption; that is why we have massive corruption, because they are now mining haphazardly all over the place. Who gave the permission? Who granted the licence? Where is the Minister of Energy and Energy Industries? Why is he silent? Did he give that licence? Why was it not brought to this Senate? I cannot understand. Now you are telling me that you are about to give \$20 something million to the National Quarries?

It was this regime, one of their commendable initiatives during 1991 to 1995, that started the whole private sector initiation; the disposal of State enterprises and

*Finance Bill*  
[SEN. SEEPERSAD-BACHAN]

*Wednesday, June 15, 2005*

Government control, recognizing because of the loss, the burden to the citizens of this country when these State enterprises do not perform. The only time that National Quarries ever made a profit was under the UNC. It has always been in a tremendous loss position. It competes outside there and has not been able to compete effectively. It was proposed then and it is still relevant today that this institution be divested. The State can continue to hold a portion, a percentage; it is better you joint venture; give it back to private sector.

This is what I mean by crowding out the private sector. Let the private sector do what it does best; let it get into entrepreneurial activity. Instead, we are now putting another \$20.4 million of taxpayers' money to do what I do not know, to prop up a failing and losing State enterprise, one which should have been sold off and sent out there and let the private sector operate it. These are the issues that I really do not understand with this Government and how it arrives at some of these issues.

Coming back to the whole issue of BWIA. I see now the proposal for the \$1.5 billion in terms of restructuring and so on; we are going to hear a lot of debate on that. I want to know if part of this allocation is to be able to service those routes to Costa Rica and the Dominican Republic which they wanted to maintain: Cuba, Dominican Republic and Costa Rica, where they wanted to maintain these routes. It was because all you wanted to do, at that point in time, was to get FTAA votes. Look at what it has cost the country. You have had to subsidize BWIA on three losing routes and today you have cut the routes. There has been no gain, no benefit from that. If you get the Free Trade Area of the Americas (FTAA) headquarters, so be it. The kind of money this Government has gone out there to spend to try to attract votes for this country to become the FTAA headquarters, is burnt money; it is spent, wasted, lost. I cannot understand.

Instead of taking that same money and putting it towards poverty eradication, we do not see that. What we see happening here is a lot of it just being burnt. I remind this Senate that Terrence Farrell is the one who said that if we wanted to reach Vision 2020, you cannot continue with this high level of consumerism and all these makeshift programmes, because all it would do is skyrocket your inflation and not expand your economy. It was there that I first looked at that and Members of this Senate would remember when I raised that issue.

The whole issue of the University of Trinidad and Tobago (UTT)—to date this eTeck/UTT, we have seen no results. We see more and more money being spent. Do you know what is amazing in this Bill? How much money that has gone under each of these Heads saying that I am either fixing a convention centre in

Chaguaramas for the UTT; I am funding a campus somewhere in O'Meara and hundreds of millions of dollars going behind this UTT and to this day this Government has not spent one cent putting up an infrastructure, a lab, a facility or anything toward educating people in this country, more than hiring people, putting people into big positions, into corporate positions; we have seen no results.

This eTeck and Wallerfield, have we seen any results today? Have they employed anybody? Have you generated any business activity? Have you generated a science park or an investor? What have you done? Nothing; all that continues to happen is that I see a lot of glossy ads on the television and lots of huge corporate presidents and vice-presidents. What is happening? Money being spent and nothing for it. When are we going to get something for it? This is where the supply side of the economy lies; this is how we will expand the economy and that is not happening. We just have money spinning away. I would understand, because the Minister always says to me, "You know, it is true what the UNC achieved over the five years; give us our time; we want to study everything."

**Sen. Joseph:** When he told you that?

**Sen. C. Seepersad-Bachan:** You know, Madam President, timing. [*Crosstalk*] Let me quote him right. What he said was, "Give us a chance to study the issues so that we would be able to come to our own conclusions." The Minister fails to realize that timing is everything in this global economy. When you miss the time, you miss the opportunity; someone else goes with the opportunity. We talk about the National Petroleum Marketing Company. [*Interruption*]

**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. S. Baksh*]

*Question put and agreed to.*

**Dr. Saith:** Tell us about the Quik Shoppe.

**Sen. C. Seepersad-Bachan:** You cannot have your cake and eat it as well. [*Laughter*] For some time now I have been asking; we raised this issue last year when you brought the Bill to provide for this subsidy and I told you that it will not be adequate, given your current prices of oil and gas and that with the current prices, this subsidy would escalate. Let me remind the Senate that about two

*Finance Bill*  
[SEN. SEEPERSAD-BACHAN]

*Wednesday, June 15, 2005*

budgets ago, you raised the production levy on the multinational companies to help you provide for this subsidy and it still has not been adequate. You continue to come back here for \$650 million to subsidize the domestic market.

Two things need to be noted here. One is that I would like the Minister to tell me, based on this \$650 million that you have had to provide, how much excise tax he collected? I have advocated in the past that it is time we get rid of the excise tax; if you do that you will see that this subsidy would come down, because part of this subsidy goes back into paying the excise tax. I have made this point over and over. You cannot be talking about a modern retail sector and opening up of the market when you continue with this arrangement. I also want to raise the issue that they are coming quickly and hurriedly. In the past we used to take a little while, so Petrotrin used to suffer while they did not get their market prices, but now they are coming quickly and hurriedly to this Senate to approve these sums to ensure that Petrotrin collects every cent. So Petrotrin is being paid.

I want people to understand this: the domestic market, in terms of gasoline fuel, diesel, et cetera, the taxpayers are paying the market price to Petrotrin. In no way is Petrotrin subsidizing this particular market. I say this because with this sort of issue, with these high market prices, it means, therefore—and Petrotrin is collecting that market price—that they are making a huge profit. I want to know what Petrotrin is doing with that huge profit in terms of restructuring and modernizing, because all we hear about is cost variations and cost overruns in Cudjoe and everything else; now we hear about looting oil.

Two weeks ago the *Sunday Express* carried an article that talked about looting oil and the Chairman of that company, it was alarming to hear the excuses given. Today I want to know—you are defrauding the citizens of this country—why has this not been reported to the Operations Division of the Ministry of Energy and Energy Industries. I want to know why an investigation has not been carried out, why an audit has not been carried out. I want to know why the Minister of Energy and Energy Industries has stayed silent on this issue. That is a serious allegation; that is serious fraud taking place down there. Once again it involves a company by the name of Venture, which we already know so many allegations are hanging over. This Government has to appear that it is trying to do something about corruption on its side, but it is doing nothing.

I see just \$10 million going into the Revenue Stabilization Fund, although your estimate is \$1.4 billion in the surpluses to be allocated, but we still did not get our questions answered from last year. I remember Sen. Ali and myself raising several issues with respect to the energy sector, the shortfall in revenue, and the

shortfall in production. bpTT indicated to you that there was a 30 per cent decline in production. We asked why the Minister of Energy and Energy Industries has not verified, monitored and audited and come up with a specific figure.

Why under his watch was there this particular decline in production? Why was there a decline in revenue? Why is it that bpTT is telling you what is the price they must pay? I want to know today, with these new estimates for revenue, if this situation has reversed itself, because no multinational should be telling this country what price it is paying for its oil and gas. It is the other way around. I want to make that point. Right now there are too many allegations of corruption hanging over your Minister of Energy and Energy Industries and this Minister is known to have a contract, albeit in blind trust, but his brother is the director. There is a serious conflict of interest and that contract is with the largest operator in this country called bpTT. No answers are coming from this Government with respect to that. We need some answers.

If we cannot trust this Minister of Energy and Energy Industries, because of this conflict of interest, the Government needs to do something about it and they are doing nothing about it. They are covering it up and continuing to remain silent. I wanted to put that back on the record.

When you listen to some of these people—let me tell you Sen. Dr. Saith—  
[*Interruption*]

**Sen. Dr. Saith:** Talk to the President.

**Sen. C. Seepersad-Bachan:** Through you, Madam President, when the UNC was in power we invited 22 companies to do exploration and production; that is the money you are spending today; let me tell you that. It is the same oil money we explored that you are spending today. It is the Trains 2 and 3 that we put in place that you are spending today. That is what is going on here, and they are squandering it. We did that; we provided all those surpluses with \$12 a barrel. I want you to understand that. [*Desk thumping*] It hurts us when we see what is happening in the economy, when so much was provided during that time. We went out there and aggressively marketed.

Of course, we could never hear the end. Where is Sen. Abdul-Hamid? He is always talking about how much travelling we did, but that travelling is what brought US \$5 billion into this country. [*Desk thumping*] “Doh ever forget that!” You have not been able to bring in one cent other than Train 4. Let me remind you, that they awarded a production-sharing contract the other day and we do not know what has happened with that production-sharing contract. We

collected over US \$100 million in signature bonuses. Was there a signature bonus for that last production sharing contract? We do not know. We hear that about \$1 million has gone to UTT.

When we got funding from those projects, they were specific projects; there were specific scholarships; specific bursaries; there was also like a chair in petroleum, but we have heard nothing in terms of this production sharing contract.

**Sen. Dr. Saith:** It is the same thing.

**Sen. C. Seepersad-Bachan:** Just when you were about to sign it, you got rid of Andrew Jupiter. Tell us what happened there.

We are talking about T&TEC—\$128 million for T&TEC. During our time, under Trains 2 and 3, we were able to negotiate 100 million cubic feet of gas at a steady price for T&TEC; that was one of the things we negotiated. What did you do under Train 4, when you got your free gas? You gave it to Alcoa. This is how we helped the citizens of this country. That is why we did not have any T&TEC rate hikes, because there was no escalation clause; there was no escalation in the natural gas price. Today we have to hear that the citizens must go and face the market price for natural gas, while we are selling so much natural gas all over the place. This is what they have done under Train 4. We must never forget that.

When we got that tranche of gas that stopped the nonsense about rate increases, because of the natural gas price and market prices. We must remember that. When Sen. Abdul-Hamid talks—he is in charge of science and technology—I wonder if he knows where the money comes from. All the money that has been put under the dollar-for-dollar programme, I want the Government to tell me something: Do they know how much they have drawn down from this fund? Do you know this fund has been drawn down to almost zero? Are we aware that they have taken almost every cent? Do you know that when we were in government and we set up that Revenue Stabilization Fund, 60 per cent went to revenue stabilization and 40 per cent went to dollar-for-dollar? And again we did it with \$12 and \$18 a barrel. You have taken every cent out of that and you have spent it. That brings me to this Green Levy Fund.

Last year we raised the issue about this Green Levy Fund which was by an Act; a board of directors, an independent body would look at the spending of the moneys from that fund. When we left office it was close to \$300 million; it must be more by now. I asked for that figure and we never got it. How much more money was deposited in that Green Fund, because you are collecting it from the business community outside there? We raised several concerns when that

Finance Bill came last year and gave back control of that fund to the Minister of Finance, the Prime Minister. Let me read this year's report for you:

“Republic of Trinidad and Tobago For The Financial Year 2003”

The report of the Auditor General.

“Financial statements were not received for audit as required by section 67 of Act No. 5, 2004. It was observed that the Green Fund Levy collected by the Board of Inland Revenue was lodged into a deposit account maintained by the Comptroller of Accounts. Documented evidence was not produced to show that regulations were made by the Minister for the management and control of the Fund as required by section 69 of the Act. Books and other records to be used in the administration of the Fund were not produced. A bank account previously opened at the commercial bank was still in operation. The account incurs a service charge at the rate of \$25 per month and reflected a debit balance of...”

Guess how much?

“TT \$525.”

I want to know why Joycelin Thompson has not raised this issue, but she instead put it into this report and no big set of headlines have come out of this issue.

**Madam President:** You have three minutes more.

**Sen. C. Seepersad-Bachan:** I want to know what has happened. So you have spent all this money? Have you spent all this Green Levy Fund?

**Sen. Dr. Saith:** No.

**Sen. C. Seepersad-Bachan:** Where did it go? Why is it that the Auditor General does not know where it is? There is a lot to be said about what is happening in this country and it comes from this. But I want to tell you, Madam President, that the more money this Government spends, the worse this economy becomes, the worse this country becomes. They spend more money on national security, the worse the crime situation gets; we spent more money on education; we paid a man by the name of Mr. Burgess \$90,000 a month, the Minister said that she had to hire endless engineers. Do you know what happened? No schools were built; not one, nothing. We put more special units, nothing done.

**Sen. Dr. Saith:** No schools were built?

**Sen. C. Seepersad-Bachan:** They have to set up new companies to do so. What is Mr. Burgess now? Are you going to fire him or are you going to continue

[SEN. SEEPERSAD-BACHAN]

to pay him \$90,000 a month? What has happened to him? Why has he not produced? What has happened there? We need accountability. I want to tell this Government that it should not spend any money, because the more money it spends, the worse it becomes. It is either we “doh” get education, we get more crime, we get no water and this is what was different with the UNC; we focused on delivering to this economy. [*Desk thumping*]

That is why today we are in situation where we can say—[*Interruption*]

**Sen. Yuille-Williams:** That is why you are on that side.

**Sen. Dr. Kernahan:** “Allyuh steal the election!”

**Sen. R. Montano:** We are here because of a dishonest man called ANR Robinson, because you stole the election.

**Sen. Dumas:** Careful. [*Crosstalk*]

**Sen. R. Montano:** Careful what; dishonest! Dishonest!

**Sen. C. Seepersad-Bachan:** Gone are the days, Madam President, when we were an economic tiger in a sea of pussycats. Today we are becoming an economic kitten in a sea of pussycats; riding on a crime tiger from which we cannot get off. [*Desk thumping*]

I thank you.

**Sen. Basharat Ali:** Madam President, I propose not be to be too long on this Bill. For most of my contribution, I will stick to my area of competence, if not interest, that is the energy sector.

My first note here is that this is a mid-year review. I had the word “lack” and then I put, “absence of data on revenue”. An attempt has been made to correct that by Sen. The Hon. Enill who gives a figure of \$1.6 billion in six months. I am not too sure whether that is overall revenue or whether it is just petroleum revenue, royalty, taxation, individuals, et cetera.

**Sen. Enill:** Overall.

**Sen. B. Ali:** That is the figure he gave us. The other figure he gave us was related to oil prices, where the previously expected price was \$32.80 and now he is saying that for the first half of the fiscal year, it will be \$40 and natural gas from \$1.50 to \$2.26, so there has been that increase. I have tried to look at those numbers in the context of what I have to say here today.

Let me first of all address one of my pet subjects, petroleum levy and subsidy and the increase in subsidy by \$650 million to the National Petroleum Marketing

Company (NP). In the budget contribution in the month of October, by doing some prorating I came up with a figure of something like \$271 million as what may have been the level of subsidy by NP. That was based on figures given in previous appropriation bills, payments to NP, twice I think it was. That was a number that I prorated as a possibility as to where it was.

The amount in the budget was \$9 million for subsidy and I know that could not have been so. It must have been a token number, so that the Minister would remember that it is a token number and we will have to address it. The figure of \$650 million for the fiscal year is probably good, because I have been looking at prices of the major products which go into the local market: unleaded gasoline and diesel. Unleaded gasoline, the market price, which would be the ex-refinery price from Petrotrin, is, in fact, close to the international market price, adjusted for handling, et cetera. The figure I have for the six months: October to March, within this half fiscal year: gasoline would have gone from about US \$1.25 per American gallon to US \$1.50 per American gallon, so if Petrotrin's prices have taken that same route, then it will mean more subsidy.

Similarly, diesel fuel, which is equivalent to heating oil in the temperate countries, has gone from US \$1.20 per American gallon to an average of US \$1.60 and still climbing. So that our local diesel, in fact, will be higher in price than the gasoline ex-refinery. I know that the subsidy on the diesel fuel is higher than the subsidy on gasoline, for a number of reasons. It is not surprising to me that the subsidy has gone up, but I wish we had seen a better figure earlier in the year on that line item.

I would like to move on to the Interim Revenue Stabilization Fund, which will be increased from \$1.357 billion to \$1.426 billion, a further increase of \$69 million. It has been said that this figure is due to the surplus from the base of \$25 to—I do not know what the projection is, whether it is this \$40—but the previous base was \$32.80. So this \$1.357 billion may have been based on \$32.80. If we are looking at \$40 pricing of oil, I think that Revenue Stabilization Fund should be higher; the 60 per cent should be higher than what we have here. Of course, there are two factors there; one is from the point of view of petroleum or oil, the level of production and the price.

My data would suggest for pricing that for the six-month period, the benchmark that we have used most of the time is the West Texas Intermediate (WTI) crude and that was running at about US \$50 per barrel. I am in good company, because I note that my good friend, Mr. Malcolm Jones, in the foreword to his six-month financial statement for Petrotrin, stated there that the

*Finance Bill*  
[SEN. ALI]

*Wednesday, June 15, 2005*

WTI has been \$47 for the last six months. I do not see any forecast yet saying that is going to go down for the next six months; if anything it is going to go up. So it looks to me, certainly from the point of view of pricing, that the Revenue Stabilization Fund should go up.

Of course, the other factor is the barrel, because the money is dollars per barrel times barrel. I have looked at the production figures. Last year, one of the worst quarters of production was the last calendar quarter of last year, because my data gives me figures of the order of 115,000 barrels a day for that quarter compared to the previous calendar year, which was 128,000 barrels, roughly.

**3.00 p.m.**

Madam President, I am pleased that, in fact, the data coming for the first quarter of 2005 is very encouraging. The total oil production from January to March has gone up from January 135,000 barrels per day; February is 138,000 and March almost 156,000. The reason for the increase is because of BHP Billiton production, which started to come in. BHP Billiton, in January, was averaged at 26,000; in February nearly 29,000 and in March nearly 50,000. I am of the view that by the time the fiscal year 2005 is completed we would have been at a target, which I believe the Minister of Energy and Energy Industries had said, of 150,000 barrels per day.

We have reached where we should be in terms of oil production: one, because of the BHP Billiton production and, two, because of the pricing which will be much higher than expected. Even after the end of the first half of the year it should mean, in fact, that we should have been able to put a very healthy amount into the Revenue Stabilization Fund; much higher than the targeted \$1.45 billion, I think is the figure which we have here.

With regard to the fund, I know that it has been carded for early attention in the legislative agenda. I believe it is on the list of the hon. Attorney General, but since that high-powered Central Bank forum of November 29, 2004 we have not heard anything forthcoming about it. I am concerned that this has not come—I think most of us who attended that forum were looking at that Central Bank being the instrument for regulation or control of the spending—what goes in there—so it does not leak out as fast as it goes in.

I am concerned that we still have this system whereby there is nothing to prevent the Government from dipping into the fund.

**Sen. Bro. Khan:** That is the problem.

**Sen. B. Ali:** Here is a former finance man talking about that being the problem. Everybody is concerned about the level of expenditure. We are into it probably because we know that the money is there and all we are hearing is: “tall storeys”.

It seems that development programmes are related to buildings. A good part of the development budget goes to buildings. It reminds me of the principle, the old Peter Principle. There were two things in Peter Principle—I do not know how many of you remember that—the first one related to personnel. It said that everybody got promoted to his level of incompetence. The second one was related to capital expenditure. They said that every time someone thought of capital expenditure, the first thing they thought about was a building.

Today, when we listen to our hon. Prime Minister in the other place talk, it is all about storeys; about tall buildings: 22 storeys here; 26 storeys there and other storeys everywhere. We now have a campus of government building in Port of Spain. I did not know that we were going to get into a campus. I was wondering which of the Ministers would be the students on this campus. Perhaps our two Ministers from the Ministry of Science, Technology and Tertiary Education might be able to answer that question, I cannot.

With respect to natural gas prices, they are also very buoyant. The marker that we use is Henry Hub gas with prices running at about US \$7. Methanol, ammonia, urea, all of those are doing very well. We expect revenue, which would be kept on track by the taxation of gas. As I said, the Henry Hub gas price was US \$7 per million Btu, methanol is running at about US \$300 a metric tonne, ammonia at about US \$275 and urea at about US \$250 per metric tonne. All are very high prices for these products and this means higher revenue for our National Gas Company. It is no wonder that the National Gas Company in their last audited financial statements have indicated a post tax income of \$1.5 billion, as compared to Petrotrin for an unaudited six-month period from October to March of \$615 million, I think it is. Those two state companies are putting money—I know both of them have capital projects in hand. I do not know how the dividends would go out; the dividends back to the Ministry of Finance, Corporation Sole, but they do have capital budgets which need to be funded and I am sure they will get the funding for it.

I would like to draw to the attention of this Senate that with the coming on stream of BHP Billiton, Total and Talisman, the three partners in the consortium, I think for the first time we now have a substantial oil producer under a production-sharing contract. I do not recall any others. From my point of view this is, in fact,

*Finance Bill*  
[SEN. ALI]

*Wednesday, June 15, 2005*

a pilot project. I am hoping that the Ministry of Finance and the Ministry of Energy and Energy Industries would be doing a strict monitoring, because whatever happens there—this is in the nature of a new experience—will inform how we deal with further production-sharing contracts. There will be pitfalls; there would be gains here and deficiencies there, but we must use the data to recognize that.

There are now issues involved. For example, from the Government share of the production-sharing contract—I know they have to give tax certificates for the PPT and SPT and royalty, probably, to the investors; the so-called contractors. Those documents, the income tax calculations, royalties, et cetera, will be on the basis of prices which must be from firms.

I do have a question to which I would like the Minister in the Ministry of Finance to react. Do we have in place the Petroleum Pricing Committee which is required by law, and which is now much more important? I think a good part of the production of BHP Billiton has gone to a government entity, which is Petrotrin. We are moving from the old business where we were always looking at the foreign investor or foreign company doing transfer pricings to its affiliates or doing swaps. We now have the situation where the Government—whose share it is—is transferring its share to another government entity, so one must see some kind of transparency there. The price they sell the oil to Petrotrin will be the price which would be used for the calculations of income tax, royalties, et cetera.

I am interested in that. I think we all ought to be interested in it to ensure also that when Petrotrin says it is making a profit in the refinery that it is, indeed, making a profit. We have to ensure that the profit is not from transfer pricing of their own crude, such as Trinmar crude, which belongs to the people and is sold at prices which can be defended. These are my questions, or my advice, so to give.

The question of the pricing of BHP Billiton crude is still outstanding, in my book. I have my feelings of what they might be, but right now I am not in a position to say so. It all depends on what crude oil data you have. I have got some data from materials which have been processed in the refinery. I would be happy if the Minister would give us an indication of where that one is in relation to other offshore crude, like the Galeota mix, which we always talk about, or the Trinmar mix which are about equal in volume. We might have three persons with about the same level of volume: bpTT, Trinmar, and BHP Billiton and that mix decides what price we are really getting for our crude oil and in turn the revenue which we can look forward to.

Madam President, before I leave the energy sector, I have one matter which I would like to raise. It does not give me great pleasure to do it. In the budget speech, I had identified a number of issues. At the end of that budget speech, which was October 25, 2004, my good friend, the Hon. Minister in the Ministry of Finance said that the Minister of Energy and Energy Industries was going to make a statement. He said he would so advise him because they were very specific questions.

As you may recall, Madam President, I did copy my letter to the Minister of Energy and Energy Industries to you on January 25, 2005 with respect to these questions or issues which I had raised. We were very close to having a meeting but it never did take place. The last one was April 20, when we thought we would have a meeting and we did get a fair amount of—by exchange—what I would like to ask. In the absence of no answer from April to now, I had told the hon. Minister opposite that if I did not hear it then this Variation of Appropriation Bill would be the forum where I would raise it again.

Madam President, with your permission I would like to read those questions which still remain hanging from the 2005 Budget debate. I will just go through my e-mail to Leroy Mayers, who is the Permanent Secretary in the Ministry of Energy and Energy Industries. The subject is: “2005 Budget Debate Energy-Based Projects”. My e-mail says:

“In response to the honourable Minister’s message copied to all parties, (Ministers Enill and Williams and Mr. Barry Barnes who is the energy advisor), I propose to highlight specific questions by reference to my contribution to the debate on October 21, 2004. The page numbers given relate to the Hansard record:

Natural Gas Master Plan: What is the status? Are projects in the mill in accordance to this plan which as far as I am aware is not in the public domain?

Petrotrin upgrade: Any info on Small Gas to liquids (GTL) Plant using a mothballed methanol plant?”

The proposal there was that they were bringing this mothballed methanol plant from the US to use it for GTL. This is not my idea of how GTL should go.

“Trintoc upgrade: Is there a strategic plan for the refinery?”

I said that Petrotrin still produces 40 per cent of residue and a refinery really cannot live or be viable if it continues to make 40 per cent of fuel oil.

“Now that LNG Train 4 is near to start-up and long-term ethane viability is pretty well assured, what positive steps are being taken to further develop an ethane cracker project with the interested parties?”

There are persons who want to talk about it and who are interested in the investment.

“Any comments on methanol to propylene which still remains unproven in a commercial-sized plant?”

This is a proposal which has been indicated for a long time to go from natural gas to methanol to propylene, but, as I mentioned in my budget contribution, there was a demonstration plant in Norway which was proven but never an industrial plant.

“Syngas: Is this the same as the oft-mentioned gas refinery? If yes, please provide details?”

Nitrogen-based chemicals: Apart from CL Financial Project for ammonia, urea and melamine which is in process of implementation, what is scope and status of the following projects?

- (i) ANSA-McAL Ammonia/Urea/UAN project.
- (ii) La Brea Nitrogen Ammonia/UAN project.
- (iii) Coffeyville Resources Ammonia/Urea/UAN Project.

Are these projects competing for approval? If so, what criteria will be applied to determine the pecking order?

Aluminium Smelter which since the budget is now a 340,000 metric tonnes per facility to be located at Chatham/Cap-de-Ville: Is the 100 million standard cubic foot per day ‘free’ royalty gas negotiated with bpTT earmarked for electricity generation and what electricity price is required for this project to fly?

Is the concept that approval of such a facility hinges on a commitment of downstream usage of the primary product as a condition precedent? If yes, what is this project and who are the partners involved?

Is a second smelter being considered and if so, what is the rationale where our only input is our natural gas converted to electricity?

‘Steel-based projects: Now that Mittal is essentially owner of both ISG and the former Caribbean Ispat, how does GORTT propose to deal with the two subsidiaries’? There we are talking about two affiliates who can decide where

they are going to produce based on economic factors like concessions, et cetera.

Relocation of secondhand DRI Plant: With the second coming of Nucor, how have we assured ourselves that relocation of this second-hand mega-mod DRI plant brings any benefit to the country?

Who has assessed the integrity of this plant, for example, does its design conform to standards of earthquake and hurricane adopted as Caribbean Engineering Standards? What downstream benefit accrues to this country since the project concept does not seem to include any downstream facilities?"

Madam President, those were my questions and I did say I had a lot of concerns with regard to them.

**Sen. Dr. Saith:** Madam President, if Sen. Basharat Ali were to give me a copy of his questions, I would ensure that within two weeks he would get the answers. I could give him the answers now but I think you need a more formal response. As I have said, if you give it to me I will ensure that they are answered.

**Sen. B. Ali:** Madam President, I have no objections to giving the Minister these questions, which are old. Since this time I have heard that the Chatham Aluminium Smelter is not on and the smaller one now of 130,000 metric tonnes per annum is now on at Union Estate, so it seems that it is migration from Union to Chatham and now back to Union, so where are we going?

**Sen. Dr. Saith:** Well, in giving you the assurance I will answer, you will recognize, of course, that some of these projects are in development stage and as you develop and do studies there are changes. At the moment there are two smelters being considered but I will give it to you as of today's date, bearing in mind, as I said, that these projects have a gestation period and they change as they go along. But I will give you the situation as of today's date.

**Sen. B. Ali:** Madam President, thanks to the Minister for offering to do that. I am of the view, really, that these are matters which should come before the Parliament. I remember in the previous energy development scenario—probably it was said by Prof. Julien, unfortunately, I could not make it on that day because I was not well—that at that time the Government, in fact, brought a motion to the House seeking endorsement of the energy policy on these projects. I do not know whether it was here or somewhere else but it was in Parliament and I sat through the whole of that debate.

I hope that this Government will come to that stage because people do not know. As I have said before, one would get an inkling here or there, from

*Finance Bill*  
[SEN. ALI]

*Wednesday, June 15, 2005*

breakfast with the Prime Minister or from some other press conference, but I think we need to have more than that where the resources of the country are being distributed and where other resources are being put in. We are inviting people to come here and the conditions, very often, are not very clear. Those are the matters I wish to raise under the subject of energy.

I do have some other small matters which I will like to speak about. One of my favourite subjects is OSHA. I was hoping that I would see a request for increase in the OSHA development budget, which stands, I think, at \$1.0 million. I do not know how much of that has been used. I would have congratulated this new Minister of Labour, Small and Micro Enterprise Development—he is the third one I am dealing with—if he had asked for some more funds.

Madam President, today I was very touched. When I was getting dressed to come here I had a telephone call from someone named Mr. Harrylal who asked to speak to me. He was the father of Shivam Harrylal. We know that name because that was the name from IGL. This gentleman called me and said how thankful he was that I had raised this matter in the public domain; in Parliament. He said since his son died nobody has ever spoken to them and that is not right. This young boy died! His father gave me his telephone number so I can talk to him anytime. I have assured him—this is for Minister Montano—that next month July, if the report is ready, I will talk to him again. What I have done there is to make sure that that kind of incident is not forgotten and that it is my responsibility—being appointed by the President with particular experience in this field—to bring it to this Senate.

Madam President, you would know that I have filed another question with respect to Dale Paul, that is the person who died last month at the International Steel Group (ISG) plant, which was not in operation at the time. I do not know anything about the operations of this plant. The first I knew that they were in operation was when this incident was reported where this young man died.

Madam President, I am doing this because we forget about these people who have been killed. We forget why some of us are so passionate, which is a word being used about OSHA. I plead to the Minister to get this system in place. I have looked at the budget and the establishment for ISOs; I did not realize that when the Minister gave his reply to me that ISO1 was the entry grade of inspectors. They cannot really sit with the people of IGL and Air Liquide. They need people in higher positions to sit and negotiate, or investigate, as the case might be, with respect to these accidents.

You have one supernumerary from the listing there in labour as a factory inspector but that whole organization needs to be beefed up. I do not think that you have to wait because there may be some benefits within the OSHA, because you get a pool of inspectors of various kinds where the organization of that comes under the agency in OSHA.

Once again I plead for OSHA a few days before Labour Day. I hope those trade unions who would be marching would speak to that subject of safety in the workplace, because today it is Paul, then it is a person who was killed by a crane at API, and so on. I believe we need to do something urgently about safety. I would be happy to support any budget which asks for more people, more resources so that people are trained to bring that Act into operation.

Madam President, I looked at NEDCO, I believe that is of the Minister of Labour, Small and Micro Enterprise Development and sometimes you see some things and you are pleased about it, like a lady who is engaged in pickling vegetables. I only see this on TV because I happen to look at the news, et cetera so there must be some benefits in it; we do not get much. I believe NEDCO is one of these within exemption of—I do not go to the Freedom of Information Act, if I have a question I will ask my good friend across there what is happening.

The word entrepreneurship like the former Sen. Daly would have said: “It must be a \$50 word.” Communications specialists’ \$50 word. You have an advertisement running every night and the word: “entrepreneurship” is misspelt. The “e” and the “u” are mixed up. I am just bringing to your attention, Madam President, so that it could be corrected.

**Sen. Seepersad-Bachan:** That is Vision 2020.

**Sen. B. Ali:** I do not know that Vision 2020 lets you see properly.

**3.30 p.m.**

The other matter which concerned me was the large increase in the Unemployment Relief Programme (URP). I think a lot of people are talking about it. I am of the view that we need some of these programmes. My friend there is looking at me to hear what I am going to say. I am looking at the numbers there and \$118.8 million is the new budget administration. Is that all wages? The other one is “Goods and Services”, \$42.49 million which gives a total of \$161.27; if I read the numbers correctly.

I would like to suggest, we can save money by going on a system of dole, so you do not have to spend money on the materials, et cetera, that get wasted,

*Finance Bill*  
[SEN. ALI]

*Wednesday, June 15, 2005*

because that is where the inefficiency in URP is. I see it all the time, the mounds of silt which get recycled into the drains, because the rain comes down and it goes back into the drain. So all the digging, et cetera, goes by the wayside. I am seeing this as a way that people who deserve it get the benefit of what is available in terms of their financial resources, but you do not spend money on the goods and services. That is my comment. I hope I am reading it correctly, in terms of the budgeting side.

In my budget contribution last year, I took a long time to devote to the subject of computerization of the records of the Transport Division, which line item there under “Development” is \$800,000. If one goes back to the budget one will recall that I spent a good bit of my speaking time reading a letter of Dr. St. Clair King to the newspaper on this subject of how these projects are handled. Basically, I was recommending at the end of it that we should ask UNDP to withdraw that proposal and try the eTeck model, where you scout the companies which have capabilities and say: “Well, look, form a consortium and then you can do the project.” I have read with grave concern what has been described as scandal, et cetera. I do not know, but I know that there is a large UNDP statement about it. I believe that the Minister of Works and Transport has appointed a special consultant now to look at it.

I am still concerned about what we are doing there; outsourcing what can be done here. I heard the word, “outsourcing” mentioned by the hon. Minister, with respect to all these new companies: NIDCO, I presume is National Infrastructure Development Company; RuDeCoTT, which is the Rural Development Company of Trinidad and Tobago—I do not know what their Education Development Company is called—and the Port Development Company. I may not have heard her correctly; she said these have management structures. As far as I know they have boards, and boards which have very busy people. Management structure relates to those who are down there.

If we take NIDCO, the chairman of NIDCO is Mr. Brash. He runs a big business. The deputy chairman is Mr. Keith Awong. He is the chairman of the National Gas Company and I know he does a fair amount of work there and on the board of the National Energy Corporation (NEC), also. But I do not know that there is an organization which can handle the work of the Project Infrastructure Development Company, because even if you are outsourcing, you have to write the terms of reference which go out, and if you do not have those people to do it, you are going to get bad quotes. Bad proposals mean bad quotes, and we are seeing it all the time. That is why the Tobago hospital is—how much—\$100 million now programmed in over-expenditure.

But this is what it is. If you write a bad invitation you get bad quotes.

**Sen. Sahadeo:** Madam President, again, probably in my response I would be much more effusive in analysis, but, really, what I said earlier and what I have been saying is that these companies have, of course, a board, which we respect; very busy people and that is what a board is—strategic direction. We have a very thin management structure which, of course, will review all the contracts, proposals and terms of reference, but these are all outsourced to the private sector. Again, I want to stress the fact that let us make sure that, really, what we are saying is accurate and I think I have said over and over, yes, we have very thin management structures and they are to review and approve contracts, but these are all outsourced to the private sector.

As a matter of fact, I met with the Trinidad and Tobago Manufacturers Association (TTMA) and all the various business groups and I think, by and large, they have been very impressed with the structure, and now that they understand that all the contracts would, in fact, be outsourced to the private sector, by and large, I think, we have their support.

**Sen. B. Ali:** Madam President, I do not think the private sector will be opposing this too much, because if they see outsourcing, what are they going to do? Would they say, no, we do not want outsourcing? That is their business. I have talked to people privately. I am not coming here just out of the blue. I have experience in project development and project management and you must have the resources, and that is a scarce resource; people at that technical level.

Look at all these new companies coming in here. They are advertising. La Brea Nitrogen—there is a whole page of advertisements through HR Associates; New Iron Unlimited—well, I do not know whether it is new iron, because they are bringing in old iron here—they also advertise. All these people are advertising for positions at a technical level which are positions that will meet the requirement of all these companies. So I really do not know whether they are going to come. I will be happy if they do come, but outsourcing is not the only thing that I can see. Where you are outsourcing them from and at what stage they are going to come into the game is my concern.

Really, overall, I have concerns even with the adjustment of the budget, about deliverability of these projects. I wonder whether, in three months' time, we can spend that amount of money that we are appropriating for these various activities. We will see. October 2005 will soon be here and in three months I do not see us getting too far in the expenditure of these projects.

*Finance Bill*  
[SEN. ALI]

*Wednesday, June 15, 2005*

I would like to close on that note and I urge the Government to look carefully at our expenditure. The money does not spoil if it goes into the Revenue Stabilization Fund. It is there, and once we have good control over what goes in and what comes out, then we will be making great strides.

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

**The Minister of Labour, Small and Micro Enterprise Development (Sen. The Hon. Danny Montano):** [*Desk thumping*] Madam President, I really had not expected to speak on this Bill this afternoon, but a couple things were said that seem to invite me, if not, in fact, compel me to respond. Let me start from the most recent speaker and go backwards. He was talking about the outsourcing of Government projects to private sector-type companies like RUDeCOTT and NIDCO, and that sort of thing. In fact, the previous speaker, Sen. Seepersad-Bachan, spoke about it as well.

It is not a new concept, but what I can say is this. If Government keeps doing things the same way, you are going to keep getting the same result. The fact of the matter is, the public service as it was set up originally by the British in 1962—and as we still have it, because it is the same structure that we had in 1962—could in no way have been envisaged to develop an economy the size that we presently have and with the activity that is presently going on. The calibre of persons in the public service, the way that they have been trained and the expectations coming out of those departments, are not able to generate the production of construction that is required in the society as we now have it. But do not get me wrong. I am not suggesting for a moment that members of the public service are not extremely well qualified and very competent. It is the systems within which they work that makes it difficult and cumbersome for them to execute Government policy.

It is therefore desirable, as far as possible, to try to do things within the framework of a private sector model where people can be held immediately accountable for mistakes that they make, or a lack of performance, and that sort of thing. Therefore, the question that was put, not only to this Government, but the previous government was: How best to do this?

I would like to remind Sen. Seepersad-Bachan of what went on during the six years when the party that she supports was in government and what kind of activity was passed through Tidco, which was a tourism development company that spent in excess of \$1 billion paving roads. Exactly what that has to do with tourism? Well, I suppose there might be a nexus, a kind of rather vague nexus, but, clearly, it was not their primary mandate by any stretch of the imagination.

MTS is the same thing. They spent hundreds of millions of dollars through MTS in the construction of all sorts of projects, and the plain, short answer was, they were looking for the same solutions to the same problems. They faced the same problems that we face and they were looking for a solution. The solution of RUDeCott, NIDCO and UDeCott is a variation of that theme, but the difference being that these entities are special purpose entities. They were designed and set up for a specific purpose, so there is complete transparency in what they are doing. There is no mixing of funds where money that is supposed to be for maintenance and securities being used for the construction of schools. There is no blurring of anything at all. The companies are special purpose entities that have specific purposes.

Sen. Ali, I think, quite rightly, indicated that these companies require a level of expertise within themselves. That is perfectly true. But let me just tell you what is taking place in our economy. As you know, more than 10 years ago this market was open so that we became part of the global economy in terms of trade. But what I think we must remember at all times is that trade does not exist in a vacuum without the people to drive it. Therefore, we have to recognize that there has to be a trade in services and intellect as well, and if it is that we do not have the expertise to do something in Trinidad and Tobago, then we may very well have to import it, in the same way that we import rice because we do not produce all the rice that we can consume. So we import to supplement our demand.

It may very well be that in this same context, as we are presently doing, we do not have enough doctors at the hospitals, so we have imported them, not just from one other country, from more than one other country. We do not have enough nurses; we are importing nurses as well. In the same way it not only possible, it may, in fact, be likely, that we will be importing the architects, the engineers, the project managers, or whatever it is that we may not find, to operate these businesses. I am not saying that this is what is going to happen, but what I am saying is, that is a likely solution to the shortage of the expertise.

Just to go back, Sen. Ali spoke very briefly about NEDCO and he seemed to be pleased about some of the advertisements that had been put on the television, and so on. I have had 10 days in my Ministry, three of which I have spent in this place, but I have managed to meet with NEDCO and a number of union leaders—and I will talk about that in a minute—and I, too, was very impressed with what NEDCO has, in fact, been doing. I do not have the details at my fingertips because it was too much for me to absorb all in one go, but I was extremely impressed at the successes of NEDCO. They have something like 30,000 new businesses that

have been started in the past three years. I cannot remember the correct number, but it is a huge number. And I said, like Sen. Ali, that these successes need to be marketed; that people have a right to know how their funds are being used, and the successes.

You can expect that NEDCO will have a higher failure rate than Republic Bank, RBTT or Scotia Bank, but that is the nature of the beast. This is in the way of venture capital for small business and that is just part of the cost of the development of your country. But my understanding is that the lost ratios are well within international norms for companies of that nature. So I had asked them to upgrade the promotion of their successes and to think outside the box and not just try to do it from within, but to hire advertising agencies and specialists who could help them get their message outside there, and I am assured that they will be doing that.

With regard to the Occupational Safety and Health Act (OSHA), I took the opportunity from the first day in my new Ministry to begin meeting with the leaders of the major trade unions in the country. As you know, I was out of the country and while I was out of the country I made arrangements for these meetings, and they are going on. I have met with most of the leaders of the big unions at this point. Of course, the question of OSHA came up on more than one occasion. Rest assured that this Government is completely in favour of the safety of workers. I am not yet familiar with this Act in a working way. I was part of the Government team, but the specifics of it apparently are problematic in a number of different areas. What my attorneys are looking at right now is the possibility that maybe there are parts of the Act that we can proclaim in a very short space of time without having to do the whole thing. So we are looking at that.

With respect to the instances that the Senator was talking about, I have to confess that when it comes to talking about the distress to human life and families, I have difficulty talking about them in this forum. I cannot put my finger on it but I find it personally distressing and I prefer not to talk about the individuals and the distress that they and their families have faced, whether they have been injured, killed, maimed, or whatever. Of course, if it is my job and you formally ask a question, I will respond, but with the greatest of respect, there are issues about which the Senator knows nothing, and I know that he knows nothing about them, but I have taken the opportunity to deal with them to ensure that the persons who were injured or killed are being properly dealt with by the companies that engaged them. Let me just leave it like that.

I made the point to the members of the unit that do all the investigations that we would take a different approach to the investigations of accidents and safety. While there is legislation on the books and there is so much we can do and so much we cannot do, what we would focus on is ensuring that there would be some form of either restitution or compensation, and that must happen. If companies are going to be reckless, then they must be asked to pay for it. It is as simple as that. But with the greatest of respect, I prefer to do it quietly and without making a big fuss and fanfare about it. I do not want to embarrass either the families that have incurred the loss or the companies that had the accident. I would rather have it settled internally. So let me just leave it there. It is very much on my mind and in my heart and I will be doing something about it, I can assure you.

Sen. Ali also spoke about the Revenue Stabilization Fund and so did Sen. Seepersad-Bachan. Allow me to say this. There is no question of the Government dipping into the Revenue Stabilization Fund, as was suggested. There is no need to do that at this time. In fact, as you well know, Cabinet has approved certain guidelines for the establishment of the Revenue Stabilization Fund and a couple of other funds. In fact, the details of it were articulated by the Minister of Energy and Energy Industries a couple of months ago in a statement in the other place. In fact, those instructions from the Cabinet have been sent to the Chief Parliamentary Counsel (CPC) and the legislation is being drafted as we speak.

Let me assure you that at this point, before there is any need for this or any other government to dip into any Revenue Stabilization Fund, the legislation would be in place. I cannot give you a time and a date, but before that need arises, I can assure you it would be in place. But insofar as the Revenue Stabilization Fund is concerned, Sen. Seepersad-Bachan said that the PNM was not in favour of sterilizing funds at a time when—my language, not yours—the Government was borrowing very heavily in the marketplace. She did not give a reason; she merely said that the PNM was opposed to the establishment of a Revenue Stabilization Fund. That is true. Because what was happening at the time was that the government of the day was borrowing very, very heavily. You would recall that they pushed the public debt from about \$20 billion up to about \$50 billion, or something like that. It was astronomical. The escalation was huge.

What has happened that has forced us to change the position that we had on the Revenue Stabilization Fund is very simple. When the UNC was in government, they found it far more expedient to borrow funds from the local financial institutions as opposed to the foreign financial institutions, at much higher rates than you could have borrowed on the international market. The reason for that

*Finance Bill*

[SEN. THE HON. D. MONTANO]

*Wednesday, June 15, 2005*

was, the development funds that would come from the foreign lending institutions had all kinds of conditions on it in terms of how you tendered and how the funds were disbursed, and so on, and there was full accountability and transparency. The local banks said: “You want \$10 million? Here is the cheque; just pay us the interest.” And that was that.

Well, you know what happened. Subsequent events proved that there were certain—how shall I say it—indiscretions on the part of certain members of the former government, and we know what has happened. The problem is, however, what we have been left with is the balance of debt. When we look at the structure of debt, a bulk of Government's debt is now based in Trinidad and Tobago. It is no longer foreign; it is local debt. If we were to take all these funds and start to pay off the high cost debt, we would be severely disrupting the local financial system. The amount of TT dollars that we would now find in circulation would be more than the economy would absorb. Therefore, we literally find ourselves in a position where you have the money to pay back your loans but you really cannot do that because you would disrupt your entire monetary system, so you literally have to sterilize funds. So this is exactly what is being done. We have been refinancing the debt to lower rates of interest, but we cannot pay it off just like that; it has to be done on a balanced basis, and there are far more competent economists that could explain it than I could at this point.

In terms of food prices, Sen. Seepersad-Bachan, quite rightly, raised a flag of concern with respect to the increases in food prices and she mentioned specifically the recent increases in the cost of vegetables. Again, at the risk of treading within the territory of my colleague, the Minister of Legal Affairs, I do have knowledge of what happened between November last year and March/April of this year in terms of food prices, because I was, at that point, the Minister of Legal Affairs. To a very large extent, what tended to stimulate or cause a rapid increase in the price of vegetables was not only the weather in Trinidad and Tobago, but the weather in the small islands. As you very well know, Grenada, Jamaica, the Cayman Islands, to a lesser extent, St. Vincent and the Grenadines, were badly damaged by Hurricane Ivan. The result was that their own crop-growing virtually failed and they needed to import vegetables. Where did they turn? They turned to Trinidad and Tobago.

I do not have the facts and figures in front of me, but I do recall that the amount of exports of vegetables in the last quarter of last year was more than 10 times what it was the year before. So that what you had here was a shortage and the prices went up. It is not rocket science; that is exactly what happened. The

exports to the other islands had a tremendous impact on the local supply which pushed the prices up.

You would recall that the exact opposite happened about a year earlier when Barbados decided to put a surcharge on the imports from Trinidad and Tobago and the vegetable farmers here found that they could not find a market in Barbados, and all of a sudden the prices of lettuce, tomatoes, and so on, just hit the floor, because the amount of exports was not there so that the local supply was, in fact, flooded. So this is just the reverse of what was taking place.

In terms of prices, generally, what we did last year was establish a food basket which our experts said would feed a middle-income family of four very well. This was done in August of last year. At the time, that food basket totalled, if my memory is right, \$1,453 a month. In other words, we were saying that a family of four could feed itself well on \$1,453 a month. That same basket in April of this year, we re-priced it again and we found that the identical basket was only 8 per cent higher than it was in August last year. So some of the numbers that the CSO were coming up with—we do not know what was in their basket, but we know what was in our basket, and it was a real shopping list. You could take that shopping list, go to the grocery and the market and feed your family for a month. We know that shopping escalated by 8 per cent, so the situation is not as radical as the Senator might have said.

The Senator also started to talk about the high cost of labour in Trinidad and Tobago making local business uncompetitive. We would talk about the minimum wage in a second, but as I said, I did not really come here prepared to make a contribution but I did manage to bring with me the *Business Express* and the headline says:

“BAJAN PM: T&T EXAMPLE TO REGION.”

Then on page 4 the byline is:

“Arthur: T&T business template for the Caribbean.”

If I could just read a little of what it says here, because it gives the lie to what the Senator was saying. It states:

“Trinidad and Tobago can be used as a template as to how the Caribbean should respond to the competitive challenges thrown in the mix by the process of globalization.

This view was voiced last week by Barbados Prime Minister Owen Arthur who described the might of the Trinidad and Tobago business sector as ‘a new enterprise culture’.”

[SEN. THE HON. D. MONTANO]

The Senator made certain references to felines which I thought was most unfortunate. It continues:

“Your business model, the willingness to innovate and to bear risks, to do new things, in new ways, for new times, can and should be held up as the way in which business should be conducted in the CSME.’

...he recapped that in 1993 Trinidad and Tobago accounted for some 62 per cent of intra-regional exports.

Ten years later in 2003 the figure jumped to 82 per cent.

Even when we exclude petroleum products, Trinidad and Tobago still accounts for nearly 70 per cent of intra-regional exports.”

**Sen. Seepersad-Bachan:** So you are disagreeing with the Central Bank.

**Sen. The Hon. D. Montano:** Madam President, the picture that the hon. Senator wishes to paint, clearly, is hysterical and just off base. It is just not particularly relevant. What is a little shocking as well, she talks about the high cost of labour. According to the figures that we researched last year when I was in the Ministry of Legal Affairs, we found that 60 per cent of the labour force in Trinidad and Tobago earns less than \$3,000 a month, and she is talking about the high cost of labour. [*Crosstalk*] I have just articulated that a proper food basket for a family would cost \$1,450 a month. Is she saying that the salary of less than \$3,000 a month is too high?

Forty-seven per cent of the labour force earns less than \$2,000 a month, and on top of that many of them pay union dues, PAYE, NIS, transport, and so on. I do not think that the Senator understands what she is talking about. She says an increase in the minimum wage has to be tied to productivity.

**Sen. Seepersad-Bachan:** Madam President, please. You are misquoting me. I never said that. I talked about the productivity levels. You must be complementary.

**Madam President:** Senator, what is your point of order?

**Sen. Seepersad-Bachan:** Madam President, he is misquoting me and either he wants me to clarify it or not. I talked about the high cost of labour and the level of productivity.

**Madam President.** Senator, are you addressing a question to me or to the Minister?

**Sen. R. Montano:** She is being misquoted.

**Madam President:** I still have not got your point of order up to now.

**Sen. R. Montano:** She is being misquoted!

**Madam President:** That is a point of order?

**Sen. The Hon. D. Montano:** That was not a point of order yesterday.

**Sen. Seepersad-Bachan:** Madam President, many times we give way to the Senators on that side, especially if they feel that we are misquoting them.

**Madam President:** That is a different thing. You are asking the Minister to give way?

**Sen. R. Montano:** Misquoting is misleading the House!

**Madam President:** I do not think that was a point of order. Continue, Minister.

**Sen. R. Montano:** Misquoting is not misleading? Very well, we will misquote now.

**Sen. The Hon. D. Montano:** Madam President, the Senator was very clear. She tied the increase in the minimum wage to productivity. She tied one with the other. Let me just tell you, there is no country in the world that ties the minimum wage to the level of productivity. They tie increase in wages, generally, but not the minimum wage. She just does not know what she is talking about.

The Senator went on to criticize production-sharing contracts. I do not know a whole lot about the energy sector, I would be very clear on that, but one thing I do know is this, that when we came into government and some of those production-sharing contracts were scrutinized—let me just put it to you this way—the experts that we had on our team saw some very real difficulties with the contracts that they had signed, in fact, even with the arrangements that had been done with the LNG plants 2 and 3. They simply replicated the taxation formulas on LNG 1 with 2 and 3, and you would recall that the Prime Minister, in the budget speech of September/October 2002, said very clearly that all of those arrangements would be revisited as of January 01, because what they had done, for reasons of their own, they had literally given away the crown jewels. I do not know whether it was ignorance, stupidity or corruption. But the fact of the matter is the revenue that we are now looking to get back from those companies, is huge, and we are going to get it back. We are going to undo the mistakes that you all did. So do not come here and talk nonsense!

*Finance Bill*  
[SEN. THE HON. D. MONTANO]

*Wednesday, June 15, 2005*

Sen. Seepersad-Bachan said that unemployment was rising; that there was lack of credibility in the numbers of the unemployment rate of 7.8 per cent, and so on. I had nothing to do with those numbers, so I do not know what they are. But what I do know is this: If you need to fix your house, try and find a mason; try and find a carpenter. Even cane farmers—because I go down into Central and cane farmers come and talk to me and say: “Minister, we need labour to cut cane.” I say: “But the UNC keep saying that the unemployment rate is very high and nobody has jobs.” They say: “We cannot get the labour; we need to import labour from Guyana to cut cane.”

That is what they are telling me. But according to Sen. Seepersad-Bachan, the unemployment rate is rising. I have people who are applying to the Ministry of Labour, Small and Micro Enterprise Development saying that they want to bring in welders from South America—Peru, Chile and Bolivia—because we do not have enough welders in the country. And so it goes, but the Senator insists that unemployment is rising. I do not know what country she is living in, but I live in Trinidad and Tobago and I know I just have to look around and I can see the level of business activity; I can see that the economy is growing by 8, 9, 10 and 13 per cent a year. Businesses are growing at astronomical rates. You only need to look at the stock market; you only need to look at the revenues that the State is collecting on personal income tax—[*Crosstalk*]

**Madam President:** Senator, please. You had one hour but you are not allowing the Minister to speak. Nobody interrupted you.

Please continue, Mr. Minister.

**Sen. The Hon. D. Montano:** Thank you, Madam President. What I was saying was this: You only have to look at the revenues that are coming into the Board of Inland Revenue in terms of personal income tax, corporation tax, and look at the dividends and what is happening on the stock market. Companies are growing at astronomical rates; there are more jobs because more people are paying PAYE. Even though we have dropped the rates of taxation, the State gets more tax. That is because more people are employed. It is not rocket science. Perhaps it is a concept that is difficult for the UNC to come to grips with.

The fact of the matter is, we have managed this economy well. [*Desk thumping*] The fact of the matter is, there is “tabanca” on the other side because with the revenues that we now have, they cannot put it in their pockets; they cannot take it. So when we say it is going to the Revenue Stabilization Fund and we are building buildings and we are doing things—

**Sen. Baksh:** Madam President, on a point of order. The Minister is imputing improper motives. [*Crosstalk*]

**Madam President:** Mr. Minister, you were going very well until then, so, please, do not impute improper motives to anybody. [*Crosstalk*]

**Sen. The Hon. D. Montano:** Madam President, you are quite right. On this day, today, I do not need to say that about them. A lot of other people might, but I do not need to say that. [*Crosstalk*]

Sen. Seepersad-Bachan also spoke about the University of Trinidad and Tobago (UTT) and the amount of money that was being spent on UTT. She said: “There is nothing to show for it. There is nothing happening. Money is being appropriated for UTT and nothing is happening.” I am going to tie it all up. She also spoke with some chagrin that we were drawing down all the money from the dollar-for-dollar fund that the UNC had set up, and so on. It is very sad for me to stand here—or sit, in fact, because I was sitting at the time—to listen to the Senator talk about education, or refer to UTT and the dollar-for-dollar fund.

Let me just tell you something. We came into government in 2002 and literally discovered that there was an educational institution that had been started in Couva called the Trinidad and Tobago Institute of Technology (TTIT). Most people in the country never heard of it; did not know where it was; did not know what they did, but there it was, in the middle of the cane fields. [*Crosstalk*] So some nine or 10 months later, I come into the Ministry of Science and Technology and Tertiary Education and I start to look at what was happening in the field of education. What did I find? What I found could only really be described as a diabolical plot on the country as a whole. It just defied logic.

There were about 8,000 students going into UWI every year, compared to the 13,000 that are now going in every year, but what was worse—at the time I did not really want to make volatile and inflammatory statements. [*Crosstalk*]

**Madam President:** Can I have some silence?

**Sen. The Hon. D. Montano:** I did everything I possibly could to try to calm things down. But under the guise of the dollar-for-dollar plan, that plan was very carefully designed to assist, what I would cautiously describe as, the natural UNC constituency. When I looked at the profile of the students in TTIT and the University of the West Indies, I found that 70 per cent of the population of both institutions, again, mirrored what I would describe as the natural constituency of the UNC. I had to think that that logically tied it back to the dollar-for-dollar plan.

[SEN. THE HON. D. MONTANO]

It was a plank on our platform that we would expand it and make tertiary education available to every student, no matter where he came from, and this is exactly what we have done.

**Sen. Seetahal:** May I get some clarification? I thought I heard the Minister—and I am really interested and concerned if the implication of that statement which is that he said 70 per cent of the people from UWI and 70 per cent from the Technology Institute belong to the UNC's natural constituency, which explains, according to him, the dollar-for-dollar programme. Now I am attached to the law school which is affiliated to the university so I know a lot about that and how it is operated. I want to ask the Minister, is he saying that 70 per cent of the people, the natural constituency, according to the implication I am getting, are Indians and that the dollar-for-dollar was meant to facilitate Indian people who belong to UWI? Is this what he is saying? I want to get that clear.

**Sen. The Hon. D. Montano:** I think I was very clear. What I said was that they resemble the natural constituency of the UNC, and that is as far as I will take that. It is a cautious statement and it is as far as I am prepared to take it. But that is a fact, and it is most unfortunate.

**Sen. Seetahal:** Madam President—

**Madam President:** Are you giving way?

**Sen. Seetahal:** He is not giving way, but he had not answered my question. I am asking if he is saying this, and he is saying that is as far as he would take it. Is he afraid to say what he means? I am asking if that is the implication I am getting and if that implication is what he meant. If he is not prepared to answer that, then I would have to conclude that he is afraid to say what he is saying, because then he would have to prove what he is saying is true. [*Desk thumping*]

**Sen. The Hon. D. Montano:** Madam President, one of the things that I do not think anybody could say about me is that I am afraid to stand up and say anything. However, I think there are many occasions in one's life when one must be naturally guarded and fairly conservative in the language that one uses. On this occasion, I intend to be so cautious and I will be guarded in the same way. I will not be bullied into making any racist statements, or anything of the sort. I am not going there at all.

There were just a couple other things. About the only thing that I happened to agree with in the contribution of Sen. Seepersad-Bachan, was when she was talking about the subsidy on gasoline; that the subsidy was artificially large

because of the excise taxes. I think she is quite right. However, it is peculiar that the experts in the Ministry of Finance, over successive governments, saw what the problem was but chose to do nothing about it. I do not know if they are trying to—

**Sen. Seepersad-Bachan:** Because the oil prices were low then so it was not a problem then.

**Sen. The Hon. D. Montano:** For years it has, more or less, been the same thing. But I did happen to agree with her and to feel that she had a point.

There was just one other thing that she was talking about and that was the foreign exchange market and the support for the TT dollar. She was quite right in saying that one of the difficulties we have had to face is that the commercial banks have been investing in instruments outside our shores, in some of the other countries, and effectively bleeding our system of foreign exchange. The Senator is quite right to say that there is a risk attached to it. There is very much of a risk attached to it. In fact, I remember I went to Havana last year on a personal trip, for a long weekend, and when I was coming back on the plane we picked up someone from the Dominican Republic; one of the heads of one of the largest banks in the country. What he said to me was, in fact, the bank had borrowed money on the Euro market for something like 3 per cent and had lent it to the government of Cuba for something like 17 per cent.

Now, they could do that because, effectively, it was Trinidad and Tobago's credit rating that was at risk and we were lending money to Cuba. Not that I necessarily disagree with what the bank was doing; I am not saying for a moment that I disagree with it, but the Senator is quite right, that there is a risk attached to it, because Cuba, Belize, Honduras, the Dominican Republic, Barbados, Dominica, St. Lucia, St. Vincent, all have their own country risks. What is happening is that we are using our credit rating to support the borrowings of those countries.

The Central Bank, in fact, is very aware of it. I remember talking to the Governor about this about two years ago, so the Central Bank is very aware of it, and there are some of us in the Cabinet who understand the issue and we have spoken about it. I know the Minister of Finance is very aware of it. The difficulty is that the institutions that are doing this are private sector companies, and at this point the question is what regulations—

**Madam President:** Hon. Senators, the speaking time of the hon. Minister has expired.

*Motion made*, That the hon. Minister's speaking time be extended by 15 minutes. [*Hon. M. Joseph*]

*Question put and agreed to.*

**Sen. The Hon. D. Montano:** What I was saying is that I think it is an issue as to exactly how we control that situation. It is as bad as this: I went to a breakfast meeting about eight months ago in Chaguanas and I had the pleasure of having a gentleman on my right who worked for, what I thought was an insurance company that was part of the CLICO group, although it did not have the name, CLICO. So I thought that I would talk to him about insurance. So we started to chat a little. I said: "How is the insurance business these days?" He said they are not really doing any insurance anymore. I asked: "What are you doing?" He said: "We are taking in fixed deposits." I said: "But you are not a bank or a non-banking financial institution; you are an insurance company." He said: "Yes, but we can do it." So I said: "Well, okay. What are you doing with the money that you are taking in as fixed deposits?" He said: "We are putting it on fixed deposits in banks in St. Vincent and the Grenadines, St. Lucia and Dominica."

He is taking the money from here and sticking it over there, where they can get a higher rate of interest. So they are doing absolutely no work. But our money, the TT dollars that are coming in here as a fixed deposit here, and because the exchange rate is stable, we are buying foreign exchange at the commercial banks and putting it into the commercial banks in the small islands, and there is nothing in the system to stop that.

The question is: What does one really do in the context of globalization? What does one do in the context of the free movement of capital? How do you regulate the specific types of activities within the context of globalization? It is not an easy question to solve, but let me assure you, the Government and the Central Bank are looking at it, and I know that foreign experts have been here discussing it with them as to ways and means to protect what, in fact, is our financial base.

Let me just say this. On the other side of the coin there is a plus side; there is not only a negative side. Because the fact of the matter is, based on the fact that according to the figures I have just read, that Trinidad and Tobago now accounts for 70 per cent of the non-oil intra-regional trade in the region, if we are exporting to that extent, how are they paying us? We need to support their economies.

This was one of the reasons the Government felt that it needed to support Liat, because some of the small islands like Dominica, St. Vincent and the Grenadines, and so on, do not have large airports and unless they are serviced by these smaller

airlines, they have virtually no air link at all. Therefore, we felt that we needed to support, not just the governments, but business and industry in the small islands. So that this type of movement of capital into the small islands does serve as a source of capital for their businesses, so that their businesses can borrow, invest, expand and do all sorts of things, as well as provide long-term finance for mortgages, housing.

Of course, a lot of the things that are purchased in the development of their economy come from Trinidad and Tobago, so a lot of the money tends to come back here as well. But because there are no reporting rules at this point, nobody knows exactly how much is flowing out and how much is flowing back in, so we cannot see exactly what the movement of capital really is. Some of it is quickly and easily visible, but the other form of it is not that visible. So the experts are still looking at it before they decide to make any kind of rules or limitations as to the movement of capital.

It was only those issues I wanted to deal with and I have dealt with them. Thank you very much for your time. [*Desk thumping*]

**Madam President:** Hon. Senators, we shall now take the tea break and we will return at 5.00 p.m.

**4.27 p.m.:** *Sitting suspended.*

**5.00 p.m.:** *Sitting resumed.*

**Sen. Roy Augustus:** Madam President, it is not always the case that people do not listen to me, but I am never worried about that. I speak in any case. I rise earlier than I had expected to, enjoining this debate, for a particular reason. I listened to the last Senator, the Minister of Labour and Small and Micro Enterprise Development and again, I was appalled at the treatment of a particular topic that has to do with an education institution that was developed by the last government. I had heard it on a couple of occasions before and I even responded in one of my contributions. I feel I must be clearer in my response this time.

I heard that there was the Trinidad and Tobago Institute of Technology, developed by the United National Congress government in the cane field. What that means, people will pretend they do not know. I am saying that given the background of the statements before, I am clear in my mind as to what the Minister meant. I want to go back a bit. On a previous occasion, I was sitting on that side and an Independent Senator spoke about the fact that nobody in Trinidad played cricket. I stood and asked him, "Do you know that cricket is played in Penal, Chaguanas and all those other areas? Is it that those are not people too?"

I am relating it to this now. When a Minister of Labour and Small and Micro Enterprise Development who happens to be occupying premises on Besson Street could talk about the Trinidad and Tobago Institute of Technology in the cane field, I worry about the society that we are trying to fashion. When it is put against the further comment that I had heard before, that the toilets at the John S. Donaldson and San Fernando Technical Institutes were bad, what the Minister is imputing—in fact, he actually said, that it was a diabolical move by the then government. He was saying that that government was preferring a certain area of the country.

I would say that maybe the toilets at John S. Donaldson and San Fernando Technical Institutes were bad at the time when he went in and I will blame the Government for not rebuilding what they left as derelicts. I have been to those institutes before and I know what was there. In fact, there are endless schools and other institutions in this country at the moment that are suffering from lack of repair and maintenance. I am not going to deal with geography now to say that this Government being the urban government is dealing with the urban people and leaving out the rural people. I will not do that. We have to accept, and I keep saying this, that we are working together to fashion a better society.

When Ministers who are supposed to be important pretend that they are champions of a particular class, I am not accepting that, particularly when I remember events of 1970 and who a particular casualty was. You do not come now and pretend to me that you are any champion of any underclass and if you are a champion of the underclass, you must be a champion of all the underclasses.

He is a representative of a party which when in government talks about the recalcitrant minority when a particular group for one reason or the other did not vote for them. It is a party when in government, Madam Minister, Madam President—I wonder why I keep saying Madam Minister; that is how I knew you in the first place—talked about flotsam and jetsam in 1976, when two seats went in another direction. It is a party that always feels that the minorities must always go their way. That person is representative of that.

We are in 2005 and we are working towards fashioning a society of unity, where all the races, classes, ethnic backgrounds and religious persuasions must come together. We cannot escape. We cannot do it without that. Nobody must stand here and make those assertions. We will not allow them.

I was worried while listening to the whole contribution when to me, there appeared to have been a personal attack on my colleague who made a most beautiful contribution on this Bill. I kept hearing “and she said this and this lady

talks nonsense”. What stupidity is this? I thought at one time you would have stopped the Minister because you have it within your power to ask the Minister to behave properly. When a Minister can speak about a Senator on this side and talk about “she”, who is “she”? Does she not have a name? Does she not represent something?

**Madam President:** Every time I heard him refer to Sen. Seepersad-Bachan, I honestly cannot recall any time, unless he said Sen. Seepersad-Bachan and then followed it with “she”. I must admit that I did not hear that. If he did, then it was wrong. I did not hear that.

**Sen. R. Augustus:** I have respect for you, Madam President. I will accept that you did not hear it.

**Sen. Jeremie:** Madam President, on the matter of how we should address each other, I am sorry that Sen. Mark is not here. He is in the habit of pointing to me and calling me “boy”. I have never objected to that because I am not thin-skinned. That too is something that we ought to address. I am not a boy and I am not his boy.

**Sen. R. Augustus:** May I continue, Madam President? I do not know on what ground the Attorney General got up, whether it was a point of order. He did not even ask me to give way. I would have given way. He got up and started to speak. That is another point that I am worried about.

Before I go to that point, I always advance in my positions here that if somebody on this side or that side does something wrong or improper, it does not give you the authority to do it also. If the leader of my group here does that, then I say that he is wrong. *[Interruption]* The Attorney General is telling me to tell him that. What gives the Attorney General the authority to talk to me across the floor and tell me to tell who what? Does he know whether I speak to my team when we are in caucus, or does he want me to come out here and talk to my team in public, so that they can laugh? I will never do that.

Here is the other point that I was going to make. Whenever that team gets up on a point of order it is accepted without expressing the number of the Standing Order. Whenever it happens here as it did about an hour ago, a Minister on that side said, “What Standing Order are you under?” The President ruled. Standing Orders go for them, not for us.

**Madam President:** On that particular issue, I asked what point of order because there was no point of order using the word that person was using. Then I ruled if that was the point of order, it was out of order.

**Sen. R. Montano:** Madam President, misquoting is all right. That is what you ruled.

**Sen. R. Augustus:** Madam President, all I am saying is that when the question of the point of order was raised, and the goodly Minister said under which Standing Order, I am clear in my mind about what I have been listening to. That is why I do not engage in crosstalk. I like to listen. Madam President, things like that worry me. I want to tell you that I have full respect for you as the President of these proceedings. Maybe, because of my age I feel that I must be able to say some of these things so we can continue to operate in the best possible tradition.

I continue to talk about what is delivered here and what is delivered there. People are being blamed for diabolical moves because of an institute of technology, fully developed, well-equipped and available to Trinidadians and Tobagonians. All have access. [*Interruption*] Sometimes I wonder whether I really know him as I used to know him.

**Sen. Dumas:** No. You do not.

**Sen. R. Augustus:** I am beginning to think so now.

I will not say that there is a diabolical move to put an \$850 million stadium in Tarouba in the southern land, when the national stadium, the Hasely Crawford Stadium is rundown; the elevator is not working; the gates are difficult to man because they are in a major state of disrepair and the generator is not working. When people offer to fix the generator they are told that goes against government's policy. People are not saying that it is a diabolical move to move sport from Port of Spain to Tarouba. There is a talk in Trinidad that suddenly "everything is South". What is wrong with that? At one time everything was in Port of Spain. I will not call that diabolical. If my friend there did not understand that at one stage everybody thought that everything was Tobago. We do not call it diabolical. We do not accuse people of race. We have to remember that when a Tobagonian was in charge of the country, people were saying that everything was going to Tobago, we did not call it diabolical. That is the point that I am making. I have no objection to people who take care of their own. They must also understand that it has to be shared. I will always appreciate those who understand their own is not parochial, but all of us.

I will not say that because the Larry Gomes Stadium and the Ato Boldon Stadium are not being properly and adequately maintained, that there was any diabolical move afoot. I will never say that. I will say and this is my view, I do

not think that is a priority now. If we can utilize all the stadia and sporting facilities that we have spread over a larger community, we will get more benefits. If we have to tackle seriously the question of crime in the country, it is not by one large sporting facility in Tarouba. If that is going to be a crime prevention action, there are other areas that are more crime infested than Tarouba.

I am going into the question of how we are spending money because I am looking at the Ministry of National Security and what is happening there. I wonder whether our approach to crime and the moneys that we are expending on crime are well directed.

**Hon. Senator:** Do you want to put more?

**Sen. R. Augustus:** Thank you very much. My good friend asked me if I want to put more. More is never better! That is the problem with this Government. This Government feels that the more money it spends on a problem, the solution will come. It will not come so. It is not how much money you spend. It is how you spend the money. [*Desk thumping*] This Government thinks that to solve problems you spend money or you punish. You expend capital or induce punishment. Now they have brought both together and said “capital punishment”. [*Laughter*] It does not work that way. The people who are talking about capital punishment—I cannot believe that a Fatima boy will stand and say, “I will hang every man on death row, every human being on death row”. A Fatima boy? He went to the same school that I went to? That school must have lost some of its gloss in the later years. Hanging will never stop crime and murder.

Today, the young people for whatever reason do not stop to think about the value of life, even their own. Therefore, capital punishment, hanging will never stop murders in this country. There must be other methods. You have to deal with it now with proper policing and a properly managed police service that is given all the resources and a proper environment in which to work. That has nothing to do with legislation. You also need to prevent people from converting our young people into criminals.

I was looking at television last night and I saw a beautiful thing with Sgt. Prince on the Beetham with community policing. The moneys that we are expending in the Ministry of National Security should be better used in areas like those. I will like to know what percentage of the budgets for the Ministry of National Security and the Ministry of Community Development, Culture and Gender Affairs—that ministry that is asking for \$42 million more for a TV station and I am not sure whether we will get income from it; that is another story—will

assist people like Sgt. Prince and Cpl. Joseph who are serious community-minded officers and are going out there putting their lives on the line working in those areas. What kinds of budgetary support are you giving them to ensure that we prevent the generations to come from going the way this generation has gone? Hanging those who are inside—those who are inside are not committing any murders right now. Those who are outside are doing it.

We have to develop a system of ensuring that our community-based organizations particularly peopled by community-oriented police officers work in all communities. In the first instance in the high risk communities, then as you spread out you take it through.

What kind of money are we spending on our uniformed youth groups? Do you remember the Boy Scouts, the Girl Guides and the Brownies? I am asking questions because I do not know. Are we seriously looking at how we can use that as supplementary to the schools' formal education? The discipline that you want to instil in them through that kind of uniformed organization will carry them over into their adult lives. I had a beautiful experience over the last couple weeks. We came upon the idea of using the Cadet Force to assist the World Cup campaign in football. When the idea was first mooted by whoever it was, people were saying, "You will put little boys to stop man from storming"? Colonel Isaac of the Cadet Force put things in place. We used them on two occasions; the Costa Rican game and the Panama game. I am so proud of those 14-, 15- and 16-year-old boys and girls. It tells me that all is not lost. *[Interruption]* I like to hear you. You know that.

**Sen. Dr. Saith:** How much did you lose on the game?

**Sen. R. Augustus:** We might have lost a couple hundred thousands here and another couple hundred thousands there. How much did you put? You asked me how much I lost and I am saying that I lost so much, but how much did you put? We are still waiting on you to put a little more than you said that you were going to put. When we lose we lose our money. Is that a problem?

I was saying that I am so proud of them. They worked well. The discipline was there. Are we supporting that Cadet Force as much as we should? Maybe, we are not. If we are, I am happy. If we are not, then can we plough—not so much money because we always talk money although everything has a cost? Can we plough resources into their further training? Can we look at the kinds of programmes? I use the Cadet Force but you have the Scouts, Brownies and the 4H Club which seem to have gone under cover. You may tell me that it is

operating. If nobody knows few people will join. The concept of the 4H Club with agriculture is a way to spend the money, using proper human resources with their talents to develop those young people, instead of criticizing and condemning them.

I missed a point that was deliberately misrepresented when I was talking about my colleague. My colleague had indicated that consistent with the minimum wage should be an increase in productivity. Consistent with the minimum wage should be an opportunity to let these people be trained in a particular way to increase their productivity. It was taken and beaten all over the place, deliberately! I do not want to go out of order.

I remember sitting recently in this Parliament and hearing that a place in Arouca was given to the UNC government for the computer based education. The impression was given that money was paid to that group in Arouca. I said nothing then because I do not jump up and talk. I checked. The space was given free of charge for months to the particular ministry for the use by the people of Arouca. Human development! The Minister who is now in tertiary education gave the impression here that the group in Arouca was benefiting financially. Not only did the group in Arouca give that place free, but when the police station in Tunapuna became too dilapidated, the group gave the government of the day the use of a particular space and charged them \$1 per month. They stayed there for 16 months and the Government is still owing the group \$16.

**Sen. Abdul-Hamid:** May I clarify something, Sir? I did not say that the group was given anything. I said that a distance learning centre was being housed in a building associated with an advisor to that particular party.

**Sen. R. Augustus:** Do I have to respond to that, Madam President?

**Madam President:** No.

**Sen. R. Augustus:** Everybody here heard the context in which the Minister made the statement leaving the belief deliberately, that the special advisor got special benefits. It is symptomatic of those people and their behaviour. They always say enough to make you feel such and then get up and say afterwards, as though you are “dotish” this is what I said. I know what you said, but I also know what you implied.

When communities come together to assist governments of the day, it is a way of reducing this exorbitant expenditure we have now. Three billion dollars supplementation? Where did it come from? I want to get the answers. Why do

we need it? What have we gotten so far for what was supposed to have been spent on us, our money, over the last six to eight months? New schools, good roads, water in every tap. Do we have that? Do we have equipment in the fire service? There was a time when a Government said “Water for all”, and water went to almost all. [*Desk thumping*] Where is that water now?

**5.30 p.m.**

I thought that when a Government comes up [*Interruption*] It normally happens. We were in Gasparillo recently and just as the boss was supposed to come they cut the lights.

When a Government comes into office they normally improve on what went before but I have not seen the improvement as far as water is concerned. I do not want to talk health, I do not want to talk about the prison service. The acting Secretary of the Prison Service Association has said: Hello, you are instituting things without talking to us. Talk to us so we could put proper plans in place.” But, it was not important that prison officers’ safety should be looked at while you are going to implement this political move of hanging people. It is not important that prison officers be considered. So you do this, you do that and you forget those who have to deal with tension inside the prisons at the time.

I am happy to see that the Police Training College is getting an additional sum of money—and I am hoping that it will not only stop at a refurbishment of that archaic place down there. Do not tear it down because it is good architecture. Fix it up properly and improve the level of training. That is really a college and let the curriculum be deserving of the term “college”. I also saw that there is going to be a development of the computer systems in the police service, and I always like to relate the story. I am not too sure if I have related it here before, but it shows me how far we are behind in the technology.

The first time I went to the United States, which was somewhere around 1974/1975, I remember on my first night while travelling in a car, a Trinidadian was driving the car and, whatever happened, he turned left at a corner when he should not have turned left. It was not even a one-way road and the next thing I heard was a siren. My first visit, I was frightened like “france” and as we stopped there were about three or four police vehicles around us. By the time the first policeman got to us, he was saying; “Get out of the car. Get out slowly. Put your hands on the roof of the car. What was more important to me was that while he was doing that, another police officer was coming towards the senior officer and saying the owner of the car is Mary Jane who lives at such and such a place—

they just saw the number plate and were able to radio and get all the information—1974/1975. Can we do that in 2005, or will we do it in 2020?

I am not absolving ourselves of blame either, because we were there. We had six years to do it and we have not done it, but are we going to head there? Is that not one of the things that can help us to decrease the crime rate when we can detect those things which appear to be minor, quickly? Therefore, are we going there and when will we get there?

I am happy to see that the police service is going to be computerized—and I saw somebody took back a contract from the licensing authority, so I do not know if that is going to push back the computerization and the linking up together very soon.

Madam President, I want to close off on a point. I have a very good friend who was chatting with me about the Unemployment Relief Programme (URP) and about business people indicating that with the resurgence of URP they were having difficulty in getting untrained labour. My friend was saying that is more reason why URP should continue to grow and I thought the concept of that kind of labour that the URP was supposed to represent was totally lost in the first place because it was supposed to be temporary. In fact, I clearly remember that people have argued that one of the reasons—it may not be the only reason—for the decline in agriculture in this country in the 1970s was the unavailability of labour, and there was an unavailability of labour because of the absorption by these relief programmes, fantastic rates, less working hours so we are paying up to today, I would think, for that. And, we are going back into that cycle.

I have no problem with the relief programme; I have no problem with the business people wanting labour. I am saying that the cycle should be of such that you do not aim at being a URP or CEPEP person all one's life, neither does one aim at being a store worker, a gardener or a house maid all one's life. What we have to do is those who have to go there because of their circumstances at that time, we should provide the kind of adult education and programmes that will cause them to move to other areas, but all those areas must have available to them labour, while it is filled by others coming in. We cannot say that we will deliberately use URP and CEPEP to ensure that the businessman does not just have them there.

It is unfair to the country. When the Minister was saying that it is not a question of unemployment being high because unemployment cannot be high because you cannot get people to cut cane and you cannot get masons, you cannot get this. You cannot get masons because nobody is training them to be masons

and you cannot get people to cut cane because it is not in their own small way—the \$10, \$12, or \$15 a day they are getting to cut cane has been taken over by the kinds of money that they would get from Community-based Environmental Protection and Enhancement Programme (CEPEP) and URP for two or three hours.

I am not saying do not have URP, do not have CEPEP. I am saying that as a Government, you have to find a way to ensure that all the labour markets are properly filled and utilized. One cannot be to the detriment of the other. It cannot be! Once the Government, which is getting no returns from that kind of labour, and I am not talking about financial returns because business is business, then we will reach a stage again where not only would we not be able to sustain all those gangs outside there, but we will not be able, even more than today, to sustain our own security.

Thank you very much, Madam President.

**Sen. Mary King:** Madam President, today we have before us the second Supplementation and Variation of Appropriation Bill for this year 2005, to the tune of \$3 billion. If we recall the budget statement of last year for 2004—2005, we had a total allocation of \$29 billion. We also had in the first Supplementation and Variation of Appropriation Bill, it was also roughly \$3 billion. So we are seeing for this year our budget allocation is roughly \$35 billion for the entire year, so there appears to be inordinate increases in the amount of funding required to run the country. In the year 2000, the total budget was \$14.8 million and in five years, we are now at \$35 billion, so that is an inordinate increase.

I have concerns about the sustainability of this level of expenditure. One will recall we went through the 1970—1980 boom period when our spending also increased as a result of increased earnings in the energy sector, and granted we did save some for some of that period in various funds but this kind of spending is unsustainable. We discovered that as soon as the oil price collapsed, the Executive tried in vain to bring us to a soft landing but eventually we did run down all of the savings of the country. We had devaluations accompanying that and International Monetary Fund World Bank structural adjustments. We ended up with the loss of ownership of the energy sector companies and I am sure that our founding father who took the initiative of developing the energy sector must have turned in his grave at that time. So we have had a bad history of over-spending and going bust.

The lesson that we sat through then, and maybe have learned nothing, was spending that created no accompanying productive capacity cannot be sustained by a volatile energy sector. Maybe we learned how to ride the boom but we are

heading at this time for the final bust because eventually our natural resources will be exhausted as well.

Madam President, the same question is before us today. This kind of spending can only be sustained if the production and prices in the energy sector last, or if the spending that we are now doing actually produces productive capacity that can allow us to sustain the current level that we are spending on the onshore economy. And, of course, a caveat to all of this is: What is the time frame within which we gauge sustainability?

As an economist, I would estimate that the time frame has to be at least the time required to restructure our economy within the context of the availability of resources of natural gas and oil, and as a constraint to that, also the length of time that prices will stay high which is very unpredictable. Although, people are saying at the moment the prices will be high for the next five years, but we do not know. Our economy is devoid of the top layers of the economic pyramid; it is devoid of the innovative business creation; it is devoid of real development and research linked to innovation, and this, therefore will take us roughly 15 to 20 years to fully restructure our economy if we want it to be sustainable after oil. If we have not, the world is coming around to the fact that peak oil is at hand, and that is, the world supply of oil is about to peak while the demand is still increasing and we even have countries like the US now exploring the possibilities of natural gas hydrates, which we have not done yet and we are in the business of energy! Hence we can say that the price of oil and energy products will remain high until the other sources of energy kick in and become more economic. So, we are probably in an era of high price for the foreseeable future.

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

Mr. Vice-President, the problem before us is not as we had before—price collapse. The problem before us is that the reserves will not last beyond 20—25 years which is exactly the same time it will take us if we are serious to restructure the onshore economy, maybe 18 years. In other words, we may be able to sustain this increasing level of spending on the onshore without generating capacity for a maximum of 20—25 years after which we will end up importing energy just as Indonesia is doing at the moment with no new or replacement productive capacity to generate income to pay for these imports of energy. Well, we may end up starving.

I think we have to be very serious about what we are going to do now that we have financial resources, and whilst we still have some years of oil and gas.

*Finance Bill*  
[SEN. KING]

*Wednesday, June 15, 2005*

Mr. Vice-President, we have seen an unprecedented decrease in unemployment over the last two or three years paralleled with the increased onshore spending of our income from exploiting the energy resources. So we are getting the money, we are spending it and by spending it, we are creating jobs and we are decreasing employment. But, I maintain that the reduction in unemployment should have resulted in some level of actual productive capacity so that we would have had an increase in the capacity of the onshore employees. But this has not been happening. We also see that the GDP onshore is growing very marginally; the GDP offshore is growing very fast.

The Central Bank Governor very recently has also told us that our export situation is negative; i.e. the growth in exports is actually negative. Meaning, we are declining in export growth overall. And even with trade liberalization that means we have not been able to seize the opportunities to export to the non-regional markets. Most of our exports are still within the Caricom sector.

I am saying that the expenditure by the Executive is surely contributing to a decrease in unemployment figures but there is no matching correlation in the onshore economic growth.

From an economic point of view, this kind of budget spending, as laudable as it may be with respect to the provisions of services and infrastructure, in itself is not sustainable. We have learnt recently that the Vision 2020 Report is available. It has at least been submitted and is yet to come before us in Parliament, but the hon. Minister of Planning and Development has informed us that the vision will be based on three main platforms. Two of those platforms she mentioned were a change in the culture and innovative business development.

Over the years in this Senate we have listened and participated in many budget debates. We have heard about the various pillars upon which we intend to build the new economy. We have talked about tourism, manufacturing; we have talked about the Invaders Bay Complex, the fabulous infrastructure that will be built, the Government campus, the roads and so forth, but none of these to date has made any impact on the onshore economic developments. And I think it was said a little earlier that building buildings is not developing a nation. We have to do a lot more than that. So we await Vision 2020, 28 reports, I understand with bated breath and hope that very soon it will come before the Parliament so we can discuss together and maybe, look at where the visionary points are and where exactly we are going.

Economic development is more about building intellectual capacity than building buildings, and I hope to see some of that within the 28 reports which will be coming to us.

If one looks now at the specifics of the Supplementation Appropriation and Variation Bill before us, one item talks about a loan to the Trinidad & Tobago Electricity Commission (T&TEC) of \$123.8 million to meet its debt servicing obligations.

I think those of us who have been studying the utilities over the years, T&TEC was once one of the premium utilities in the region. As in other countries, including the United Kingdom, political constraints kept electricity prices below the cost to produce the service and as long as governments subsidized these prices there was no problem. However, with structural adjustment a decision was taken in those days to stop such subsidies and this had been imposed upon us by the IMF and the World Bank structural adjustment conditionalities, yet T&TEC was not allowed to charge competitive prices.

It was not allowed to charge competitive prices, whether the PUC advised them or not and the upshot of all of this has been a very poor cash flow, an increasing debt situation to T&TEC resulting, a couple of years ago, in the absurd decision to sell T&TEC's generation assets because the Government would not guarantee the loans. And when they actually did the sale of the generation assets the Government turned around and guaranteed the loans to PowerGen and again the next Government turned around and guaranteed the loans to InnCogen which is now sold and has become Trinity Power.

Today, we have another electricity situation. T&TEC again is in the market for increased electricity rates. Our rates are the lowest in the whole region and the fact that an election is due probably within the next 18 months, we can reasonably assume that given the history we have, that no reasonable rates will be allowed for a T&TEC increase and, therefore, we will continue to subsidize T&TEC.

When we are actually subsidizing electricity, water and these utilities, we are actually contributing to the basic advantage of exporters, yes, but mainly to the basic advantage of the large corporations.

When one looks at what is happening under the impending World Trade Organization agreements and with the FTAA negotiations, we could end up with our exporters being charged with dumping because the Government is subsidizing electricity, water and whatever. So we have to be very careful about what we are doing when we are subsidizing things like electricity rates. These are factors of production and we have to be very cautious.

Under the allocations in the Supplemental Appropriation, under the heading Energy, the Ministry of Energy and Energy Industries, is an allocation of \$650

*Finance Bill*  
[SEN. KING]

*Wednesday, June 15, 2005*

million for National Petroleum Marketing Company and this is also a subsidy that is paid by NP to Petrotrin when NP sells its product below what it pays to Petrotrin. So we are continuing the subsidization and making us competitive to a degree, but we can end up in some serious trouble if dumping charges are laid against our companies. We do pay the lowest prices in the region for energy products that we are now being told are subsidized to the tune of \$650 million.

I have concerns about continuation of subsidies and I wonder what will happen to these companies when we can no longer actually afford to subsidize. And whether NP should be a stand-alone marketing plant depending on subsidies, is another question, whether it could not be absorbed more readily into Petrotrin and that company become a holding energy complex. We have to consider those things if we are going to effectively manage the resources of Trinidad and Tobago.

The other thing about cheap gasoline which I think sends a bad signal to the driver, the man and the woman in the street, is that it is okay, you can drive the big heavy gasoline, guzzling SUVs and large private cars because we can afford, no problem.

I think these are things we want to avoid and if one looks at the number of cars on the road and the traffic, maybe, an increase in energy prices might reduce somewhat that particular problem that we have at the moment.

Mr. Vice-President, as a country we are one of the biggest per capita environmental polluters in the world with respect to global warming and with respect to gases. I think we are fourth in the world as one of the biggest polluters, and most of this is because of the offshore industrial sector and also due to the massive motor car population per capita that we also have in the country.

I think issues like these should be of prime importance. When we are looking at the strategic planning that will go from the laying of the 2020 vision, perhaps, these are things that we should look at very closely because we do not want to continue the pollution and destruction of the environment as that will have implications for many things, including that it is now actually being used by several countries as a non-tariff barrier. If your products are produced in a non-environmentally clean atmosphere then your products will not be imported into one's country. So we have some problems.

This discussion on polluting—I went back to the documents relating to the conference that was held some years ago in Barbados. It was a regional conference and it was one of those conferences where we had the rare honour of hosting President Fidel Castro.

President Castro was also concerned about the massive misuse of the word “resources” by the members of the developed world and what it was causing was a destruction of the environment of the developing world in order to feed the demands of the developed world.

I remember that at that time the position posited by our Government at the conference was that we had a choice to make. That is, we had to decide whether to continuously develop the energy sector and destroy the environment or whether we should stay as an underdeveloped country. That was a stance taken by our leader at that conference.

Now we are seeing plans, at least hearing of plans for not one but two aluminium smelters. It is very clear to me that the development perspective of the Government has not changed in any way over all those years. That is a concern to me and, of course, the third alternative is the sustainable development of the onshore which our Government, with all its spending, has not yet begun to address, though we had some rhetoric, some stories, some tales, but we are not really seeing the planning framework for the development.

**6.00 p.m.**

We do have that option. We do not have only to destroy and only develop the energy sector. We have funds now and they should be used to develop the onshore. We have many areas that we can develop, if that is going to take place, including skills development.

Mr. Vice-President, when we look at the recent leases of *MV Sonia*, the Tobago ferry, *The Cat* and now we have *The Lynx*, we see that we do have some sanity entering the attempt to introduce a reliable ferry service to and from Tobago. I think it is something we really needed to put in place.

For the present business model that we are exploiting—local and foreign capabilities—we have put aside \$71 million to finance from July to September, but what do we put into this effort of the new ferry service? We put finance and ticketing and the overseas supplier provides all the technical capability and all the marketing. So, we are not providing some of the higher skills that we could be providing even in this exercise.

I have also heard mentioned that we may actually end up buying one or maybe two of these ferries. If we have looked through our history of upkeep and maintenance, we will see that we have been unable to maintain any vessels that we have owned in the past and I do not think that any attempt should be made to

*Finance Bill*  
[SEN. KING]

*Wednesday, June 15, 2005*

purchase the *MV Sonia* or *The Cat*. As long as we can finance, the present business model of that ferry service should be left intact because it may become much more efficient in that form.

We, perhaps, also have to look at developing a new and innovative business model for BWIA, different from the ferry service, in that BWIA has to be a lot more competitive than it has been in the past 10 years.

Another area that attracted me in the appropriation allocation is that under the Ministry of Science, Technology and Tertiary Education, we have a development programme of \$113.6 million in part for the construction of a campus, the O'Meara Campus of the University of Trinidad and Tobago (UTT) and for the initial designs of its Wallerfield Campus.

The combination of UTT, especially at Wallerfield, and the planned technology park which is to be linked at the same site, I think I have already stated very clearly that this could provide this country with a very important vector in the reconstruction of the onshore economic sector. Together with this sum, the revised provision for 2005 allocated \$3.9 million to TTIT and another \$158 million to the establishment of UTT.

This is a lot of money and all I know, and I dare say anybody else in the Senate knows about this extremely important project, is what we have read in the newspapers and some superficial comments made by Members of the Executive and others. I have mentioned already in this Senate—and I would like to repeat it; it was also supported at a conference of the CPA not so long ago—that the Parliament of a country has to get itself involved, a priori, in the decision-making of institutions like the Caribbean Single Market and Economy (CSME), its educational and health institutions.

I think that today this is the prerogative of the Executive, who come to the Parliament for ratification of all its decisions, with no opportunity for discussion or opportunity to make subsequent changes in many of the instances where discussions on CSME or things like this have come to this Parliament. It comes when we have no opportunities, and decisions have already been made.

This view should also apply to Executive decisions in the establishment of such fundamental institutions as UTT and the adjoining technology park. These belong to the people of Trinidad and Tobago, and the views of all its citizens and its parliamentarians, I think, must be heard before these major decisions are made. Now it has been said that the UTT is a joint venture between Government and the private sector, so a question I would like to pose is: What is the corporate structure of UTT and what part does the private sector play in this institution?

We know that the Government has contributed substantial sums to its establishment and that massive sums will be required in the future. Today we are allocating some of those funds. What benefits do these sums accord the Government as opposed to the private sector in this so-called joint venture and what sums to date have the private sector actually put up in this project or allocated up to this time?

Mr. Vice-President, I feel that the philosophy of the UTT has to be discussed, if only at the level of Parliament. We are seeing advertisements saying come to the UTT and get a job in the energy sector. Now we know that the energy sector employs very few people—and it will continue to employ very few people. Surely UTT's output should be primarily for the onshore sector rather than the offshore sector. If we were about a university which was going to be a technical, innovative and entrepreneurial university, we would have expected that the skills development and the linkages would have been to develop the onshore rather than the offshore. We do admit that UTT is a very important vector in the transformation of the economy, particularly in the development of the onshore, but none of this appears in the many advertisements that have been in the newspapers. It is: Come to UTT and train for a job in the energy sector. So, we do have some problems with that approach.

I do not think we can allow the UTT and the Wallerfield Technology Park to become a fiefdom of a few or of the current Executive. I think this initiative is an initiative of the people of this country. It has been talked about for several years before now and, at the minimum, I think the Minister owes the Parliament a report, not on what funds are needed, but on what the vision is, what the mission is and what are the objectives and strategies of this institution, the UTT, and its adjoining Wallerfield Technology Park.

Should we not, Mr. Vice-President, like Singapore, make the Wallerfield Technology Park into an innovation park? This leads directly into encouraging venture capital capability and real entrepreneurial development. This Parliament has a part to play in the strategic management. On a related but smaller point, I would like to ask if the assets of the TTIT, which was once owned by the Ministry of Science, Technology and Tertiary Education, have now been vested in the corporate entity of UTT. If not, how is it operating under the parent body, which is now the UTT? I think we need to have these questions answered, Mr. Vice-President.

I do not think we can proceed without a mention of BWIA. We have seen the reports in the newspapers of the BWIA task force's recommendations, which

*Finance Bill*  
[SEN. KING]

*Wednesday, June 15, 2005*

suggest that an attempt will be made to restructure the airline for some US \$250 million minimum. I presume equity and debt will be included in the US \$250 million, which I presume will come in the 2005/2006 budget, because we have not seen it mentioned anywhere here. The task force also quoted two conditions for the success of BWIA. They said new management and some cultural changes would be necessary to restructure and to make BWIA efficient.

If we look at what has been happening over the years, the present management and the managements before it were about running a normal conventional airline and its options were severely restricted by finance. We know today that any airline is a very capital-intensive business that needs the general economies of scale. In order to succeed, it has to have economies of scale. We also know that although it is highly capital intensive and that there must be economies of scale, the returns on investment are very low. The competition in the airline business is fierce and the charter competition and the fare discounting is par for the course, where all airlines have access these days to the same technologies, the same competitive advantage and at times competitive advantage can be transient. It is not that it will be there all the time because certain things can happen at certain times, which we all know.

The report also suggests that the idea of a regional airline will be taken up after BWIA is restructured and this is where I have a question. I said years ago that BWIA as a regional airline that feeds and distributes the traffic to the US hubs is a *sine qua non* for the success of BWIA as a traditional airline. It must be a regional airline taking its passengers to the international hubs. That is the first stage.

The fact that we are here, that there is a region in which we are competing and that we have the CSME means that we already have a structural advantage. If the reports that we have read on that task force recommendations are true, it looks to me that BWIA will be back in much less time than it did before, for more funding from the Government. If energy prices hold, yes we can do this over and over, but our BWIA will be unsustainable and the final "buss" will kill it. We really need to be very serious about the approach we are taking today with BWIA.

They did give us a glimmer of hope in that they said that the recommendation for new leadership for BWIA is also being sought. I think this new leadership has to be guided in the direction of actually examining the current BWIA model and creating a new and innovative business concept—one that circumvents the insurmountable competitive factors of the present business. If they do not do that, Mr. Vice-President, I am afraid that they will be back, and back again, while Government can afford to bail them out. So we really need to look at the concept

of what business we are running, where we are going and what we are going to do.

In closing, we must admit that we are blessed with many natural resources, which are non-replaceable and which today fetch very high prices. As we can see in our allocation, because we have had such high prices, we can afford to do some more expansion and spend some more money. But, the industry, Mr. Vice-President, the energy sector, has a finite life. We have to provide, if we are serious people in this Parliament, for our children and our grandchildren.

A stabilization fund is a passive instrument, and as one of our past prime ministers has demonstrated to us, it is simply a delaying tactic. When prices actually dropped, we were able to delay for about a year or two. The present high earnings of the sector should, of course, ensure that, for example, our poor health service is tackled. It has to be improved. But the finances also have to be used in an active way to provide an onshore economy that will become self-sustaining.

When I look at the last budget and at the two supplemental allocations, I cannot discern a real strategy that can create economic change. We see and hear the rhetoric and we hear the generalizations. "Water for all" was mentioned earlier. We were buying more computers than pipes in WASA when I was Deputy Chairman. They would not listen to the fact that we needed to replace pipes in WASA. We were buying computers galore.

We also have the Government Assistance for Tuition Expenses programme (GATE). We also have free tertiary education for all. We have all of these slogans, rhetoric, generalizations, but none of these are addressing the specifics of our economic transformation and I am really concerned. The rest of the country, other than energy, is very important to this economic transformation.

We still are looking forward, of course, to Vision 2020 and all that it will entail for us. I hope it meets our needs. As a final point, in looking through the allocations within the Ministry of Local Government, there are large allocations going back to the Unemployment Relief Programme (URP) and it really begs the question, Mr. Vice-President, when are we going seriously to upgrade the skills of the local government authorities because a lot of the work that has been done by the URP is actually work that ought to be managed and controlled by local government authorities.

We are allocating \$151 million again to the URP. We all know, and I think that we have to admit to what the URP has become. I think if we can believe the judge

*Finance Bill*  
[SEN. KING]

*Wednesday, June 15, 2005*

in our courts recently, who has thrown out a warning to the Executive that it is really time to take a look at the URP—

**PROCEDURAL MOTION**

**The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith):** Mr. Vice President, I beg to move that the Senate remain sitting until the completion of this debate.

*Question put and agreed to.*

**FINANCE (SUPPLEMENTATION AND VARIATION  
OF APPROPRIATION) BILL**

**Sen. M. King:** Mr. Vice-President, we all know—and if we did not know, we have recently been told by someone we should believe—I do not see any reason why we should disbelieve a judge in the courts who has thrown out a warning that it is time to act on the URP. I think it is time to restore local government, to give it back its legal responsibility under the Act and to disband this creature which we know today as the URP and which has gone through many lives and incarnations. I feel that the country would rest a lot better without the URP.

I thank you very much.

**Sen. Sadiq Baksh:** Thank you very much, Mr. Vice-President. When I got my documents for the Finance (Supplementation and Variation of Appropriation) Bill, 2005 from the hon. Minister of Finance, on Friday, I took it very seriously. I went through all the documents. I consulted with the *Budget Statement 2005, Vision 2020—Ensuring our Future Survival*. I went through the *Draft Estimates of Development for the Financial year 2005 and the Draft Estimates and Details of Recurrent Expenditure, for the financial year 2005*.

I prepared a contribution that looked at all the ministries, in an effort to come here and not really deal with other issues. When the Minister of Finance made his presentation, I thought it to be very precise and concise and provided a lot more information than previous times. I thought I would be able to confine myself to the preparation I made, until the Minister of Labour and Small and Micro Enterprise Development spoke and I thought that I had to deviate.

Mr. Vice-President, I abhor racism in any form by any person. As a public official myself, and by virtue of the office I recognize as a public office, we are under scrutiny. I do not believe that we have fared well over the years. I join with my distinguished colleague, the Attorney General, in the way he conducts himself. I am of the opinion that in order to regain public trust and confidence,

our conduct must be above reproach and that we must be exemplars. To start that example, it must start with me. I accept that responsibility and I see other Senators accepting that responsibility.

The Minister of Community Development, Culture and Gender Affairs, on a weekly basis, exercises that kind of example. Mr. Vice-President, in our country, the rule of law is enacted and determined by Parliament. The rule of law prevails.

My colleague started off first by saying how good public servants work and in the next breath he was saying he had to go outside. In fact, he started by saying that he had to go outside to UDeCott and the Rural Development Company of Trinidad and Tobago and the Infrastructure Development Company. In a backhand way, he was saying that it was not because of bad public servants; we have really good public servants.

Mr. Vice-President, we are aware that there are excellent public servants in the public service of Trinidad and Tobago, but I would estimate that there is a good 50 per cent who do not pull their weight. The Minister tried to say it and then pulled back, so it was one step forward and two backwards. Unbelievable! I could not really understand what was taking place. After the Minister of Finance made such a good presentation, for him to waste time and spoil it, I could not imagine that.

He made it worse. He tried to convince us that the price of food in the basket he carried only went up by 8 per cent. I want to tell him that the only reason that was so was that there was only cassava and those cassava “pass”. That is the only reason it could be 8 per cent higher. The ordinary citizen, the poor citizens of Trinidad and Tobago know that the things they are buying went up by much more.

I really did not plan to go into that. I recognize the distinguished Minister as an outstanding Minister. He went to the Ministry of Housing and delivered 10,000 houses a year for the people of Trinidad and Tobago, and after succeeding in providing 10,000 houses as the Government promised, he was promoted to the Ministry of Science, Technology and Tertiary Education. He did a great job. He introduced GATE and that was opened to everyone. He did very, very well and, having made tertiary education free for all, he went to the Ministry of Legal Affairs and the Ministry of Consumer Affairs. That is where we dealt with all the cassava and we had lower food prices. He did very well—a very efficient Minister. He can fit in anywhere. I support the Prime Minister. Now he is in the Ministry of Labour and I hope he will not have labour pains. I hope that when he

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

walks in Fyzabad on Sunday, he will be walking with a flag saying not, “Down with the Indians”, but “Up with all the people of Trinidad and Tobago”, and promoting national unity.

I do not recommend that he goes to Fyzabad with a flag or placard, as he leads the march from the Butler statue to Charlie King, saying, “Down with Indians”. I want him to recognize, on behalf of the UNC, national unity, inclusion and health for all the citizens of Trinidad and Tobago. I did not plan to say that, Mr. Vice-President.

It is even worse. I want to recommend that the Prime Minister, his having succeeded where he is, promote him to the Ministry of Sport because he could only be making sport in this Parliament this evening. I have nothing against Minister Boynes. I want to say that in advance. [*Interruption*] That is all he is doing—making sport.

Coming back to where I really wanted to go. The task of this honourable Senate is to consider and express its approval or lack of approval for those items for which additional funding is requested. Mr. Vice-President, the estimates of expenditure for the current fiscal year, 2004/2005, is for an amount of the recurrent expenditure of \$25,493 million and the development programme of \$2,075 million. The total draft estimate is for \$27,918 million. The requested variation is for an increase of \$3,050,211,864, which consists of a total recurrent expenditure of \$2,099,707,864 and a total development programme of \$950,504,000.

### **6.30 p.m.**

Mr. Vice-President, this amounts to an overall increase of 11 per cent, on the 2005 budget, over the initial estimate expenditure of the \$27,918,000,000 for the current fiscal year. Disaggregated, we have a proposed increase in recurrent expenditure of 8.23 per cent and a substantive increase of 46 per cent in the development programme.

I went through all of that because this is the largest budget in the history of Trinidad and Tobago. During the boom years of the Eric Williams administration, from 1973—1981, the highest budgeted figure in any year was \$6.8 billion. In the height of the boom years, we had \$6.8 billion. Today, we have more than four times that amount for this current year. It begs the question, and the population continues to ask: What is in it for me? What am I getting from it? The Minister of Finance explained.

We on this side have reviewed the Variation Bill. There is very little, by way of explanation, stating why some of the additional appropriations are required. There is very little explanation regarding what will be delivered with the additional resources. There are no indications of what benefits, if any, will accrue to the taxpayers. Equally important, assuming that there will be benefits, I have no doubt that there will be—there is no indication regarding who, within our society—beneficiaries. Will it be the poorest of the poor? Will it be the elite? Will it be the people who would skim off the cream on the top? I am not sure. This Variation Bill was composed more like a wish list. With your permission, later on, I will be coming back to what is obviously the lack of fiscal planning and discipline.

I would like to look at the request for increased appropriations in the context of some of the respective ministries and agencies that are earmarked for additional funding. This year you would notice that there were decreases in the Tobago House of Assembly, which were for specific reasons, because of the Industrial Court in Tobago. In this regard, I will confine my comments to some of the ministries and agencies for which supplementary estimates for the fiscal year are proposed. To facilitate you—I know that you and the other Senators are listening—I propose to review the select ministries in the order in which they were presented by the Minister of Finance, in the supplementation of the appropriation for fiscal 2005.

Further, I will comment selectively on requests from given ministries, in other words, I will not comment on each item. There is a basic theme in all these requests for additional funding and there is no attempt to account for the use of the existing resources. We hear that we are getting more funds but in many cases you did not say what was delivered, or what happened to the original allocations; both in the recurrent programme and also in the development programme.

I will begin by reviewing the request for additional funding for the THA's estimate of expenditure. Before I get into reviewing the THA, we on this side recognize the importance of the modernization of the physical infrastructure in Tobago, to become, what we hope it will be in the shortest possible time, a first-class tourist facility; catering for the upper end of the tourism market, thus making it necessary to provide the fundamental infrastructure; both in terms of airlift infrastructure, the sea link infrastructure and all the other amenities and utilities such as electricity, telephone, standby generation capacity, sewage disposal, environmental protection, roads, bridges and all the things that will contribute towards the improvement of that tourism infrastructure. Whereas, it will be

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

helping in the expansion of the economy of Trinidad and Tobago, it will place Tobago on a sound economic basis for future development and future participation in the new economy of Trinidad and Tobago. What is even more important, simultaneously to that, is that we must deal with crime and some of the other social issues that will allow citizens of Tobago to become the best that they can be.

Estimates of expenditure for the THA, for the current fiscal year, was \$1,022,900,000. The recurrent component amounts to \$822,900,000 and the development programme amounts to \$200 million. The supplementary estimate, an amount of \$205,750,000, is proposed. This is to be added to the development programme. The proposal consists of the following items: design and construction and operational consultancy of the new Scarborough Hospital, which amounted to the requested sum of \$100 million. The original cost of the Scarborough Hospital was \$133 million, which was awarded to the second place contractor that bid. In other words, the lowest tenderer for that contract at the Scarborough Hospital was \$99 million. In other words, the requested amount on this occasion, just for design and construction and the operational consultancies, now stands at \$100 million. Already, there is a deficit of \$33 million having gone to the lowest tenderer. There is a cost overrun that was admitted in another place. This was in the vicinity of \$60 million. I am suggesting to the Minister of Finance that the \$100 million that is requested for the design, construction and operational consultancy for the new Tobago Hospital, will not amount to any improvement, in terms of the structure, but it will go to pay for the cost overrun at the Scarborough Hospital, for the people of Trinidad and Tobago. The Government has sent \$100 million down the drain.

Mr. Vice-President, you pass there on a daily basis. You can see what is taking place in Tobago. This is a serious policy.

**Sen. Mark:** AG, you are not investigating things. You are only investigating Panday!

**Sen. S. Baksh:** With respect to the other request for \$107,700,000 for the acquisition of Pigeon Point Estate, I want to state that we on this side support the THA and the Government in the acquisition of Pigeon Point Estate. We support the Government and the THA on that move, because we believe that the Pigeon Point Estate is a place where the people of Trinidad and Tobago and future generations should always be able to enjoy. We, as keepers of this land, must protect it for future generations. We support the Government on that.

I warned the Government that I was reliably informed that \$105,750,000 will not do the job, because of some problems that came about because of the valuation of this property. I want to put the Minister of Finance on notice.

**Sen. Jeremie:** This is the worst case figure with respect to valuations that came about. I do not know if they have been solved, but that is the worst case figure, \$105,750,000.

**Sen. S. Baksh:** Mr. Vice-President, when this matter came to my attention, I sought information and I was told that it was resolved. I further went on to investigate it because, in preparation for this particular debate—I have no reason, I will not doubt the Attorney General, but I am hoping that this will be the figure and that the acquisition of the Pigeon Point Estate will not be a protracted issue, so that the citizens of Trinidad and Tobago will not be deprived of the use of this facility.

I had a number of questions, but because the Attorney General said what he said, I will not pursue those questions. I had three questions for the Minister of Finance, but I am satisfied with the explanation given by my colleague.

When I was preparing for this, over the weekend, I went to visit—I want to deviate a little, because the Minister will know that I am not pulling it out of a hat—a number of police stations that were earmarked for the development programme. The Minister of National Security will be well advised and we will learn from this discussion taking place that you can allocate all the money you want but you are not sure you have anything to show for it. The Government is not sure about that at all. The delivery is just not there. I had the privilege of visiting all the police stations for which the Government said they would allocate money. They got an increased allocation on this occasion. The only one that is peeping out of the ground and is still in an agricultural state is the one at Point Lisas. The Minister will be able to visit and tell you.

The Minister of Finance, having done his job of making the resources available for the different ministries has played his role. As I have said before, the Ministry of Finance continues to perform, having money available and giving it out. I am not certain that the citizens of Trinidad and Tobago will benefit from that money. No amount of good money, thrown at a bad project, could make the project good. The proof of the pudding is in the eating. You can talk about building, it is only when you get the completion certificate and you have the users using it to their satisfaction, then you know things are happening.

I visited the Siparia Regional Complex. It is well done. “If you see edifice!” It is a really good structure, but it has been 18 months and it cannot be opened.

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

There is no furniture. The furniture and fixtures are missing. The Minister of Local Government is here. I went there. It is on Ali Street. [*Interruption*] I beg your pardon? The Government has done good work. The Minister of Finance has made the money available, but you did not tell him that it needs furniture. All the people who are working and going in that building are working somewhere now, but it did not occur to anybody that, in the meantime, it should be utilized until the furniture comes. Common sense is just not common on the other side. The people are working somewhere. They are not new recruits. They must be housed somewhere. If they are housed somewhere, it is for this Government to be innovative and to be able to cut, fit and utilize the things. When that building remains unoccupied for 18 months—pigeons are there already. Some are inside too. By the time the Government is ready to occupy the building—they cannot—vagrants. In fairness to the administration, there are no vagrants; thanks to the Ministry of Social Development. They did a great job in Siparia.

Mr. Vice-President, the Government needs to take interest in what is taking place. People think it is easy to come here and drop a set of “picong”, but the reality of the situation is the quality of people's lives does not improve by that. Their quality of life improves when you put money into projects and ensure that there is efficiency and it is functional, and then the country can move on.

The estimates of expenditure for the Ministry of Finance for the current fiscal year amount to \$3,783,598,784. I am glad that the Minister of Finance is here. I am sure that the Minister will recognize those figures. The recurrent component amounts to \$3,753,178,784 and the development programme amounts to \$13,420,000,000. The supplementary estimate, an amount of \$348,635,460 is proposed. The recurrent component is \$329,735,460 and the development programme is \$18,918,000. I will restrict my comments to some of the items requested in the recurrent proposal. With respect to other contracted services, the amount requested is \$14,012,000. According to the proposal, funding to the extent of \$7,012,000 is required to meet the cost associated with the following item: the acquisition of property at the corner of Queen and Edward Streets.

The information, or lack of information contained in the request for additional funding is inadequate for making an informed decision. I cannot make an informed decision based on that. At the very least, this honourable Senate should be informed as to the rationale for acquiring the property in question. I am aware of a complex being built there. Maybe it is for expansion, car parks, or just to free up the area, so that you would be confined to the financial complex. I have no problem with that, but I need to know and I believe that this Senate needs to know

that. What is the cost of the acquisition and was the valuation conducted? I assume it should, but there is no indication as to what that cost for the valuation was for. Was the property acquired at fair market price? When I add the two together, I could not tell.

If we take this job seriously and we really get into analyzing the budget documents—I want to admit that this is the first year in all the years that I have done it in this Senate. In previous years I would have done it to the ministries that I confine myself to. On this occasion—I decided that because of the manner in which the Minister of Finance presents his documents, I am always quite satisfied when I get them—I took a very special interest and went through every single line item and I came up with some of those that I felt were inadequate information and that it will benefit us now and in the future. That is why I did not expect the tone of my contribution to have changed in the earlier portion. I wanted to confine it specifically to how we can do things to improve the way we carry out our business here. How will taxpayers benefit from that acquisition on the corner of Queen and Edward Streets? How much of the amount of the \$7,120,000 was assigned to this?

The other item is the construction of a government building complex on St. Vincent Street, Port of Spain. I am aware of it, because I saw it. I passed there. In this Senate, if you we are not aware, what is the government building complex? Has construction started? There is nothing in the document saying that, although I see things. Many people pass there and do not know what it is. What is the estimated cost of the construction? How much of the \$7 million will be assigned to this project, from this particular increase that the Government is looking for on this occasion?

Mr. Vice-President, the other issue for the Minister of Finance is the proposed use of \$7 million to procure services for an integrated tax processing system. How much of the requested \$7 million will be spent on this project? What is the status of this project? What is the estimated cost for the completion of this project? Is it midway, part of the process, or is it the final application? The same applies with respect to the upgrade of the data processing system at the Board of Inland Revenue. What is the cost to the taxpayers and what are we getting in return? Is it more efficient? We anticipate that this would bring a more efficient tax collection system.

Again, we are aware that in many ministries, as my senatorial colleagues stated, the computers are sometimes outdated and cannot make the grade. The Government did not buy the hardware or the memory that is compatible with software it intends to use.

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

I am still with the Ministry of Finance. The amount requested from the Revenue Stabilization Fund was \$68,968,460. The requested sum is to add to the amount of \$1,356,872,435, to provide in the current estimates, such that 60 per cent of the surplus of the revenue is transferred to the Revenue Stabilization Fund at the budgeted price of US \$25 per barrel. The full amount credited to the fund should be \$1,425,800,000. The world price of oil fluctuated just over US \$50 per barrel for this year and most of the current fiscal year. I understand the Minister of Finance will say what we actually get for our oil or the gas equivalent, since the surplus is approximately US \$20 per barrel instead after US \$25, which is above US \$50. The amount should be \$1 billion. Clearly, the prevailing world oil price and the actual surplus must be considerably more. Based on the calculations that I have used, assuming that we did not get the full US \$58 which is the Brent mark, on our crude there was still an additional amount. Perhaps the Minister can inform this Senate as to what is the real surplus and how much will be credited to the Revenue Stabilization Fund? We know that he intends to award 60 per cent. How will the additional resources be utilized? I think he would have dealt with some of those issues.

Mr. Vice-President, I now come to the transfer of state enterprises in the Ministry of Finance and I come specifically to Caroni (1975) Limited. The additional amount requested is \$59,865,633. This consists of a reimbursement of \$10,000,400,000, which was transferred to National Quarries Limited. I do not see the correlation but maybe the Minister of Finance will be in a better position to clear up that. The sum of \$49,512,216 is allocated to meet the statutory obligations to the Board of Inland Revenue and the amounts due to local and foreign creditors. I have no problem with that. I understand that as you wind down the company you will have to take care of all your outstanding payments. I have no problem with that but the additional allocation requested for Caroni (1975) Limited, will the Minister please clarify the following: How much is due to the Board of Inland Revenue from that amount? How much is due to local creditors and how much is due to the foreign creditors? We would be able to know what we are approving; whether it is coming to the local market or the foreign market. With regard to those I have just stated, we must have some legitimate audit trail pertaining to the legitimacy of the claims which we now have.

When you are winding down a company you have all sorts of people bringing in claims for all sorts of things. I want to know whether we would not learn from the mistakes of the past and now make sure that we have a proper audit trail to ensure that all the claims for Caroni (1975) Limited are legitimate claims, both

local and foreign. I have no problem with the Board of Inland Revenue because it is right pocket to left pocket, State to State. I have no problem with that, but I want to know specifically, the local and the foreign creditors.

It would be remiss of me if I fail to observe that in the current fiscal year, the amount of \$173 million was allocated to Caroni (1975) Limited. This sum was allocated earlier in the year. What I just spoke about is the additional requirement. The prudent utilization of these resources must be considered in the light of the request for additional funding. We must do that. Clearly, the Government cannot be spending tax dollars recklessly at a time when 9,000 employees are unemployed. I see the figures of the people that received training. I know that the Minister will need more money to retrain the other workers. If she had \$20 million and less than 4,000—[*Interruption*] I am glad to hear the Minister say that it will be provided. I did not see it. If it will be provided, is it a part of this additional request and is it there?

**Sen. Sahadeo:** Next financial year.

**Sen. S. Baksh:** For the new financial year, okay. We will have some more.

Mr. Vice-President, agriculture is in a state of neglect. The Caroni (1975) lands are now idle. I want to tell you why common sense is not common. The Government had 9,000 employees that it sent home. There were 77,000 acres where there was a fair amount of lands under cultivation. The Government said that it wanted to set up the Sugar Manufacturing Company of Trinidad and Tobago and make it efficient. I have no problem with that. Having done that, the Government set a target with the Sugar Manufacturing Company and said that “X” number of farmers will now provide that amount of cane. I do not have the records now, but I could wager anyone in this Senate that the Sugar Manufacturing Company of Trinidad and Tobago did not meet its target for this year.

**Sen. Mark:** That is a fact!

**Sen. S. Baksh:** I will go so far as to say that they did not attain 60 per cent of the target. I will go further to say that it seems almost impossible for them to attain 50 per cent of the target. I will tell you why. The price of sugar went up by 10 per cent. The reason given for the 10 per cent increase in the price of sugar is shipping and port inefficiencies. That is the reason. I cannot understand that. Be that as it may, I now know that the quota on the European market, as part of the ACP, would have facilitated that. If we had met 100 per cent of the market, it would have satisfied our foreign commitments and it would have allowed enough

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

for local consumption. Who ends up paying for it? It is the poor. The elites are using sweeteners. They are importing all the time. They are using artificial sweeteners. They are not using cane sugar. The poor continues to suffer with their cakes, sweetbread and tarts. We are in trouble.

Food prices are escalating. I want to further tell you why the common sense is not common. What should have been done is that if the Government had a plan for Caroni (1975) Limited, and it planned to close it down and took that decision, then simultaneously—for voluntary or compulsory separation of the employees—if part of their package was land; knowing full well that you do not have the number of surveyors to survey those parcels of land, it would have utilized a tape measurement for dividing fields and allow the workers to utilize the existing lands where there were first, second, third and fourth ratoon canes so that they could continue cultivation. They will become farmers immediately and as part of their separation, the Government should have supplied the cane to the Sugar Manufacturing Company and reduced the cost of sugar because it is available and the country will not have to bear the cost of the 10 per cent increase, in this instance, and I anticipate more in the future, as world prices continue to rise.

What happened is that we ended up with the same lands that Caroni (1975) Limited had in production, productive lands, now becoming idle lands and the start-up cost of getting the Sugar Manufacturing Company back into operation is much more than planting new canes. The Government is in total trouble. The mishandling of the closure and the result of the majority of the productive lands from Caroni (1975) Limited becoming idle must rest squarely at the feet of this administration. The Government cannot get away with it. I challenge—I am expecting that in every issue we have raised here, the respective Minister will come and answer to this Senate what they did while Trinidad and Tobago burned.

The development programme requested from the Ministry of Finance is the sum of \$18,918,000 which is to be used for a new payroll system in the public service. The funds are to be used for the extension of the services of PriceWaterhouseCoopers for the extension of the contract of personnel involved in payroll and integrated human resource information system and the purchase of computer equipment for the establishment of a hot site. I am sure the Minister of Finance will take the opportunity to explain what the hot site is. [*Interruption*] I am sure he will.

Continued development works on Caroni (1975) Limited lands, I would love the Minister to tell me what continued development works are taking place on

Caroni (1975) Limited's lands. Is it development works given out to persons for the construction of buildings? I am not sure what it is, but we need to know.

In order to facilitate this honourable Senate in making an informed contribution on the supplementary estimates process, the Minister of Finance should inform Senators as to how the requested appropriations of \$18.9 million are to be allocated among the four projects. For each project, it would be instructive to note the total cost of the project, the status of the project, the benefits to be derived and what mechanisms, if any, will be put in place to determine that the proposed benefits are indeed being derived by the taxpayers. These are very, very important issues. I am sure the Minister would need more than one hour today. We could always waive the—he will be able to—

Mr. Vice-President, in other words, is there a system that the Government plans to engage to demonstrate its accountability to the taxpayers on the use of our tax dollars? That is an important question I asked the Minister of Finance, on the last occasion, in his budget presentation.

I leave the Minister of Finance and I now move to the Ministry of National Security. If I have the time, I will quote from a document on crime. This is a draft proposal, the UNC's approach to tackling crime in Trinidad and Tobago. It is entitled "*Together we will crack it*". The theme is: "Crime cannot live in a community that cares". Crime cannot live in any community that cares. This is the UNC's response to crime in Trinidad and Tobago. If any ministry is to be credited with helping reduce crime in Trinidad and Tobago, it is not the Ministry of National Security; it is the Ministry of Community Development, Culture and Gender Affairs. If I had to allocate funds, the Ministry of Community Development, Culture and Gender Affairs would get almost all. I could see the improvements that are taking place and where the money is going. I have a big problem with the other ministries. There are a few more ministries where I can see it. I would come to them later. The Ministry of Community Development, Culture and Gender Affairs is the flagship ministry of this administration. I am willing to admit that because I can see the results. There are a few other ministries that are trying really hard to get things going, but the Ministry of National Security is not one of them. That is the sad part.

The estimates of expenditure for the Ministry of National Security for the current fiscal year amounts to \$2,331,545,729. The recurrent component amounts to \$2,190,505,729 and the development programme amounts to \$141,340,000. The supplementary estimates, an amount to \$160,400,000, is proposed. This consists of a recurrent component of \$95 million and a development programme

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

of \$65.4 million. The recurrent component amounted to \$95 million. This amount was requested to offset the increase in salaries, Cola and other allowances for the Fire Service, \$25 million; Prison Service, \$59,500,000; Regiment, \$2,500,000; Coast Guard, \$1,100,000 and the Immigration Department, \$1,900,000 which adds up, according to my mathematics, to \$90 million. I spoke to the Minister of Finance on three ministries in which the amount requested did not add up. I pointed it out to him and he said that they may be in the other part of the documents. I have no reason to disbelieve him but when I looked through them I did not find them. I saw some that were missing. At the time, in the preparation of my analysis, the sum of the previously mentioned item is \$90 million and not \$95 million as stated in the Minister's request. This implies, among other things, that there is an unsubstantiated request for an amount of \$5 million. If, indeed, there is a discrepancy of \$5 million, would the Minister reduce the requested amount to the levels of funding? That was a question I had. I am sure if it is not there, the Minister—this may well be an omission or a typographical error.

[MADAM PRESIDENT, *in the Chair*]

Regrettably, however, this does not enhance the financial creditability; in fact it undermines the financial credibility of the Minister who I know would have spent a lot of time—

**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. W. Mark*]

*Question put and agreed to.*

**Sen. S. Baksh:** Thank you very much, Madam President.

This component, which is the development programme, the amount requested is \$65,400,000. A three-year coast guard base upgrade to be conducted by Nipdec; this is estimated to cost \$116.4 million at present. However, the sum of \$10 million is required. I want to enquire from the Minister of Finance, in the absence of any reference in the request for approval for the overall upgrade—if you have an overall upgrade and it is estimated at \$116 million—perhaps the Minister would inform this Senate as to how the overall project was approved; if it was approved. If the Government is making a 10 per cent advance on a \$116 million project and it was not approved by this House, which House was it approved by? That is an important question; assuming, of course, that this was

approved previously. I am not sure. I am asking the Minister specifically if the upgrade of the coast guard base to be conducted by Nipdec at the cost of \$116 million was a Cabinet decision already approved and the \$10 million is an advance.

In the absence of any reference in the request for approval for the overall upgrade, perhaps the Minister would inform the Senate how it was approved. In my judgment, this is necessary; otherwise approval for the request of \$10 million may be construed as an implicit approval for the upgrade as a whole. This could hardly be the intention of this Senate. We are now being asked to approve \$10 million from a \$116 million project. We should know if this is what we are approving when we put the down payment. It cannot be that we put \$10 million, without knowing what will happen in the future, and then say that it was approved here. Not at all! That is why the way we do things must be changed.

Construction of a jetty at Staubles Bay Chaguaramas, nobody will pay attention to it, but I did. The contracts are awarded to Lee Young Partners and Pres-T-Con Limited for the construction and supervision respectively. Because I know the supervisors and Pres-T-Con as the producer and manufacturer of piles, I could understand it, but if we are looking at this and I did not have that prior knowledge, I would not know who is supervising and who is constructing. In the interest of due diligence, it is essential that the Minister inform this Senate with regard to what is the value of the contract for the construction of the jetty at Staubles Bay. What portion is awarded to Lee Young Partners and what portion is awarded to Pres-T-Con? We could know and in that way we can make an informed assessment and we can tell what is taking place.

As a matter of interest, it would be helpful to know if Pres-T-Con has the responsibility to supervise the entire project, as suggested in the proposal. I know it to be different, but the way it was listed it would lead you to believe that was the case.

There was the purchase of vehicles and equipment for the Fire Service Department. The sum requested was \$25.5 million. The Minister should provide clarification. In this case when I say the Minister, I am speaking about the Minister of National Security. I am not expecting the Minister of Finance to be the person answering these questions because the Minister of Finance made the funds available at the request of the Minister of National Security who should provide clarification regarding the type of vehicles, whether we are purchasing another type; the fleet of new vehicles which will have a spin-off consequence for maintenance, spare parts, and the level of inventory that is done; the downtime in

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

the future and everything else. I anticipate that there will be a lease arrangement, so that they will maintain the vehicles at the same time, otherwise we are spinning top in mud. What is the proposed use of the vehicles, the cost of the respective vehicles, the type of equipment and the cost of the respective items of equipment? The Minister must be reminded that in the current fiscal year, the amount of \$13 million is provided in the development fund, for the purchase of vehicles and equipment for the Fire Service Division. We need to know if he has already utilized that, what did he get for it and why the need for the additional amount? We need to know.

The other item is the final payment to a computer supply contractor, with respect to the development of a computer system for the police. The amount requested is \$183 million. It would appear, from the request, that the amount required is in US dollars. If in all the other cases you had TT dollars, and you are now saying \$ US, it leads me to believe that it was a single source supplier; a specialist equipment bought from the United States. I understand that the Ministry of National Security does not need to go through the normal tendering procedures. That procedure is for buying guns and sensitive equipment; not for buying computers. It cannot be giving the Ministry of National Security the opportunity to purchase items with sole selective—and to be able to do it without public tender. This cannot mean for the purchase of soap powder and toilet paper; it could mean guns and sensitive security equipment. That will be a national security risk, if it comes into the public domain. This leads me to believe that something is more in the mortar than the pestle. It is not clear why the request is for US dollars. Perhaps, the Minister will explain. If so, will the Minister please inform this Senate what is the total cost of the computerized system, how it would be used for fighting crime and what is the status of that project; is it the first phase, second phase, for hardware, software or training; what? We need to know that.

The other one is the cost related to the dormitories, classrooms and instructors' facilities, in order to facilitate the intake of recruits at St. James Barracks. We are not opposed to that. We want to increase the entry requirement of new recruits. We want proper psychological testing and to ensure that we have a recruiting policy that will allow the best of our citizens to become law enforcement agents, so that we can rebuild the trust that is absolutely necessary in the police service, to enhance our crime fighting capabilities; both in terms of investigation, detection and prosecution. It is very, very important that we handle this very important issue of recruitment within the police service. I will not make one step forward and two steps backward. The people of Trinidad and Tobago are afraid to say that we do not have more good policemen than bad policemen. We have more bad policemen than good policemen in the Police Service of Trinidad and Tobago. We

must stand and confront that frontally. We cannot take one step forward and say that there are some bad eggs. We do not have one bad apple in the police force. There are plenty bad apples.

**Sen. Mark:** It is a political plot.

**Sen. S. Baksh:** When we are prepared to stand and face it frontally—I did not want to say it, but it is only when I saw the dance of the Minister of Labour and Small and Micro Enterprise Development I realized that somebody had to say this thing. There are members of the public service who carry the whole public service, hardworking officers. There are more than 51 per cent that is just not producing. It is the same thing in the police service. I place that on the record, that we need to devise strategies for tackling crime in Trinidad and Tobago. Together, we must join to do it, but we must not lose any opportunity.

I wanted to ask the Minister in the Ministry of Science, Technology and Tertiary Education, my dear friend Sen. The Hon. Satish Ramroop, how he felt when he heard the Minister of Labour and Small and Micro Enterprise Development. I wanted to ask Sen. The Hon. C. Sahadeo how she felt when she heard the Minister of Labour and Small and Micro Enterprise Development. I wanted to ask Sen. The Hon. C. Kangaloo how she felt when she heard the Minister of Labour and Small and Micro Enterprise Development. I would not ask the Minister of Public Administration and Information because I know the Minister will not condone racism in any form. I have dealt with him and I know that, but I ask the three of them. I will not ask the Minister of Science, Technology and Tertiary Education because I know the answer. He will hold it high. He will fight for national unity too.

It is important to note that we have to start working in this Senate. We have to start analyzing what is taking place. I got a rude awakening when I went through these documents. If you do not pay attention to what is taking place, you are in trouble. Somebody told us about what happened. When they said the refurbishment of dormitories, classrooms and infrastructure facilities, what is the estimated cost of this project, what is the status and how far have you reached? You want money; tell me how far you have reached. What stage of the project are you at; is it the final stage, are you just about to do a paint job, or are you at the finishing stage?

Payments related to the valuations and reimbursements associated with the construction of the Couva Fire Station, that is the only one that is peeping out of the ground, but I am not told what level of funding is associated with that item.

*Finance Bill*  
[SEN. BAKSH]

*Wednesday, June 15, 2005*

You told me that you are doing it and I can see something, but what is the amount?

**Madam President:** Senator, you have your last five minutes.

**Sen. S. Baksh:** Madam President, I really need approximately 500 minutes.

**Sen. Dr. Saith:** We need 5,000.

**Sen. S. Baksh:** I will continue. What is the estimated cost for the purchase of vehicles? I assume this will be given high priority. When you have a schedule—we must have some semblance of what the Government is buying, when it is buying and how it will improve the service.

I was aghast when I visited the site. I went to page 59 of the *Draft Estimates of Development Programme* for the Financial Year 2005 and I went to the site of the proposed police stations. When it is in this book, I understand that it is in the design stage, land is being acquired and site preparation is being done. When the hon. Prime Minister read his budget statement and said that he would build all the things on page 59 of the document, the citizens of Trinidad and Tobago really expected something to start. They went to Black Rock looking for the police station! There is nothing, unless it is underground. My dear friend from Tobago will tell you. It is here in the draft estimates. You misled the Prime Minister. He made his statement in all good faith, expecting it to happen. He said: “Delivered”. He did not mislead this Senate intentionally. I know that. The information he got led him to believe that things are happening. I know that we have Members in this Senate who will convey that message to him; that it is just not happening. They are fooling him. They are telling him things are happening and nothing is happening. While the prices are escalating, they are saying that “passed” cassava is still 8 per cent. The citizens of Trinidad and Tobago are asking, with all the money being spent, what are they getting for it? What is in it for me?

As I said earlier, had it not been for the great work of some of the ministries, this one in particular, we would be in trouble. The citizens of Trinidad and Tobago are not getting value for money. They are not in receipt of the goods and services and they continue to ask: “Where de money gone, and where will the appropriations for this recurrent expenditure be going?”

I especially want to inform the Minister of Local Government that I understand the need for a social safety net and that the fund that is being spent in URP needs to be judged; not in the amount you receive, but on the kitchen table, when people utilize the money to feed their children and buy books. I understand that. I want to warn the Government that the URP no longer has ghost gangs.

**Madam President:** Senator, please wind up.

**Sen. S. Baksh:** The URP is a ghost programme. If you look around Trinidad and Tobago, they tried to do a con job on the population. They have put up signs stating “URP at work”, but there is no one there. The signs are placed there to cause traffic jam and make you feel—There was one in Vistabella today. This morning I passed there, stopped and nobody was there, but there were two signs between Battoo Boulevard and the cemetery. That was at 9.30 a.m. this morning, not yesterday or last week.

Madam President, I thank you very much.

**Sen. King:** Clapping yourself, Ken?

**Sen. Prof. Kenneth Ramchand:** No. Madam President, I was applauding the hon. Senator, I was not applauding myself at all.

This is a very difficult debate to take part in, because there are temptations to go where angels fear to tread. I am going to try and confine myself as much as possible. I want to begin by wondering whether the items in the appropriations relate to things already done and, therefore, whether we are dealing with post-appropriation; whether the items in the appropriation have been authorized by Parliament, and are therefore misappropriations; whether the variations are variations, or whether the word variation is being stretched to cover new unbudgeted, previously unthought-of items.

It is a very difficult debate to take part in, because it raises some very serious questions about principles and procedures. I do not have any problems with some of the measures such as funding for HIV research and medications, and money for tsunami victims. Every time I think about that, I feel so sick and frightened, I would give them more.

But, going over the whole document, there is little or nothing in the document, or the presentation to show how money has been spent over the last three years. What do we see for the money that has been spent so far? [*Desk thumping*] There is no hint in the document.

Madam President, what is just as bad is that there is no explanation or rationalization of the things about to be done. We do not know why the Government wants to buy this, supply this or fund that. We are just told it is necessary to, it has been necessary to and we require funding for it now. That is not an explanation—it is post-appropriation. I do not know if this Bill is a confession of failure to implement and execute. I am not referring to recent

*Finance Bill*  
[SEN. PROF. RAMCHAND]

*Wednesday, June 15, 2005*

matters. I mean projects, not people. I do not know if it is a confession of failure to implement and execute, or whether it is a kind of desperate attempt to convince us of a determination to deliver.

From a general point of view, I do not see anything in the appropriations that would bring relief to the material sufferings of ordinary people and I do not see anything there that suggests that an attempt is going to be made to help ordinary people to help themselves to achieve, by their own efforts, a better material life and a better quality of life. I look at the figures, it is \$3 billion, but if you look at how it is divided: additional recurrent funding, \$2 billion and development, \$950 million. There is \$2 billion on recurrent and a little less than \$1 billion on development. Any competent organization would have it the other way around, because you have had a budget allocated to you for your recurrent expenditure. Why is recurrent expenditure running away with you, to the extent that the supplement you require for recurrent is twice as much for development? I find the proportion is wrong and it is very suggestive of some kind of malaise.

Before the Minister spoke, I had some questions. Where is the \$3 billion coming from? Can we consider it surplus money? Is it coming from additional oil revenue and if so, is that all that we are getting? How much are we really getting? Where is the rest? What is the Government going to do with the rest? Is it additional gas revenue? Is it undisclosed sale of assets? For all we know, the Government must have sold BWIA. Is it forfeiture of the assets of convicted drug dealers?

**Sen. King:** They will get zero.

**Sen. Prof. K. Ramchand:** Look at that! Is it the forfeiture of drug dealers' assets? It is Green Fund money? Is it the tax that I have been paying on my insurance policies for years—I do not know where that money is going—6 per cent tax on so many insurance policies for so many years! We never hear anything about that. Where is the money for the appropriations coming from? We need to know, in this midterm report, what is the state of the nation's finances. *[Interruption]* I am glad. Are you waiting to tell me? I am just a literary man, not an economist.

**Sen. Mark:** We want it in writing.

**Sen. Prof. K. Ramchand:** I am not being an economist and, therefore, I am incapable of being bridled by economic terms. I could look at it and say that I do not understand and that I have to resort to common sense. I understand recurrent to be something that is fixed and predictable, it is like your overheads. We gave

you your overheads in the last budget, how is it that you have spent what we gave you so fast? Have you failed to be prudent? Has the Government been a victim of unscrupulous servants, as the Auditor General's Report indicates year after year? How is it that the recurrent allocation has been spent? Why is the recurrent being spent out? I thought the Government was supposed to anticipate and plan when it is putting in its claim for its overheads and recurrent? Those figures are well known. I presume that the money is being sought on the recurrent, because what has been allocated is almost finished.

Madam President, if there are new projects that have not been started, why come to us now? Why can the Government not wait until September? If there are new projects, why come to the Parliament now for funding for new projects? Is the Government really going to start those new projects right away? Is there any emergency, crisis or absolute necessity that forces the Government to come here to say: "We never thought that we would need gabardine pants, so we have to buy gabardine pants"? No, I do not see anything like that in the statement.

I will come to look at some of these items in a while, but I am just giving you my general position. If funding is being sought for ongoing projects, why have we not had an unambiguous report on cost overruns, failures to perform and any other reasons for the request? I would have thought that if the Government is coming to the Parliament in midterm to say: "We need more money", there is a responsibility on the Government to say, "this is how we have spent the money and some of it looks as if we have failed. We have done very badly here and we have done well here."—We want a full midterm report, to see what subjects you have failed, what subjects you have passed, what subjects you got; whether your grade is A, B or C. We want to know. We want a detailed report, so that we can then tell you: "No, we are not giving you money for down there, you have failed so miserably. That is wasting money. You are doing very well up there; B+, sure, we will help you to push it further." We need to know.

### **7.30 p.m.**

So I feel it is an opportunity lost that this appropriation debate is not taken by the Government as an opportunity to tell us about the finances of the nation, and to give us a report on things done, so that we would be able to say okay, yes, this is what we have to do for the next year. If we had a proper debate or if we had been encouraged to have a proper debate, we would have raised issues that would have been of great help to the Minister in preparing next year's budget.

Madam President, I said that this occasion raises very serious questions about principles and procedures, and although it might seem unnecessary, Madam

*Finance Bill*  
[SEN. PROF. RAMCHAND]

*Wednesday, June 15, 2005*

President, through you, I want to remind the Government, that is, the ruling party, and in addition all political parties of section 75(1) of the Constitution of the Republic of Trinidad and Tobago. You will see in a little while why I want to make this warning, and why I want to read the section:

“There shall be a Cabinet for Trinidad and Tobago which...shall have the direction and control of the government of Trinidad and Tobago and shall be collectively responsible therefor to Parliament.”

The Cabinet cannot spend money and vote money without coming here to get approval. Do not look at me. You cannot have a desalination plant without coming here and debating it. All political parties have to know that Parliament is the final authority.

**Sen. Dumas:** First or after?

**Sen. Prof. K. Ramchand:** I beg your pardon? A ghost voice! So this principle is well established, and this is why we have the humble request for alterations to the budget that Parliament approved. They recognized that they have to come to Parliament to get approval. Let us all remember that when you want to do things in this country you have to come to Parliament for approval. You are bright; you are in the Cabinet; and you have the votes. Yes, think, and come with the plans, but the Parliament has to approve them. To emphasize the point, you cannot commission a desalination plant without coming to Parliament for debate and approval; and you cannot rescind a decision of Parliament without coming to Parliament with the appropriate Motion. Let there be a debate before the whole nation about why you want to reverse something that the Parliament approved. If there are good reasons for revoking a decision of Parliament, the people and the Parliament will listen, will advise and will consent. If there are not good reasons you still have your way, because you have a majority. Madam President, you cannot lose if you come to Parliament.

I look forward to the Government easing itself of the burden of illegality, which it is now carrying, by proceeding contrary to the Constitution. I hope that they will bring a Motion to rescind Parliament's previous decision regarding the use of the Red House. I am just saying that in passing.

**Sen. Mark:** The Prime Minister wants to establish his office within the south wing of this Parliament without any authorization from the Parliament. That is illegal.

**Sen. Prof. K. Ramchand:** And in the face of, contrary to a previous decision of Parliament, which Parliament has not rescinded.

**Sen. Mark:** They cannot do that. [*Crosstalk*]

**Sen. Prof. K. Ramchand:** Madam President, let me return to some details, and come back to some of the “recurrent” and “development” items. I use both words because there is a blurring of “recurrent” and “development” in this Appropriation Bill. When I am reading it, sometimes I do not know what is ongoing; what was never started; what has just started; what is about to start; and what has been bogged down. I do not know what is what.

Let us look at some examples to illustrate the blurring of distinctions that I am talking about; to illustrate the lack of explanation that I am talking about; and to illustrate so many of the things that Sen. Baksh was talking about in his contribution.

I want to begin with page 6 of the document under the heading “Ministry of Planning and Development”:

“Additional resources are required to complete refurbishment works at the Ministry of Planning and Development (partitioning of offices, procurement of furniture and relocation of the Server Room)...”

Has that already been done? Did they know at the start of the year that this had to be done or did they just find out that it needs to be done?

“...to complete overhaul of the electrical system at the Chaguaramas Hotel and Convention Centre to accommodate the University of Trinidad and Tobago. No funds were provided for this expenditure in the 2005 Budget.”

So the Ministry of Planning and Development did not know that this was going to be necessary. So this is something new. If it is necessary, it is necessary, but we should be told in the clearest terms that there are unbudgeted items which we feel are absolutely necessary to be done between July and September, before the next budget; unless you are coming to confess that you did them without permission.

Madam President, under “Ministry of Finance” on page 6 we read:

“Additional resources are required to meet the following expenses relating to the Implementation of a new Payroll System in the Public Service. These resources will be used for:

- the extension of the services of the accounting firm...
- the extension of the contracts with respect to personnel involved...

*Finance Bill*  
[SEN. PROF. RAMCHAND]

*Wednesday, June 15, 2005*

- the purchase of computer equipment for the establishment of a Hot Site;..."

Do you know what is a "Hot Site? Are you doing computer porn now? Madam President, I do not know what that means; I do not know what are the deliverables here. These are nothing-to-show items. These are items that ought to have been budgeted for earlier. You cannot come at the last minute and ask for money for these nebulous things. It seems to me that there are items that could wait for the presentation of the next budget, where we could get the details and argue it out properly.

Madam President, under the "Ministry of Public Utilities" on pages 11 and 13:

"The sum of \$15,000,000 is required to meet the operating deficit of the Trinidad and Tobago Postal Corporation."

I never hear more! This is the first time that I am hearing about this deficit. You are using the definite article "the" as if it is a well established fact, but we are now finding out about it. Say "a deficit" and then it is an indefinite article; we never heard about it before, but "the deficit" means that the whole country knows and the whole country agrees and, it is all right; but it is not all right. Why does the Trinidad and Tobago Postal Corporation have a \$15 million deficit? Why do you have to bail them out now?

**Sen. Bro. Khan:** That is a good point.

**Sen. Prof. K. Ramchand:** Then I see:

"\$100,000,000 is required for the National Social Development Programme (NSDP) to provide pipe-borne water to some areas of the country that are presently without this service and to improve the regularity of supply throughout the system."

Madam President, when I look on page 118 of the *Draft Estimates of the Development Programme*, I see \$10 million was already allocated for pipe-borne water. Was that money spent? If that money was spent, where was it spent? Who has gotten pipe borne water from the \$10 million? I am just asking questions.

It blows my mind to see in this same document:

"The sum of \$17,919,614 is required to finance an interim arrangement for the operation and maintenance of the new waste-water treatment plant off the Beetham Highway."

What is an interim arrangement? Does it have interim payments too? What is this all about? When I look on page 119 of the *Draft Estimates* I see a lot of money

being allocated for waste-water treatment plants. The waste-water treatment plant rehabilitation, \$3 million; rehabilitation of NHA waste-water plants, \$10 million; so money has been allocated for that. I do not know whether it is being used. I am now being asked for another \$17 million, and the \$17 million exceeds the amount that was given in the original budget. [*Interruption*] You will get your chance to explain. You have plenty to explain.

Madam President, I really hope that we will hear about the interim arrangement and about the Waste-water Master Plan for which we previously allocated \$3 million. I am only giving you random samples, because the Bill is riddled with the sort of instances that I am highlighting.

Madam President, the Ministry of National Security—when you see I read things like this I feel to go back and read my Shakespeare and poetry and keep quiet, and run away from these things, but I have to bite the bullet sometimes. I see an item here:

“- to make final payments on a computer supply contract of US\$183,000 with respect to the Development of a Computer System for the Police Service.”

I heard Sen. Baksh ask about this, but I am going to ask it too, why is this suddenly in US dollars? If it is the final payment, are you telling us that everything else is in place and we are now dealing with the software? I have to know. If it is the final payment it would mean that everything is fixed up already. Madam President, I need an explanation. How much money has already been spent and what did we get for that money? What is the final payment supposed to cover?

Under the same Head on page 8, there is an item—they are not saying how much:

“- to meet costs related to the refurbishment of dormitories, classrooms and instructors’ facilities in order to facilitate the intake of new police recruits at the St. James Barracks.”

I am very glad to see that. I assume that a group got together and talked to the police and talked to the Government and a curriculum and training programme have been designed, and they know what they want to teach and they have considered what are the qualifications for entry into the police service; that a whole recruitment policy is being worked out—qualifications for entry, curriculum and syllabus and so forth and they are just waiting there now to appoint persons to do the teaching; to appoint persons to do the training of the

*Finance Bill*  
[SEN. PROF. RAMCHAND]

*Wednesday, June 15, 2005*

police officers who have to do some of the training; and now they just want these material things. I have a feeling that the cart has come before the horse. They are getting all this stuff but, I am sure—I hope the Minister will clarify for me—that no thought has been given to devising a curriculum, training programme or the employment of—

**Sen. Joseph:** Madam President, thought is being given to the entire training of the new police officers. There is a task force that is working on the new curriculum. We are insisting that the new batch of 200-plus officers be trained under modern facilities. The reason the renovations to the classrooms is taking a little while is because of the comment made about maintaining the historical nature of the building, and all those things are being done. The new requirements in terms of entry requirements and so forth are being put in place.

**Sen. Prof. K. Ramchand:** Thank you very much, hon. Minister. I am so glad to hear it. I do not know if these things cost anything and whether they are being paid out of recurrent budget. I do not see any claims or any requests here for funding for those things.

Madam President, going through this whole Bill I see:

“- valuations and reimbursables associated with the construction of the Couva Fire Station;”

I did not have the time to check to see whether previously there have been allocations for that or whether this is a new item. Again, I want to know.

“refurbishment works at police stations;”

I do not know if these things were previously budgeted for—

“the purchase of 150 vehicles...”

Are these ongoing, or are they stalled or are they just about to be started? I do not know.

We can turn now to the Ministry of Health. Madam President, one of the things that has concerned me in the health system is the recruitment of immigrant doctors and immigrant nurses to boost the health service. There may well be a case for doing that. If there is a case for doing that, there is equally a case for seeing it as an interim measure—because you would know that you have to set up training for nurses; you should have training for paramedics; and you should be funding more medical training so that in five years’ time you would not need immigrant labour to man the health service. I have no indication from anything

that has been said or written that simultaneously with the recruitment of immigrant labour that there are these plans to make sure that we are developing our health service or personnel by training nurses. They are bringing in Filipino women nurses. There is a whole set of people in this country including men, who could be nurses. Being a nurse is not a province for females only. There are many men in Trinidad and Tobago who could be trained to be nurses. I would like to know that we are thinking like that and that we are planning.

Madam President, what is lumped together here—I see funds are required to facilitate payment of incentives, professional, clothing and special psychiatric benefits to doctors and nurses.

As I said, I was interested, simultaneously with the recruitment of the doctors and nurses, in the establishment of a programme to make sure that we do not have to carry on importing workers for the health service. I kept looking to see what are the terms and conditions, and nowhere did I see what are the terms and conditions; what it costs us for airline tickets; whether we promised them, as was promised to all indentured labourers, a return passage when the contract is finished. I do not know whether they get special displacement allowances. I do not know what is the real cost of importing doctors and nurses on the indentured system. I do not know. I would like to know that. If I knew that, I would be able to calculate it and say, well, how much does it cost us to produce a doctor; how much does it cost us to produce a nurse; and we could check and see how soon we can get out of the interim arrangement. Madam President, again, I was saying that you see things here that raise more questions than answers.

I want to return to what I was saying earlier about the necessity for Parliament's approval, especially large-scale undertakings. I want to make reference to the sport complex that is going to cost us, at the moment, \$850 million, but we all know that figure would go up by about 500 per cent by the time that it is done.

I agree with Sen. Augustus that we are not really against a stadium as such, but this is not the time for it. I happen to think that this is not the way to go either. We already have a good beginning with stadiums scattered all over the country, and when we come to spend money we should keep expanding the system of stadiums—small systems related to regions and communities—so that the people in a particular area would make full use of the stadium in their area. This could be the basis for local competitions in cricket and football. We could have regional competitions where the regional champions would meet and then we would have help in selecting the national team, et cetera. If you want to organize sport in the

*Finance Bill*  
[SEN. PROF. RAMCHAND]

*Wednesday, June 15, 2005*

country you cannot go and set up a big stadium behind God's back on valuable agricultural land. That is not the way. If you are doing that, you have to show us that you are building access roads to go to this stadium, because you would want some people not to have to go to town to Hasely Crawford Stadium but instead go to a stadium nearer to where they live.

I do not know what kind of planning is going on, in relation to this project to have the \$850 stadium in Tarouba, rather than a set of smaller stadiums. My real position is that we are not ready for that. I would like to see hospitals; I would like to see training programmes for nurses and paramedics; I would like to see regional development; I would like to see people saying we do not need an aluminium smelter in the southwest peninsula, but what we need to do in the southwest peninsula is to encourage agriculture, specifically the coconut industry; encourage the fishing industry; and go into corning and salting and various kinds of fish preservations.

Madam President, that is what you need to do to help the people within the region to find sustainable jobs within the region, so that the product of their labour is ploughed back into the region, and is not siphoned out of the country by a multinational corporations which is producing goods at the cost of degrading the environment and displacing human beings. If you are interested in the development of our country, you would be interested in regional development. That is how you would solve the traffic problem.

If people know that they are living in an area where they can work, they would not have to make that hustle to Port of Spain or Chaguanas or wherever they have to run to get a job. They would not be out of sight while their children are smoking marijuana or smoking weed and following bad company. They would not suffer from not getting to see their children, because when they get home they are so tired.

So, Madam President, if we want to improve family life; if we want to improve education; if you want to solve the traffic problem—Sen. Dr. Saith should listen to this—if you want to solve the crime problem, do not build a stadium in Tarouba but go for regional development.

Incidentally, on the Tarouba project, I hope the Government realizes that with all these construction projects that are going on, we do not have the labour force to do it. What you are going to find is that the whole population of Grenada and St. Vincent is going to come here to work on these building projects, and they are going to cause problems. I am not against them. People have to live. But this

country is crowded. Our resources cannot sustain an increase in population. Food prices have gone up; imported fruits and vegetables have gone up; rents have gone up; land has gone up and the cost of houses has gone up. [*Desk thumping*] Everything is going up because the resources of the country are not adequate for the population. If you bring in a massive labour force, before they get citizenship and so forth they would be squatting all around Tarouba and they are going to join the crime gangs. So, watch it with those construction projects which may have short-term benefits, but would have very negative consequences for the social fabric and the harmony of our country.

Madam President, I cannot resist just one or two words on BWIA, just to express my puzzlement. How is it that an airline that always has passengers is going “bust”? For me, the answer is crude and simple, the management. I would fire them and if I know any of them thieving I would jail them.

**Sen. Seetahal:** You must have a trial.

**Sen. Prof. K. Ramchand:** Trial? We jail here without trial. [*Laughter*] Yes, okay, we will have a trial. We will get a special prosecutor from the Independent Bench to fix them up fast.

Madam President, thinking about what we used to call the “national airline”; thinking about the bridge between Tobago and Trinidad, I am surprised that our thinking has not moved in the direction which it had moved in the federal period. We are into the common market and single economy. The other countries need us, and now is the time to put pressure on them for us to have an airline owned by the several governments of the region. Now is the time to go for a true BWIA.

If we are thinking about doing something about BWIA, I feel that a “big stick” that we have to use at the moment is our economic strength and the way in which they depend upon us and so we can say, “Listen, we cannot have the common market and single economy unless we have an airline that we all share. If you are serious, let us get together and build a true BWIA” and, of course, the same applies to shipping services.

I agree with my colleague, Sen. Mary King that oil is peaking. America does not really care. They are going to go into nuclear energy. Not only is the oil going down, but the market for oil would be considerably reduced. Once the example is set, and one country decides that it does not care if there are a few nuclear accidents, and they are going for nuclear energy; we are going to be in serious trouble.

*Finance Bill*  
[SEN. PROF. RAMCHAND]

*Wednesday, June 15, 2005*

I am amazed that year after year and budget after budget, we do not have any plans for solar energy. God is giving you sun all the time—you are sweating; you are bawling and you are getting black in the sun—so use it and turn it to some good use. It is a source of energy. The sun is a source of energy. [*Desk thumping*] The University of the West Indies has had engineers who have international reputations in solar energy. They have been doing it for over 30 years. Before you say that cane is only good for sugar, cane is also good for fuel—before you abolish the cane.

Madam President, this debate should have been a mid-term debate where we look at what has been happening to us over the last three years, and where we want to go, and where we would raise issues that would be dealt with and covered in the next budget. We have serious problems to address like rising prices, a widening gap between rich and poor; labour shortage; and the shortage of skilled labourers. I am not satisfied that our budgeting arrangements serve a noble aim which is embodied in the Constitution. I feel that I must indulge myself by reading one of the aims expressed in the Constitution. I feel that aim is something which should guide what we do here in general, but it should also be guided very specifically in our budget debates. I quote:

“The Constitution of the Republic of Trinidad and Tobago

- (b) respect the principles of social justice and therefore believe that the operation of the economic system should result in the material resources of the community being so distributed as to subserve the common good, that there should be adequate means of livelihood for all, that labour should not be exploited or forced by economic necessity to operate in inhumane conditions but that there should be opportunity for advancement on the basis of recognition of merit, ability and integrity;”

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

**The Minister of Science, Technology and Tertiary Education (Sen. The Hon. Mustapha Abdul-Hamid):** Madam President, thank you very much. I would just like to communicate to my very good friend, indeed, Sen. Prof. Ramchand, in a language that I think he understands. I think, that is the language of literature. You would forgive me if I get my facts wrong. While he was talking, I remembered a novel entitled *To Kill a Mocking Bird* which I did at secondary school. In that novel, written by Harper Lee, the author described “Aunt Alexandra”—when Sen. Prof Ramchand was talking he reminded me of “Aunt Alexandra”—and the description was that she was born in the objective case.

Madam President, there are many things in Trinidad and Tobago that are happening that are very good. When I listened to the Professor, page by page, adopting what I think to be a very cynical approach and conveying that imbalance, I would like, in my contribution, to establish that balance.

Madam President, we would never be able to achieve and sustain the quality of goods and services and, may I add, civility, that are necessary in order for us to maintain ourselves as a developed country without the ultimate quality human resources. It is really the human beings that occupy the space that would be responsible for producing the goods, the professional services and other services that are necessary for us to be defined as a developed country. As a result of that, this Government, understanding that very clearly, we have dedicated ourselves to improving the quality of our education system, and we move towards developing it gradually.

I do not want to be too long. I just want to focus on some of the areas of expenditures as they relate to the Ministry of Science, Technology and Tertiary Education. I make specific reference to some of the improvements that we have undertaken over the last few years.

Madam President, indeed, as was said by Sen. Augustus, in 2001 I did in fact tour the John S. Donaldson Technical Institute. It was in a very poor state. It was so poor that there was a particular course—an Associate Degree in Graphic Arts that was being offered, and the students were unable to complete the course because of the unavailability of a proper computer facility. Graphic Arts, as the title of the course would suggest, requires the use of specialized computers. They could not use the regular PCs. They could not put the computers in, and even when we tried to do it early in 2001, the electrical system in the building was so poor that it would have damaged the equipment.

Madam President, the situation was very bad. Over the last couple of years, and including in this last year, we have spent upwards of \$13 million each at John S. Donaldson Technical Institute and San Fernando Technical Institute, to upgrade the physical infrastructure like the electrical wiring system. A large portion of the money was, in fact, allocated to the outfitting of the institute with state-of-the-art equipment.

Madam President, I would like to invite all Members of the Senate to go down and take a look at what we have actually put in there. We have put in state-of-the-art equipment in order to allow us to offer the quality of education programmes that would be necessary for us to develop our human resources in the way that we need to, as we move toward developed country status.

There is an extra expenditure here of \$5 million that would be going to John S. Donaldson Technical Institute and that is with particular reference to procurement of more supplies and equipment, particularly, for the electrical engineering department. We have also decided to install an elevator; mostly on account of our desire to cater to the needs of disabled persons whom we are hoping would find the building more accessible and would be able to participate in the programmes that we have to offer.

There is an exercise to renovate the Atrium and the budget would cost approximately \$3 million. That would account for that \$5 million that we are talking about that is going towards John S. Donaldson Technical Institute.

The Trinidad and Tobago Hotel and Tourism Institute has been provided with an additional \$2 million to provide dormitory facilities and facilities for the kitchen. As you know, they provide training in skills associated with the hospitality and tourism industry.

With regard to the Eastern Caribbean Institute of Agriculture and Forestry (ECIAF), there is an additional funding of \$1 million. Again, this is continuing from the development work that has been taking place for sometime down there. We are looking at refurbishing a building to allow its use for classroom purposes which will cost approximately \$450,000. We bought new equipment for just over \$250,000, and there are some costs associated with air-conditioning and upgrading other rooms for classroom purposes.

Madam President, at the University of the West Indies, I am sure many of you who would visit there would see that a new Milner Hall building is being constructed. We are spending a significant amount of money upwards of \$2 million there. That is part of our goal to ensure that tertiary education in the country is at the highest international standards and to be able to compete with international universities.

Madam President, more than that, we have also allocated \$1 million towards the establishment of a Pleasantville Technology Centre. We are looking at it in terms of what we have done with the Laventille Technology Centre that you see along the Eastern Main Road and we have allocated \$1 million for that project. We also want to establish a similar centre in Moruga and there are a few other new programmes that we are hoping to introduce.

Madam President, at the THTI campus, we are spending \$3.7 million in addition to all the upgrades that have taken place there over the years. The picture that I am trying to paint here—Sen. Augustus said that people must take care of their own but they must understand that it has to be shared.

Madam President, what I have just described to you, in terms of the technical institutions, under the Ministry of Science, Technology and Tertiary Education, I am demonstrating that we are engaged in upgrading all the facilities, including the one that is located in Central Trinidad. Yes, we are happy to upgrade it, and we are going to expand even further. That facility there is going to be the main campus of the University of Trinidad and Tobago, and we propose to develop that even further, including the construction of dormitories, et cetera—full university standard. We do not have any objection to that, we embrace that. That is the difference. The difference with what we met early in 2001 was an imbalance in the development and the quality of education offered.

Over the last three years, we have demonstrated that we understand what governance and service delivery to the national community is. That is the strong point of this Government. [*Desk thumping*]

Madam President, with regard to the UTT, what you are seeing happening at O'Meara is the construction of a permanent facility which would be used temporarily by UTT. Let me explain what that means. At Wallerfield, we are constructing the main campus of the UTT. That would take some time to construct. We are in the design process. The money allocated to Wallerfield is actually to undertake the design of the entire university campus. We have almost completed the main flagship building. I understand that the work is well advanced in the main flagship building, and the entire university campus has to be designed. That would take some time to construct. Between now and then, we are constructing at O'Meara a facility to accommodate approximately 600 students.

### **8.15 p.m.**

When the Wallerfield campus is fully established, the students from UTT would migrate to the Wallerfield campus and we would use the O'Meara campus as a technical institute along the lines of what we have at the John Donaldson and San Fernando Technical Institutes, to deliver programmes consistent with the kinds of programmes that are being delivered at present at John D. Even so, we are improving the programmes. Very soon we would announce some of those decisions to structure and standardize the programmes, so that all of those programmes would have the accreditation necessary to ensure that the people who participate in those programmes derive maximum benefit. That is what is happening in terms of the O'Meara campus.

There is also money being spent in Chaguaramus on a maritime campus to offer those kinds of programmes. In Tobago we are proposing a Tobago campus

and already we are well advanced in our discussions to have approximately seven acres of land at Battery Point allocated to UTT. The architectural designs are already on the way as well—that is what the \$2.3 million we have allocated would be used for.

Those are the main areas of expenditure for our Ministry. But, I want to say a few things in response to, again, what Sen. Augustus had to say. He said that no one was training anybody to be masons. That is an unfortunate statement and it is most unfortunate in 2005. Let me tell you why, Madam President.

I want to give an overview—very, very briefly—of the training and dedication of this Government to training our citizens. This Government, as everyone knows, has the best history, the best record of social sector development. Over the last three years we have trained 5,303 persons in the MIC programme and 3,964 persons in the HYPE programme. In the YTEPP programme, 18,900 persons have passed through and been trained in various areas. Normally at YTEPP, we are talking about level one—There is a qualification called Trinidad and Tobago National Vocational Qualification, which is an industry standard. The industry would tell you what they need, and that standard is applied to the TTNVQ, level one; level two up to level five. The basic skills are taught, so persons would be competent to work on a construction site, once they have participated in the training programmes involving construction activity—eighteen thousand, nine hundred and twenty eight persons in YTEPP.

The On-the-Job Training Programme is a different kind of training programme. It is dedicated to persons who have two, three, four or five O' levels, but are having difficulty in getting a foothold into the job market and we give them a six-month on-the-job training exercise. Persons who have A' levels are paid a little more. The O' level graduates would receive \$1,600; the A' level, I think get \$2,500; first degree would get \$4,000 and beyond that are the post-graduate degree passes who would get \$5,000. We are looking at 17,563 persons in the On-the-Job Training Programmes over the last three years. In fact, this year, our figure is likely to be 6,500.

Retraining, a variety of skills again, 3,299 over the last three years, and the MuST programme, which is the Multi-Sector Skills Training Programme, a programme that we do in collaboration with persons in the construction sector, where we employ training instructors, we provide all the equipment, we provide the stipend, we provide insurance, et cetera to the trainees, and our instructors take them to construction sites and work with them and they learn their skills. In addition to that, one day per week we would take them into the classroom and

teach them some theory and life skills to deal with their emotional issues, their human-life issues. We try at the end to have a balanced trainee. We have trained in one year, in this particular programme, 3,226 persons. [*Desk thumping*] Those persons are now able to walk onto construction sites and get jobs.

May I say further, that the programme is such a success that even before trainees have completed the programme, the contractors are taking them on board. Sometimes on weekends while they are participating in the programme, they are asked to come out and work as employees. So successful has the programme been that we are expanding and using it to target persons who are, what we call, economically inactive. Those persons, who for whatever reason, do not feel that things are working well for them, we are trying to encourage them and give them a marketable skill. The sum total of that, in response to Sen. Augustus—

**Sen. Seetahal:** If the Minister would permit me. I just wanted to find out if the Minister has any figures as to the number of persons obtaining permanent employment, who have been trained in all these different programmes, YTEPP and all of that. Because I know some people on the On-the-Job Training Programme have been absorbed, they have gotten permanent jobs in the different places they went on the job training. So if the Minister has some figures they would show us what the real employment is.

**Sen. The Hon. M. Abdul-Hamid:** Madam President, that is a very good question. We are actually working on developing tracer studies which will allow us to get very, very accurate figures.

**Sen. Mark:** Oh “gawd”, tracer studies?

**Sen. The Hon. M. Abdul-Hamid:** If you want to have—[*Interruption*]

**Sen. Seepersad-Bachan:** You do not know that.

**Sen. The Hon. M. Abdul-Hamid:** These are large programmes. If we are talking about 18,000 people [*Interruption*] Madam President, may I be able to speak? I was enjoying my contribution; I myself was enjoying my contribution.

**Sen. Mark:** [*Inaudible*]

**Madam President:** You will get your turn; you will get your turn.

**Sen. Mark:** I am waiting anxiously for my turn.

**Madam President:** Oh Lord!

**Sen. The Hon. M. Abdul-Hamid:** Madam President, in three years with these six programmes—in response to Sen. Augustus's statement that we are not training anyone—we have trained a total of 52,283 persons. [*Desk thumping*] That is an achievement and, yes, a lot of them are going to find it easy to get jobs. We must provide the training and we must continue in our efforts to ensure that we do our part to ensure they have the best possible opportunity to develop themselves.

Something was said about GATE; I do not recall by whom but the Member did say something about slogans, rhetoric, and generalization. May I offer some hard facts about the GATE programme? In 2001/2002 there were 3,965 persons who applied to and benefited from the Dollar-for-Dollar programme, and the amount of money spent was \$23,311,225. Madam President, in 2004/2005 when the GATE programme was introduced and I just said, it was 3,965 persons—understand what the GATE programme is. The GATE programme is a less discriminatory programme than the Dollar-for-Dollar programme. It discriminates only on the basis of wealth. If people have, if it is dollar-for-dollar—

**Sen. Seepersad-Bachan:** [*Inaudible*]

**Sen. The Hon. M. Abdul-Hamid:** Do not say that. I did not say that. If people have the first dollar then they are able to access the Dollar-for-Dollar Programme, they are able to access education. But if you do not have that first dollar [*Crosstalk*] then you get nothing. So what we have done, in other words, under dollar-for-dollar the maximum contribution of the Government was 50 per cent; under GATE, the minimum contribution of the Government is 50 per cent. [*Desk thumping*] We would give you at least 50 per cent and we would conduct an evaluation. You would give your information and based on our calculation, our determination, we are prepared to fund as much as 100 per cent of your tuition expenses.

So successful and attractive has that programme been that from a situation in 2001 where 3,965 persons applied for and received dollar-for-dollar, under the GATE programme in this completing academic year here, 2004-2005, 24,117 persons [*Desk thumping*] have benefited from GATE. We have spent \$126,211,800 on the tertiary education tuition needs of our citizens. Nothing about discrimination in there.

**Sen. Seepersad-Bachan:** Madam President, if the Minister would give way.

**Madam President:** Is it a point of order or a question?

**Sen. Seepersad-Bachan:** A question, Madam President, if the Minister would give way. You mentioned GATE, but the private institutions have been saying that

although GATE is available, there is a limit of \$5,000. Could you explain that, please?

**Sen. The Hon. M. Abdul-Hamid:** All the Universities of the West Indies: Mona, Cave Hill, St. Augustine, all the Government institutions, Eric Williams Medical Sciences Complex, all the facilities, all the public institutions, we would give GATE without any limit, without any cap. There are about 25 registered private institutions and we have set a cap at \$5,000 for those programmes, so we would give a maximum of \$5,000. And that has been working well, because a lot of the requirements of the students are, in fact, inside that \$5,000. So, there, is in fact, a cap and we would continue to look at that cap and review that cap as we negotiate with the private institutions as to how best we can arrive at an arrangement where the fees are reasonable; the fees are not raised arbitrarily or in excess of what they ought to be.

As I am on that dollar-for-dollar, Sen. Seepersad-Bachan made a point about the dollar-for-dollar fund, that there was no money in the dollar-for-dollar fund. [*Interruption*]

**Sen. Seepersad-Bachan:** I did not say that. I said Green Levy, not the dollar-for-dollar.

**Sen. The Hon. M. Abdul-Hamid:** I asked my officer to make a call and confirm. [*Interruption*] My recollection was that the Senator said that there was no money in the dollar-for-dollar fund. [*Crosstalk*]

**Madam President:** Please, let us hear what the Minister is saying. If he is wrong, then we will do something about it.

**Sen. The Hon. M. Abdul-Hamid:** Madam President, right after that Senator, the hon. Senator, I almost said “she” Senator. I am aware, I am conscious of it. Right after Sen. Seepersad-Bachan spoke, Sen. Augustus spoke about misleading the Senate, et cetera, referring to me, which I would explain. The money in the dollar-for-dollar fund, right now, stands at \$150 million; that is the information I have, and we have been running the GATE. We have to retire the dollar-for-dollar fund and put the money in the GATE fund. We have been using other money to fund the GATE programme. The dollar-for-dollar fund remains well intact and in fact, quite contrary to what the Senator had to say, is safe, secure and to be used for the benefit of the citizens of this country.

Before I close, Sen. Augustus referred to the use of a building in Arouca and said that I was misleading the Senate by inferring that they were gaining some

financial consideration from the Government for the use of the building. Madam President, that was never my inference. I did make an inference, but I will tell you what the inference is now. The context of that statement was that the distance learning secretariat was using a building next to the hon. Member of Parliament for Couva North to operate a distance learning centre. In Couva South, it was downstairs the hon. Member for Couva South, his parliamentary office; in Barrackpore it was a building associated with the hon. Member for that area. In Arouca it is associated with one of the senior members of their party. That is their advisor who is involved in something called palaeontology. Palaeontology involves people who go and dig up old prehistoric political fossils and try to give them life. [*Desk thumping*] [*Laughter*] My only regret for saying that here tonight, I would love the media to catch that.

My inference was, when I looked at the political activity that was located near to the distance learning centre, the question I asked myself was whether these distance learning centres were not being used to advance political activity undertaken by the respective Members of Parliament, the respective Members of the Opposition. That was my question. They are always saying that word has it, and the word on the ground was that Government computers were being used to analyze constituency data for what was taking place in their constituencies. That was the inference. I am well aware that they were not paying any money for the Arouca centre and the fact that they were not paying—

**Sen. Baksh:** Madam President, on a point of order. The hon. Minister is imputing improper motive in the use of government equipment, and I want to advise him that I was responsible for all the analyzing and analysis that took place and no Government computers in any Government office were ever used for that purpose and all the offices were Government offices that he spoke about, except the one in Barrackpore, that belonged to the Anjuman Sunnat-UI-Jamat Association and not any Member of Parliament.

**Madam President:** According to the information from the Senator, then you would have to not continue with that.

**Sen. The Hon. M. Abdul-Hamid:** Thank you, Madam President. All I need to say is that the buildings, the self-service centres, they were, all four of them, very close to political activity, and let the Senate infer what the Senate will. I never made any point about a financial consideration; it was never my inference. In fact, the fact that they did not pay the Government for a building caused me to think that they had something up their sleeves. I am not saying they did, but it is causing me to think so.

Madam President, I thank you for the opportunity to make this short contribution.

**Sen. Augustus:** Would you please give way? That last statement again, about not paying the Government for a building. I am zeroing in on Arouca, I am saying and I will hold to my original position, that the Arouca building belonged to the advisor you are talking about, and he allowed it as a community service to be used for the distance education programme.

**Sen. Seepersad-Bachan:** A community service.

**Madam President:** Are you finished or you are going to reply?

**Sen. The Hon. M. Abdul-Hamid:** Madam President, it does not matter. Let the population see and let them decide what it was.

**Sen. Seepersad-Bachan:** They are getting \$50 a barrel, so they could pay for everything.

**Sen. The Hon. M. Abdul-Hamid:** I hope that I have been able to clear up a few things and explain a bit about what is taking place at the Ministry of Science, Technology and Tertiary Education.

Madam President, I appreciate the opportunity and I thank you very much.

**Madam President:** They are not ready so we can take somebody. Anybody else?

**Sen. Seetahal:** I thought we were taking the break now.

**Madam President:** Unfortunately dinner is not quite ready, so it makes no sense taking the break unless they are ready. Maybe halfway through your contribution I would have to take the break. As soon as it is ready we will take the break.

**Sen. Dana Seetahal:** Madam President, I hope I would not be that long to possibly have to stop halfway. I just have what I have itemized—seven points—but before I go on to the points, I just want to mention that there are two positive things that I have seen—there may be others—that I want to comment on. One is in respect of the National Street Lighting Programme. It seems to me that there is a measly \$20 million allocated to that having regard to the fact that there are so many dark areas, and I do not mean euphemistically, in the country.

When I studied criminology abroad years and years ago, there was a book written by one of the professors called *Controlling Crime by Environmental*

*Finance Bill*  
[SEN. SEETAHAL]

*Wednesday, June 15, 2005*

*Design*; that was a huge success, and it was thought then that this was one way of curbing at least half of the crime. Needless to say, when you control crime in one area, it moves to another. Nevertheless, street lighting—and lighting in bustling areas and where people wait and so on—was one of the big things. That is one area that I find very commendable. The second one, of course, is the widening of the Churchill Roosevelt Highway by O'Meara, Santa Rosa, that area where you have the double highway that the Americans built; then it comes to the narrower piece, then it comes to our double highway—triple or whatever. So, I think that is commendable.

Now there are seven areas I think I wish to comment on, but first let me just say that I generally endorse what my colleague Sen. King has said and also some of the points that were made by Sen. Baksh, in particular. Sen. King's point that if we continue as we are doing in this semi-welfare state we will not be able to find it. For example, this allocation of a billion dollars—it is a billion dollars less a few millions—to the old age pensioners. I do not deny them their billion dollars, but the fact is that a substantial portion of the budget and also all of this money to the free medical; the free drugs; the free Mount Hope—I was not even sure if I could access that, but I was told that even I could.

The problem there, of course, is that if we continue as we are going, and given the fact in this Supplementary Bill we are asking for more money for the drugs and for Mount Hope, we can see the figures climbing as soon as more people start to utilize all this freeness. It is my contention that there should be some kind of Means Test for some of the facilities, whether it is for Mount Hope or for the drugs, and so on. To have this sort of totally free access would put the country in debt and there might be a time when we would not be able to afford it.

After you create this expectation in everybody that you have this free, this free, this free, and then you seek to put a cap on it, there could be social, legal and other problems; a legitimate expectation they can get free drugs. This is just to amplify what Sen. King said.

Moving straight on to my second point, because the first one is about the question of the \$10 million to develop Caroni and Orange Grove lands—the point that Sen. Baksh made. It seems to me just looking at it, an ordinary interested observer would say, since we are closing down Caroni (1975) Limited, why would we want to spend \$10 million to develop the lands? Now I know that there are details and reasons and so on, but I just found that as stated in this document, it seems rather contradictory.

My second point is the question of the Special Anti-Crime Unit. I raised this in my budget contribution in October and it was never responded to. I

subsequently spoke with the Minister and he said that he may have omitted it because he had many, many other things to respond to. So, I would raise it again. The allocation was \$68.34 million then, an increase from some \$35 million the previous year and I asked for what was this being spent.

We can raise the flag of national security, we do not want to disclose all of these issues but this is Parliament after all and if we are condoning the spending of this money for a unit that comprises a small fraction of the protective officers and at that stage we had allocated only \$25 million for all of the vehicles in the whole police service, I want you to explain to me this largesse, and now we have come again for an increase of \$5 million.

The Special Anti-Crime Unit may be doing a good job. I have heard it said that if it were not for them we do not know what the level of crime would be. It is very easy to say that, we do not know anything, we could always say we do not know what it would have been. But the fact of the matter is, if we look at the upward trend of violent crime, and it is unabated, you have a graph going like this and then suddenly it is up there. So it begs the question whether or not the unit is of any use at all. That is the first thing.

Another concern is that the Ministry has never answered the question posed time and time again as to whether this unit is a legally constituted unit. We are giving money to a unit which in my view may not be legally constituted. We are not talking about people working together. Now there is another group—I cannot remember what the name is—where they go out together, it is not a constituted group with a head. If you are talking about a unit—now the police service under the regulations allows the Commissioner of Police to constitute units in the Police Service. The Defence Act allows units to be constituted under that. So you have that unit and you have this. But there is no provision for an amalgamated unit with one head.

If it is told to me, as I have asked, well, you know, you have a senior superintendent within this Special Anti-Crime Unit—SACU, I believe it is called—and they take the police officers 17, 18 or how many of them from that person, it really, really makes no sense, if you are talking about one unit because you have a head, and it would seem to me that the head's orders would go down to the lower people. I think and I have studied the area and gone into all the legislation which I would not bore anyone with now, but that is my view, and it has never been answered.

My third point is provision of a “computer system” for the police service. That is a very general statement. When it was first stated in the last budget that there was \$4 million to be allocated, I thought it was minimal; mean, mean, mean. Four million dollars could do what? We are talking about a police service with 5,000

*Finance Bill*  
[SEN. SEETAHAL]

*Wednesday, June 15, 2005*

police officers, I understand. We are talking about purchasing however many more vehicles—150 million. We are talking about a computer system which we do not know what it is going to be used for.

Are we talking about computerizing fingerprints? Are we talking about those computers that I saw in Texas when I went on a ride-along, where you have these computers in the car and you can call in and say this is a green bicycle—which actually happened—what is the report that you have there? That happens, which is the preferred system and you can even get, well the real ones, fingerprints right there and then.

We have not even dreamed of having what Sen. Augustus talked about—I think the 1970s—where people can call in. I do not know if you want to take the break but I have about five minutes, Madam President.

**Madam President:** Well, I would like to stop at 8.45 p.m.

**Sen. D. Seetahal:** Well, let me just finish my five minutes, please. I was talking about this; I think we need to know what this computer system for the police service is about. This information is deficient and if it is supposed to be something useful, there should be much more money allocated to it. We cannot say we are starting at \$4 million and we would see what is happening. It is really no use unless we are going to use it for detection.

The question of health payment under the Ministry of Health: the payment of PAYE to the NWRHA. Sometime ago, \$110 million was supposed to be paid in tax and it was taken by the NWRHA and used to hire people. That, I said then, was illegal, it was in contravention of the Income Tax Act. I pointed out the sections, but no response, nothing, and now we are giving them it, we are condoning that illegality. Something should have happened as a result. Was anyone disciplined? Did anything happen? Before we say, yes, take this money and pay it, you misused money, you misbehaved in public office and misappropriated funds as far as I am concerned. It does not have to be for your personnel use, it was wrongly used and nobody explained.

The question of the Caribbean Mass Media: \$71.5 million: As far as I understand we closed down Trinidad and Tobago Television (TTT); now we can just look at a few other stations, TV6, and there is something called NCC. With \$71.5 million, are we going to have a new one? I have heard a lot of conflicting things and maybe I have missed it, but with this \$71.5 million, we need to have some explanation of the Caribbean Mass Media.

**8.45 p.m.**

Finally, Madam President, with respect to the Ministry of Science, Technology and Tertiary Education and this whole question of GATE and the Dollar for Dollar Programme, I have to tell you that I was totally astounded and shocked to hear a Minister in this Parliament say what was said earlier and everyone heard what was said. The clear implication from that was that the Dollar for Dollar Programme was set up to facilitate and support Indian students in UWI and the Technology Institute. In fact, it was said that 70 per cent of these students were the people who supported the UNC which were the Indians. It was never refuted! It was clear! It was that Minister's view and in my view, Madam President, that is something that is stirring up racism in this country! It is stoking racial fires! [*Desk thumping*] It is something that every Minister of Government should say that they do not agree with and they do not support!

That Dollar for Dollar Programme was started and it was utilized effectively. It suited the times when the money may not have been as forthcoming as it is now and GATE is an improvement; there is no doubt about that. But nobody can sit in this Parliament and say that it was used to grant favours, effectively to Indians, which is what was said.

If you have a greater percentage of people of one race in an institution, find out the reason. Do some studies, come with some figures and tell us the reason. Do not make nonsensical statements of that nature, which people, on all of their talk shows, in ignorance could say: "Racism", you see what I told you! We have enough of that nonsense. For a Member of Parliament and a Minister at that, to be supporting this thing and not have the courage, in my view, to say that was what he meant, when it was clear what he meant, it is something of which we should disapprove. That is all I wanted to say. Madam President.

I thank you. [*Desk thumping*]

**Madam President:** Hon. Members we will take a half an hour break and return at about 9.17 p.m. I will give you your full half an hour. This Senate is now suspended.

**8.47 p.m.:** *Sitting suspended.*

**9.17 p.m.:** *Sitting resumed.*

**Sen. Dr. Jennifer Kernahan:** Thank you, Madam President, for the opportunity to intervene in this debate tonight.

Madam President, I know the hon. Mustapha Abdul-Hamid is young in the politics but he must learn—[*Laughter*]

**Sen. Mark:** He is young in the politics boy.

**Sen. Dr. J. Kernahan:**—to give Jack his jacket and Jim his gym boots, because the undeniable fact is, that the Dollar for Dollar Programme was a revolutionary pioneer project by the UNC government which opened the doors to tertiary education for thousands of young people, to whom these doors had been closed for over 35 years under the PNM, that is the fact. [*Desk thumping*]

**Hon. Senator:** Yes, yes, that is a fact.

**Sen. Dr. J. Kernahan:** Madam President, the fact is, that with all the oil and gas and the billions of dollars that passed through this country, our country had the lowest level of tertiary enrolment in the Caribbean. Little Barbados had a higher level of tertiary enrolment than we had. So I do not know why the Senator is so surprised today that 24,000 young people have enrolled in tertiary education. These young people have been hungry for education and they were kept out of the system by the PNM Government.

**Sen. Baksh:** Yes, for a number of years.

**Sen. Dr. J. Kernahan:** The fact that the PNM Government had no choice but to step up to the plate and to continue the tradition of performance by the UNC government is not a surprise because the people of this country now had a benchmark by which to mark performance. They had the performance of the UNC and the Government had to step up to the plate and do something and improve the level of tertiary education because they had the money, [*Interruption*] they had the base and the government had the vision that we had carried.

Madam President, I am happy that the young people of the country are getting access to tertiary education.

**Sen. Mark:** He has to hold an election.

**Sen. Dr. J. Kernahan:** Do not act as if it is the be-all and end-all, because we still have a lot of work to do.

**Sen. Mark:** And face his political persecution.

**Sen. Dr. J. Kernahan:** I can bear personal testimony to this, because as part of a private organization that was awarded the responsibility of giving scholarships to young people in the Trinidad and Tobago to Cuba—I sat on an interviewing panel where about 15 young people applied for this scholarship in electrical engineering and many young, bright people came to that interview. They need the opportunity for this free tertiary education in Cuba because although we have

GATE, you still have to be properly supported. You must have full support from parents, guardians or whoever to attend university. You still have to buy your books; you still have to find transport and you must have food. If you live as far as San Fernando, Couva or wherever, you have to be able to afford to rent near the university and it is extremely expensive and difficult. There is a lot more work to be done.

We cannot sit on our laurels and talk about hundred per cent funding, because even with GATE's hundred per cent funding, a lot of young people still will not be able to access it. Therefore, you have to get the rent, you have to get the food and you have to have your clothes. So, it is still extremely expensive. There is still a lot of work to do to ensure that all the young people who have the will, and who have the brains, can and will attend university to gain that tertiary education. There is no point in boasting and acting as if the work is finished. The work has now started.

I know of a couple of young men who are living at the home of a friend of mine. She actually found them in a situation where they were practically living in closets, cupboards and abandoned rooms on campus, because they were determined to access the education, but they had no where to stay near campus. They used to loiter around the campus to try to obtain their university education and when she saw that situation, she took them into her home and supported them.

They live at Arima now, where they have to travel to the campus. The last time I visited her she told me that she had given them her last \$20 for transportation. She is practically trying to support these two young men; one is doing postgraduate and the other is doing undergraduate. This is the situation that we have in this country, so there is no need to crow and sit on your laurels and say that you are doing this and you are doing that.

The UNC started a process and now that there is more money in the Treasury the process has to be continued and deepened. In other countries, for example, in Cuba you get your books free and you get meals free; all these facilities are given free so you do not have to worry about them.

**Sen. Baksh:** The fact is that they do not recognize that.

**Sen. Dr. J. Kernahan:** We have to develop to that point where our students, all the students would be able to access university education once they have the brains.

Madam President, this Bill tonight, I just want to concentrate on a couple of issues, and put a plug here for community development, for the family and for

*Finance Bill*  
[SEN. DR. KERNAHAN]

*Wednesday, June 15, 2005*

women. I am seriously concerned as I look through this Appropriation Bill before us that there is a frightening lack of appreciation for the social consequences of the guns, the escalation of crime, the breakdown of family life and the breakdown of community life that we face.

This Bill does not seem to address those problems and these are serious problems. I want to draw to Sen. Abdul-Hamid's attention, that if we do not address the breakdown of community life, of family life, of social life, of the culture of learning and the advancement that we are undergoing in this society right now, all the campuses that they set up in Tobago, in Chaguaramas, in Couva or wherever, will be of no use, if we do not have a pool of young people who are culturally, socially, politically and educationally able to access tertiary education.

Madam President, accessing tertiary education is not just about being able to pass an exam—although that is important. You also have to develop a culture of wanting to learn, a culture of self-development, a culture of study, of good habits and discipline. No student can reach the level of tertiary education unless he or she develops this sort of culture. What is happening in our communities right now is the very antithesis of what is necessary for our young people to be able to access all the opportunities that are going to be opened now and in the future.

Madam President, the issues I want to deal with are the changing characteristics, the social characteristics in our community, the marginalization of women in our community, and the violence—especially against women—which is being perpetrated in our community. I would have liked to see a recognition of these issues in a Supplementary Budget such as this, where \$3 billion is being spent. We have a lot of issues, in terms of our children, in terms of absent fathers, young men who are totally without role models and who do not even know how to be men—I was looking at a young man speaking to a young woman in La Horquetta recently; apparently he was having an altercation with this young woman—they do not even know how to approach solving problems. If there is a difference of opinion, they get all violent, they get all riled-up, they want to hit and they want to beat the women and so on. I realized it is because these young men did not have role models in their lives. They did not see a father and a mother in a house, maybe, how they relate to each other, how they solve problems and how they resolve arguments; they do not have a clue. The instinct for violence and for savagery which is inherent, apparently, in human beings is just let loose and it is not contained by any culture that would restrain that. We have to be very sensitive to what is happening in our society.

Madam President, I want to make the connection at this point between the issues of crime and the guns, to what is happening to unemployment in our communities and all the implications of unemployment, the social development, family life, women, the AIDS pandemic, child development, the loss of human resources and quality of life. They might look as a lot of issues, but they are all interrelated, and we have to look at them and we have to set the mechanisms in place in a very focused way to deal with them. There are three Ministries under which perhaps, these issues might fall:

- (1) The Office of the Prime Minister (Social Services Delivery);
- (2) The Ministry of Community Development, Culture and Gender Affairs;  
and
- (3) The Ministry of Social Development.

I was looking at the programmes under these Ministries and I would like to see Ministers deal, even in a more focused way to bring concrete programmes to bear on this situation.

Madam President, I would have expected to see in a \$3 billion budget, some attempt—*[Interruption]*

**Sen. Mark:** Supplemental. It is \$31 billion and nothing to show for it; “eh” Joan? “Waste ah time.”

**Sen. Dr. J. Kernahan:** Yes, Supplementary Appropriation. I would have liked to see some levels of appropriation to the Office of the Prime Minister (Social Services Delivery). The Supplementary Appropriation we have here is—

**Sen. Mark:** The only person we will employ in the next UNC government is Joan. She is a decent lady.

**Sen. Dr. J. Kernahan:** The original—*[Interruption]*

**Sen. Mark:** I “doh” deal with racists, boy. You are a racist. We will deal with you on the platform.

**Sen. Dr. J. Kernahan:** The AIDS programme specifically, the original appropriation was \$10 million for 2004, and the actual expenditure was \$2.9 million.

**Sen. Mark:** “I doh know why Manning have that man in da Cabinet. All yuh move da man. Disrespecting!”

**Sen. Dr. J. Kernahan:** The year before the actual expenditure was \$1.3 million for the AIDS programme in the Ministry of Social Services Delivery.

*Finance Bill*  
[SEN. DR. KERNAHAN]

*Wednesday, June 15, 2005*

Madam President, the allocation for this particular Ministry is extremely disappointing, because we are experiencing in this society a serious pandemic in terms of the AIDS epidemic, and the section of the society that is most affected by this, is women. Some of the figures have been elaborated in various reports. First of all, let me read a report dated Tuesday, March 15, 2005: "Adding to AIDS awareness" by Parsuram Maharaj, and I quote:

" The national response in the past has been uncoordinated, poorly monitored, and not sufficiently informed by best practice. Knowledge on how to provide care for people living with AIDS has not been widely disseminated. The support systems available have been inadequate. There has also been too much focus on personalities and territory in the Caribbean response to HIV/AIDS."

Madam President, that is one of the problems.

What are the statistics with respect to AIDS in Trinidad? Some of the statistics have been quoted in the *Express* of Tuesday, February 16, 2005 and it said here:

Referring to official figures which show that more than 13,000 people in Trinidad and Tobago were living with HIV/AIDS. While HIV/AIDS attacks the body the stigma and the discrimination faced by people living with HIV/AIDS is even more destructive.

Madam President, the National AIDS Coordinating Committee at present, is running several programmes, apparently, to deal with this situation. I am not sure that this sort of appropriation at this level is going to really deal with the situation in any fundamental way. With respect to women there are very startling statistics here, and it is from the *Daily Express* again. The name of the story is, "C' is for Carnival and Condom" and it is by Gerard Best, Monday, January 21, 2005:

In Trinidad and Tobago in the 15 to 24 age group, 74 per cent of new infections are occurring among females. Overall, about half of all new infections are occurring in females. The HIV transmission pattern has grave implications for the future of our society.

Madam President, when I spoke of the gun culture that is taking over our communities and the increase of violence against women in our society, this article goes on to reinforce what I have said and I quote:

Rape and other forms of sexual violence is a key factor in the woman's risk of contracting the virus, especially for young women.

Madam President, these are serious statistics and these are serious figures; and in a \$3 billion budget with a breakdown in our society, in terms of employment and in terms of women in our communities being marginalized from productive employment—I have already had cause in this Senate to signal the fact that, in the communities, because of the URP gangs and the moneys that are channelled through Government policy to the URP gang leaders, the people who are supposed to be the recipients of Government aid and social programmes are not really the recipients. This money is not really filtered down to the women in our communities who really need to be helped, in order to keep their families together. This money is being intercepted at gunpoint practically, by the URP gang members and the URP gang leaders, and the women are left at the mercy of these people who now take advantage of them sexually and otherwise. Therefore, as I said before, it is going to impact negatively on the AIDS pandemic and the ability of this country to contain this AIDS pandemic.

Madam President, when you look at the implications of that, you will realize that this subvention, which is spent by the Ministry, Office of the Prime Minister (Social Services Delivery), for example, \$10 million was voted last year to be spent on the AIDS project and only \$3 million was actually spent; not even the whole \$10 million. Now we are seeing in this Supplementary Appropriation Budget another \$1.4 million is voted. [*Cell phone rings*]

**Madam President:** Please everybody, check your cells!

**Sen. Dr. J. Kernahan:** Madam President, if they are serious about the future of our society and the future of our children, this is not going to contain the pandemic.

Madam President, through you, I want to ask the Minister about the EU funding that was given to this Government. The EU gave over \$7 million euros to this Government, which translates into \$49 million for the National AIDS Strategic Plan. In a report in the *Express* on Monday, May 16, 2005 entitled: “Caribbean warned put brake on HIV/AIDS now”. It was reported here and I quote:

Trinidad and Tobago as well as other countries within the Caribbean region must act now to curb the spread of the HIV/AIDS virus among its population. And the battle must continue against the deadly virus to ensure that the region does not go down the track of countries in South Africa, such as Botswana, where more than 40 per cent of the adult population lives with the virus.

Madam President, Anthony Smallwood, Chargé d’Affaires of the delegation of the European Commission made those comments at the signing of an

agreement for \$7.13 million euros or \$49.9 million to the Government's National HIV Strategic Plan. I tried to get a copy of this Strategic Plan and I was unable to access a copy, to see what really is the plan for the containment of AIDS in our society. However, in this article Mr. Smallwood said that the Government's National AIDS Strategic Plan is a good one and that the Commission which has taken a conscious decision to help HIV/AIDS on a global scale was pleased to have signed the financial agreement.

But having a good plan is just the start. What is the implementation of the plan? It seems to me, if you have \$10 million to spend on the containment of HIV/AIDS and you only spend \$3 million—the year before you only spent \$1 million, practically—I am not sure how fast we are moving to contain this pandemic and it is very serious, because there are implications for our children. We have a lot of young children now who are living with AIDS. It is very sad. It is very serious. I suppose it does not really touch you unless you know somebody who actually died from it; or have not seen the trauma that families go through, having somebody living with AIDS.

Madam President, our society is so backward right now. I have been told about young people, who, having contracted the disease are actually thrown out of their homes by their families and end up as vagrants on the streets of Trinidad and Tobago, in 2005; this is the sort of society that we live in. This is the level of ignorance with respect to this disease and the lack of tolerance.

Madam President, this is a pandemic that we must pay very close attention to. I am not satisfied that this is being done, based on the allocations. These are very small allocations, and on top of that, they are not being spent. I do not know about this \$49 million. I have not seen it reflected in any expenditure, in any government department. To what extent has this been drawn down so far? What are the plans for drawing down on this money, and ensuring that all the work that has to be done, will be done in the schools among young people, to ensure that these people actually have the knowledge that they need?

I related crime to the AIDS pandemic, because crime is a major input in the AIDS pandemic, in terms of the violence that women are experiencing in this society, with increased guns and the increased violent attitude of men in our communities.

**9.40 p.m.**

We have to also be able to relate the crime happening in our society to increased unemployment; that is a serious issue. Madam President, small

businesses in our communities, as it stands right now, are under real pressure. They are closing down because they are unable to compete. Every small business now looks like a little jail. I went to the country recently and passed a little room, it seemed to me, with a door; it was well locked and a woman was behind the gate. I noticed that it looked like a little shop, with things on the shelves and so on. I asked myself, "How could that be a shop?" It was tightly locked, there was a padlock on the door and she was behind peeping out. She was actually doing business under those conditions. People are terrified now in this country to even have a little parlour to sell doubles or roti or to do anything.

If you consider that small and medium enterprises are the major sources of employment for people who are in the lower levels of skills, it is terrifying. Unemployment is already normally higher in depressed communities than the national average. Where in the national average the unemployment figure might be about 11 per cent, in many depressed communities unemployment is normally about 15 per cent, and you have the phenomenon of increased levels of crime as small businesses close down or close early, having to spend more money on security and not being able to function.

There is another phenomenon that is even more dangerous. These small and medium sized businesses in our communities are being threatened by gangsters with guns to pay protection money and that is the reality of businesses in this country. How are you going to function in an environment like that? How can you build and increase in production and productivity in the society? The Governor of the Central Bank has warned us that we are losing our ability to produce, to be productive and to compete. The non-oil sector last year grew by only 2.6 per cent and this is because we are practically grinding to a halt in this society. This Government has to recognize that business production is almost grinding to a halt, especially in areas of the economy that mean most to the people who have medium and low levels of skills.

I was speaking to a restaurant and bar owner in the Arima district recently whose business needs upgrading. He needs to put in some capital, to do some painting, put in some infrastructure and so on, but he is not prepared to do that, because he does not want people to feel that he has money. He cannot upgrade his business. He cannot try to make more money, employ more people and develop himself and the community because he is scared to death. This is the reality of so many businesses in this country. I do not blame him, because recently just opposite his business on Quesnel Street in broad daylight, three o'clock in the afternoon, bandits entered a car repair garage and literally pulled one young man

*Finance Bill*  
[SEN. DR. KERNAHAN]

*Wednesday, June 15, 2005*

out from under a car he was repairing and because his brother went to his rescue, he was shot and left for dead. Up to now I do not think that we have heard anything about that kidnapped victim. That is broad daylight in a car repair business; this is not even a high profile income business. This is what is happening in our communities.

I am very closely associated with some of the recipients of the Government's micro credit programmes in some of the depressed communities and I keep an eye out with what is happening in those programmes and how people are coming along. People borrow their \$5,000 and \$6,000 to go into a little business to develop themselves. On the one hand the Social Services Delivery is running this programme, but on the other hand, because of the Ministry of National Security's failure to stem the guns, crime and violence, one young woman who had a hamburger stand had to shut up shop because of the warring gang violence in the area; she could not operate and she has this loan to pay back. They are actually threatening to send a solicitor's letter, because the officials are saying that she has to pay back the loan and violence and crime cannot be an excuse.

Another person whom I am familiar with in the micro credit programme started a little business, processing fish and going around selling processed food in the communities, and he was threatened by gang members, "If you come here and sell, you have to pay us protection tax; you cannot just come and sell just so; we will kill you," therefore, he had to leave the area completely. He is in a quandary now as to how he will move around and sell his products and pay back his loan. That is the quandary in which people find themselves in this situation. So that is small, medium and large businesses.

Madam President, you know the situation with large business owners being kidnapped and huge ransoms being demanded and paid or not paid; we have over six of our citizens right now unaccounted for from kidnapping. It is a scandalous situation in such a small country as ours. We are not Brazil or Colombia where we have huge forests and expanses of land that people could get lost for hundreds of years and nobody finds them. This is a small society where everybody talks and everybody knows what is going on. I refuse to believe that it is impossible to trace and find kidnapped individuals. It is a total scandal and the people of this country have to hold this Government and the Minister of National Security to account.

Still on the topic of how crime and unemployment are related, in my village, for example, I know for a fact that because of the increasing unemployment related to the crime situation, women are getting laid off and so on, there is less money, it is hard enough to be able to buy food, because everything has gone up

and food is tremendously expensive. My neighbour, for example, one minute you see him in his nice little shirt jacket going up the road to school and the next morning he is home in the garden watering the goats or cleaning out a pen. They go to school sporadically now. They go when they might have some food or transport and that is what is going on in this country.

When I drive along the road in my village, there are a lot of young people who should be in school and you wonder, “Why are these children not in school?” Who is monitoring these children? Who is monitoring this situation? Is it the Ministry of Social Development, the Ministry of Community Development and Gender Affairs or the Prime Minister’s Social Delivery Ministry? At the corner of the Uriah Butler Highway, coming down to Port of Spain one morning, I saw a young boy about 13 years with a little bucket of dirty water cleaning windshields. I have seen it in Port of Spain, Woodbrook and so on. Why is nobody monitoring these children? Who is looking after these children?

We have an appropriation budget of \$3 billion; I am seeing no reflection of the changing realities in our society to meet this need. This is why I am so concerned. I should be seeing that some minister is looking at these changing social demographics, realizing that there is increased unemployment, men and women are being marginalized, the money is not filtering down to women, women are unable to hold their families together and children are going astray. How can we zero in on these women, the families and these children and ensure that they are not left behind? This is what we need to do.

I have spoken about this already. Because of all this unemployment related to the intensification of the crime situation, a lot of young girls—first of all, half of them do not live with their fathers, they live with their mothers; fathers are an absent phenomenon in many communities now. These young girls are befriended by older men who give them their sneakers to go to school, give them this and that and some chicken and chips; this is what is happening in our society. We actually have the phenomenon of mothers who encourage that for their own economic survival; so you have the case of children being abused in their own homes by their parents and there is no mechanism to pick these children up and ensure that this abuse does not continue and destroy the rest of their lives.

Even though we know that the crime situation is really horrible and traumatic to people and has a bad effect on the social, political and economic life, at the same time, as a society, I believe that we must retain our sensitivity. A lot of people who have their own agenda to pursue are pushing a sort of ideology that is very dangerous. Many times you see newspaper headlines, “Another bandit

slain”, “Community heaves a sigh of relief”; they never put these young men as being wanted in the newspapers for doing X, Y and Z crimes. I ought to know, because when I was a member of the National United Freedom Fighters all the major leaders of our organization were posted in the newspapers. Guy Harewood was wanted; Brian Jeffers was wanted; Beverley Jones was wanted, and people knew that the police wanted to talk to these people.

Nowadays when they put these people on the newspapers, they never say what they are wanted for, but as soon as the police kill them, they say, “He was a gang leader; he was wanted for this and that murder.” So they mow them down with impunity; nothing ever comes out of it, whoever murdered these people. When they print headlines about people breathing a sigh of relief, as a society, are we supposed to feel relieved that these young men are killed in the prime of their lives? All this human resource, these young men who should have been a credit to society, who should have contributed to the society and to the development of their own children; are we supposed to be relieved that they are dead?

I am so worried about that lack of sensitivity and that callous attitude being engendered in this society among people who should know better. The headlines really should be, when a young man is killed in this country through gang violence and warfare, that our society has lost another precious human resource. [*Desk thumping*] The headline should not be that another bandit was slain, because that young man was not born a bandit; he was born and grew up with all the hopes and dreams that anyone of us has for a better life. Because of the social environment and the lack of commitment to social development by this regime that has refused to deal with the influx of guns and drugs that have caused the society to degenerate so desperately, so quickly in such a short space of time— [*Crosstalk*]

**Sen. Mark:** Hangman fever! Hang them, but do it legally. “John, do it legally, eh.”

**Sen. Dr. J. Kernahan:** I think that the relevant Ministers of these three ministries really have some role to play in all this, because if you add the allocations in this budget for the Ministry of Social Development, which was \$875,000; the Ministry of Community Development, Culture and Gender Affairs, \$15 million, and the Office of the Prime Minister, \$11 million, which is additional, you get a grand total of \$27,419,000. Out of an allocation of \$3 billion, three of the most important ministries in this society, at this point in time, to deal with the degenerating social and economic climate having to do with women and youth, get the grand total of \$27 million. Something has to be wrong somewhere.

The priorities of this Government have to be very askew. Nobody is minding the store; the light is on, but nobody is home. [*Desk thumping*]

There is no commitment under this regime to women, youth and children and to the future development of our young people, in spite of all the “ol talk” about the campuses. There will always be a section of the society that will do well because of the social conditions; the parents and family support. We have to keep our eyes focused on the more vulnerable among us; those are the ones we have to help, because we cannot afford to ignore these young people’s cries and pleas and the fact that they are killing themselves, practically, in the gun culture that is being engendered and they are dying of AIDS, because then we will have to lock ourselves behind barbed wire and gated communities and they are going to get us there. I have seen a situation where a woman was found murdered in a house that was totally protected; I do not think that murder is solved as yet.

My question to the Ministers involved is: “What mechanisms are you going to put in place to salvage our young women?” We are talking about skills training. The Government has presented a whole newspaper with all the skills training and tertiary education programmes. You have to deal with the fundamentals; you have to get real. If you are a young unemployed mother living, probably, with your parents or grandparents and you have two young children who have no father, because he was gunned down and died, you have no source of income and everybody in the house is probably living on your grandmother’s pension, how are you going to access any kind of training in that situation? You have nobody to leave your children with. Your grandmother might be old and not taking on that responsibility, half of these mothers are 30 and 40 years old and out in the street, so these young girls have nobody to take care of their babies.

**Sen. Dr. Saith:** What is the solution?

**Sen. Mark:** Get rid of the PNM!

**Sen. Dr. J. Kernahan:** I know a young girl about 18 years old, the same age as my youngest daughter; just the other day she was young and pretty with pigtails, giggling and having a good time but because of that lack of parental guidance and care she got pregnant. Her mother was also pregnant, because her mother is a young person.

**Sen. Joseph:** That is how you get pregnant?

**Sen. Dr. J. Kernahan:** Those two babies are now just about six months apart; the mother continues to work in some little Lotto place in Port of Spain and the

*Finance Bill*  
[SEN. DR. KERNAHAN]

*Wednesday, June 15, 2005*

young girl has to stay home and take care of her baby and the mother's baby; she is stuck there. So you could offer 10 million training programmes or the world of opportunities, she is stuck, unless you provide free or nominal cost early childhood care centres in all the communities, that are easily accessible, where young mothers can leave their children and ensure that they are safe and you are able to provide a stipend for these girls to buy something to go out to work; you have to help them up.

I am not against giving a helping hand or spending money on social development programmes, but it is the way you do it. You spend money on social development programmes in such a way that you give people a chance to be independent. You do not just give them a women's programme for them to sit by the side of the road and talk nonsense whole day; that is not the way to help women in this country. You have to give them the wherewithal and let them know that this is what it is about and you monitor their progress. This is a serious problem.

We have a problem even at the cultural level of these young women. As I mentioned before in this Senate, my daughter is doing this early childhood course and she did her internship in La Horquetta. She has said that even the babies in the little cribs at these centres are very serious individuals; they do not laugh; they are already traumatized at six and seven months. You play with them and they do not even laugh. Madam President, do you know why? Because these are the babies of girls as young as 13, 16 and 17 years old who are children themselves and do not have the slightest concept of how to take care of babies. At two months they are drinking Kool-Aid and juice, and at six months they are drinking some sort of porridge. These babies grow up starved; their brains are underdeveloped.

My daughter said that she had the experience of a young mother of 13 or 14 years coming with a three-year-old and when they are about 50 yards from the school, she would turn back and go her way and the child has to find her way into the school. She said that she sees the difference between adult, older mothers who are mature and know how to take care of children. She sees the difference in the reaction of the children: the way they behave and relate to others in the class as opposed to the children of these young mothers who are practically abused. She has had the experience where it is almost difficult to communicate with these children. Do you know why? They are accustomed to being shouted at, abused and physically hit for them to react. Unless you abuse them or hit them physically, they do not react. That is the sort of children being raised in this cycle of intellectual poverty and young people raising children.

In this allocation, under these three ministries, I have seen no indication that this Government and these Ministers are aware that we have a serious problem of street children. This was highlighted in the newspapers recently and there was a big hullabaloo when the wife of one of our Ministers sat and talked with the street children and there was all this mamaguy scene. At the end of the day, nothing; we see no allocation or recognition here that, “Hey, we need to do something about street children; what are we going to do; what programmes; how are we going to get these children off the street; how are we going to stop these children from total abuse?” [*Interruption*]

**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. S. Baksh*] [*Crosstalk*]

*Question put and agreed to.*

**Sen. Dr. J. Kernahan:** Thank you, Madam President.

I am amazed that in this allocation there is no recognition of the calamity in this society that is the issue of street children. It speaks to a society that is callous, that has gotten cold hearted and insensitive and it, it, it—[*Interruption*—]—words almost fail me at the future we face in this society if we ignore this issue. There are a lot of predators and bad people in this society who are guilty of the most wicked and wilful abuse and everyone has to make a commitment that we must not turn our eyes and heads away. We must make a commitment that we will deal with it. This is not Mexico or Latin America where these social problems are practically insoluble. This is a small country and we do not have more than 200 street children, so we can deal with the problem if we want to.

I always hear excuses like, “Dey run away; dey do not stay,” and this, that and the other. Once children or anybody, adults as well, get accustomed to a certain freedom, they tend to shun being confined. If necessary, we have to use force and after a while they will start to understand, because nobody likes to be abused. Therefore, we have to put systems and mechanisms in place to see that these children are properly cared for, restrained, taught and so on, because this is going to be related back to the AIDS pandemic.

Everything I have mentioned moves in a circle. If you do not look at the situation of young women being abused and street children, you are pumping little money into a situation, but you are not dealing with the element creating it.

*Finance Bill*  
[SEN. DR. KERNAHAN]

*Wednesday, June 15, 2005*

Therefore, you are “spinning top in mud” as the old people say. We have to look at the issue of young women who run away from home and young and older boys on the street. These Ministers have to reflect in their budget allocation specific programmes and plans to ensure that these sectors of our society are not left behind, because these children are our future and we cannot effectively contemplate a future unless we deal with these very serious issues.

In this fight we have to incorporate religious organizations, churches, community-based organizations and interested individuals. There are a lot of resources in all our communities. All our communities have huge churches that are empty all day; all our communities have schools that are empty from 4 o'clock in the afternoon to whatever hour in the night and we have to utilize them. We have to be innovative and creative and very focused and we can deal with these problems. Our population is small; our problems are relatively small in relation to the huge, sprawling inner cities of the United States, Latin America and so on where they are practically never going to solve these problems.

We can do it, because we are in a different environment and we have the money. We have the human resources. We have a lot of very educated people here. We have a lot of university graduates who have studied psychology and sociology. There is a lot of unemployment among university graduates, therefore, young people who have studied psychology and sociology out there and are looking for work, we can incorporate them in programmes like this to bring our children back. We must account for all our children; no one must be left behind.

Unless it touches you personally, you can never understand how sad and traumatic it is to actually interface, one on one, with a young person who has been exposed to the most horrible social and economic environment. I had the opportunity to visit Rainbow House in Woodbrook where I met all these young people. I spent an afternoon with them and some very good work is being done there. When you hear the stories of these young people, of abuse, abandonment, neglect and having to fend for themselves at the age of three and four, parents died and so on, no child should ever have to experience what is being experienced by many young people in our society. I believe if we as a society can care for our young people and give them the necessary love, attention and care until age 18, then we will have a society that is problem free. The problems in our society are engendered between the ages of birth and 18 years when children are not given the proper grounding, love, care and wherewithal to be independent, strong members of society.

We have to recognize the interrelationships between the increase in guns and how it relates to the increased violence and sexual abuse against women. We have to recognize how this relates to the AIDS pandemic. We have to recognize that the breakdown and disintegration of society because of crime and drugs are fostering more and more employment that is impacting on family life and value and homeless children. We have to recognize the interrelationship of all these things.

We talk about the Unemployment Relief Programme (URP) and we have headlines as in the *Trinidad Guardian* of February 02, 2005:

“State witness testifies, ‘I was a ghost foreman in URP’”

We have in the *Trinidad Guardian* from an editorial of Sunday, May 01, 2005, the headline:

“URP odour still strong”

When we talk of these sorts of headlines and analyses of the role that URP is playing to foment and perpetuate criminal gang activity and guns in the society, it is not just that. If you look at it in isolation, you would say that URP is a bad thing, because a lot of gang leaders are being supported and nurtured in it, but you have to trace it back to all the implications it is having on our society, especially on women and children. We have to make the connection and see how grave this problem is and then, perhaps, we would get some motivation to deal with it. It is a problem of the whole society, every one of us, because we have to live in it. When this mess is created, we have to live in it and deal with it. In Arima, Sangre Grande, Mayaro, wherever we live, we are being confronted with the spectre and culture of violence, which is going to grow into a monster that nobody is going to be able to control.

Madam President, this is, essentially, my contribution. I would like this Government to look at how money is spent. I believe the allocations, the priorities given in this Finance Bill are totally skewed. Three major ministries with major problems that affect women, youth, social and family disintegration are totally ignored in this appropriation and millions of dollars, on the other hand, have been given to fund, for example, the URP. Imagine \$27 million for these three ministries combined and \$121 million for a ghost programme. [*Desk thumping*] Where are your priorities? What are you thinking about? Where do you expect to go with this sort of trajectory? I believe that many people in this society feel that the \$150 million that was pumped into the Ministry of National Security is practically throwing good money after bad, because we have no national security in this country. Everybody is totally afraid; everybody is totally terrified; nobody knows what tomorrow will bring. [*Desk thumping*]

*Finance Bill*  
[SEN. DR. KERNAHAN]

*Wednesday, June 15, 2005*

Madam President, do you know what conversation my children were having with me recently? My son told me that he needed to take out a good picture, a nice picture, where he would pose, because when he dies and the press wants a picture of him, he wants it to be a nice picture; that is the sort of macabre thinking of our young people. Nobody expects to live; nobody expects to survive this holocaust that is imposed on the society; none of our children expect to live through it. [*Crosstalk*] Everybody expects to die; everybody expects the shoe to drop, because they are hearing it happen to so many other families, why not to them. You are living every day as if it is your last.

My son salutes me on mornings, “Well, I am gone; I do not know if I will see you later.” It has become so close. We were of the opinion that we live way out in the bush in Cumuto and in the back of “quitey quite” and that nobody knows the area, but recently a woman was kidnapped in my community. She was held for a number of days and escaped; so nobody is safe. You could be living in an urban or rural region, nobody is safe anymore and our children are totally insecure. Even young children talk about death and they have this foreboding. There is a foreboding that penetrates the whole society, even our younger children are being affected by it.

This is disastrous; it is frightening and most of all it is deliberate, as I said before. I believe that this situation can be controlled if the Government wants to control it, and I will make the assertion again that it will not be controlled, because it is favourable to a situation where all these anticrime measures can be rushed through Parliament, crime packages and so on, because the Government knows that people are feeling vulnerable and feel somehow that legislation will save them. That is why they are not going to get a lot of opposition in the realm of public opinion to this “anticrime” package of legislation, because people feel so weak and helpless; they want a strong man. This is how dictators have started in all countries; a strong man comes to save the day. This is what this Government is doing; engendering a dangerous situation so it can appear to be strong to save the situation. I do not believe they will get through with it, because in 2007 the people would have had enough and would boot them out of office.

Thank you, Madam President.

**Sen. Brother Noble S. A. Khan:** Thank you, Madam President, for allowing me to share in the discussions of what is before us, the Finance Bill. I know at this time the night is long and I am far from home, which reminds me of a very potent poem, a hymn, which was a favourite of the late Mahatma Gandhi. It was “constructed” by a very famous person and a great contributor to the intellectual

religious inputs at the time, towards the end of the century that went before. In the 1890s thereabouts he passed away. That poem was constructed on a trip going from one side of Italy to the other side of what has been referred to as the Balkan countries. Perhaps, as I reflect, one would think that obviously I would take that into consideration to the state we are in now and so late in the night in my contribution.

Firstly, I would like to mention that we have listened. My own take of the matter is that we are operating a system that may have passed its top usefulness, that is the budgetary process and the laws under which it comes; firstly, the Constitution into Act No. 20 of 1959, if my memory serves me correctly and the regulations that emanated out of this system. What has emerged to my mind is that it has not kept pace with the present thinking or even thinking as it progressed towards this time, insofar as management is concerned, insofar as the achievement of hopes and aspirations through the budgetary process and, possibly this is one of the reasons we are here so long tonight in these discussions.

I do not think it is original when it was suggested somewhere in the past that when matters of finance have to be passed through the House, there should be a committee to look at them before they go out and bring to bear the decision-making processes. That system will also bring to bear the concerted thinking of different people.

What is taking place here and has been rightly said before, is that, to some extent, it is a rubber stamp that allows for an area of interaction, but very often the interaction is without any objectivity, because as far as I can remember, in this Senate, I do not think anything could be changed, particularly; there may be systems. Even in the Lower House, very little, if anything, has ever been changed. Of course, we have had many promises of what could possibly take place, but the system is not geared for that. We have heard the quote from the Constitution which says that the Cabinet is there to govern and it ought to govern if we are to think in terms of the fact that the major mechanism of governance is through the budgetary process. The point is well carried that we are operating in a sort of imperfect system. It is obviously imperfect, because I do not think that we are capable of perfection, but of reaching some closeness to what may be ideal.

The funding, as has been said, is the highest that has been before us. It even surpasses the first rush that we had in the 1970s, where we thought in terms of \$7 billion or \$9 billion, we are now thinking in terms of \$27 billion, plus if we were to take into consideration the funds spent by Government agencies it might be another \$7 billion, and today we have another \$3 billion again; quite substantial

*Finance Bill*  
[SEN. BRO. KHAN]

*Wednesday, June 15, 2005*

figures. Let us bring to bear what has been achieved. How far have the hopes and aspirations of a people denied for so long, but who are now monetizing what God Almighty has given to us—if we were to take the natural input which has been transferred into money before us—what has been achieved over the past years? We have been independent for almost 43 years; what has been achieved?

I will touch on education for it is the chief mechanism for pulling people up. In my own tradition it is said that we should seek learning from the cradle to the grave. Concerning the question of tertiary education, we have inherited that from colonial times: that according to the law, primary education is a must up to a certain age. Later on, we graduated to what have been termed secondary, tertiary and other forms. Today we heard about the dollar-for-dollar programme and Government Assistance for Tertiary Education (GATE), and much has been made of that and rightly so, if they think in terms of progression.

My mind carries me back to before money was pumped in, where we achieved free tertiary education. Perhaps the Professor may correct me on that or other Members of this Senate, but somewhere in the back of my mind I do recall that at one stage tertiary or university education was free; I yearn to see that day come. The boasting of who did this or that is something I think would come naturally, but we should all aspire and perspire to see that our children, even the older ones, make the best of the education systems that the world has to offer. Let us put that to rest. In my personal view, our present Minister of Education is making a good attempt at it and I wish her success and God's blessings in what she hopes to achieve for the betterment of our nation. [*Desk thumping*]

The other part of that to touch on is the question of sharing what is before us. We have heard the question of entrepreneur and the mistakes in spending, but that does not mean much to me. We understand the word “entrepreneur”, to some extent, and we think in terms of this French expression well incorporated into our language now. We can think in terms of liberty, equality and fraternity emanating out of the French experience and social justice. We could also think in terms of a case of *déjà vu*, because while we are here now we can think in terms of what took place the last time “de money run” and whether we are going through the same exercise. The repetition in the air becomes monotonous as we come each year and present a budget. We could think in terms of the first day when we assumed responsibility for ourselves and the changing of the economic system to make this “promised land” come about.

We could think in terms of the period of time—we are not standing; it is either we go forward or we regress—and the path that, particularly, our good friends

from the North have established, the question of globalization and how that impacts on us, the market system. We could think in terms of the early thinkers from the Caribbean, Nobel Prize winners, great development thinkers, as far as administration and economy are concerned and the heritage they have left for us. Now we have, as some will say, endless funding. There was a time we wrote beautiful plans. I do recall first plan, second plan, third plan and when the flow came what happened to the planning process. It was terrible; it just went out.

We heard about the Berlin Wall in recent times. I was fortunate sometime this year to visit the Holy Land and saw other walls being put up, but even before that time a wall was put up in Golden Grove under the long-term plans. The figure of \$209 million is still stuck in my mind. When the Maximum Security Prison wall was put up, even at that time there was a conflict about whether it should go, and the paper work, but it went up and has remained just surrounding empty space. Today, there are buildings within it. One wonders if that did not take place by mistake and if we could afford to put up those walls now.

Some progress has been made; the extent to which I would suspect are the universal goals of fairness and equity. We have heard what our colleague, the last speaker, Sen. Dr. Kernahan said; particularly very vividly on the types of generations we are now producing. My mind runs on a book by Dr. Marshall, a seminal work on the question of street children. Some of us, from our own experience, could think in such terms, but I think that all is not as bleak as it may appear. I had occasion to say something about the criminal situation and it has come out publicly, the Minister of National Security mentioned it, that it is just a small number, but it is very impactful on the society, but the challenge remains. We hope that would be addressed.

It has always been, in my humble view, that it was a question of the management of the resources and the changing on paper, even while planning. As we look forward to visioning and planning, we hope they will find expression in the visioning to come, but even that, in itself, appears to lack the dynamism which it should have. One wonders, with the flow of cash and the dynamics that are playing, what part the acceptance of those forthcoming plans would have, even if what is in it is relevant. These are some of the things that we look forward to. The budgetary process is future thinking, which we hope to authorize here today and implement.

I will touch, to some extent, on some of the matters that have emerged. I know much has been said before and will quickly go through my notes. What comes to my mind is the Revenue Stabilization Fund. I have mentioned in the past my own

*Finance Bill*  
[SEN. BRO. KHAN]

*Wednesday, June 15, 2005*

view, even from the experience of the last inflow, what other nations far more experienced than ourselves have done, the question of “putting aside”, in local parlance. Do not get me wrong when I say that we should not deal with some of the social matters that are before us. Our colleague, Sen. Dr. Kernahan mentioned it, as well as others. She highlighted certain areas which I am sure are being addressed. Unemployment still remains despite what we hear about manipulations taking place at the statistical level; temporary types of employment and what have you, but one does not get the feeling of the very soul of addressing unemployment. Poverty still persists; again, we might be operating an economic system that bears no relevance to real progress and growth.

Are we getting a fair share of even what the inflows are? Make no mistake about it, what we are getting is not because of our own working, so to speak; it is the natural material in the ground. The investors from the north—a past Prime Minister, one who has gone to the great beyond, spoke of them as “the international pickpockets”, but it might be relevant to think in terms of what he has left with us, some of these very terse statements that seem to be still relevant. Are we getting a fair share? It is good to check on that.

I make reference to the state of unreadiness—which became very evident when we reflect on what the tsunami disaster of December 26, 2004 brought before us—the question of preparation for any eventualities in Tobago or even in Trinidad. This is an important aspect. We are small island states open to the vagaries of the weather and the prediction, which they might be tracing statistically, is that some big ones are coming up. I would take it that though in this year there is no specific point of it, some mention was made of the tsunami and this, to my mind, allows me to talk about it.

I will also touch on the question of BWIA and possibly National Quarries Company Limited. Can we have some particulars of this loan that they speak of, the \$23.9 million; the loan to the Government of Antigua and Barbuda, re: Liat 1974 Limited? I ask these questions because if we are going to give loans, there must be some framework against which we give them. One would expect that coming out of the loan agreements, there would be something either about how it would be paid off, if interest is charged and what have you.

The question of National Quarries Limited, can we have some particulars of the financial plan that informed the injection of the equity, the pay back—the loan to meet its debt service management? Where can we have some particulars on the plan for T&TEC? When the debts are incurred, how are the repayments to be made and why is there the need for central Government to take up the debt repayment

charges? These are important. I do remember, I should say though, what comes to my mind with T&TEC. There was a time when T&TEC used to pay its way; of course, it might have been just slightly above break even, but then the inflows came.

I do recall saying when the subsidy was applied to T&TEC, in order to access some of the largesse coming to us, that this was one of the mechanisms by which the small man could get something from it. A pretty roundabout way, but that is how it went. It seems to me that much has not changed from that time as to using the same T&TEC experience. Over the period of time, we have heard of foreign companies coming in and buying out. They appear to be “profitable”, as far as their operations are concerned. This again brings to mind who benefits and who “dis ting running for”. Even in the subsidies, who benefits more? They are big consumers of the energy and, obviously, the subsidies would be a plus for them. We have heard our colleague, Sen. King making mention of these types of subsidies in the free market system. The question of dumping is real; we experienced that before with some steel wire when it left Iscott and went to Miami and I suspect it might be still there on the docks—I do not think the American people allow trash to stay too long—but it did not enter the market.

These are some of the things to look at, when we think in terms of how far these benefits go and who benefits. When we look at so much coming in and we see the situation of the mass of people, slight change and all that is being done is some kind of handout “ting” taking place and palliatives. One wonders if we can really build a nation on that. Madam President, this is real. I do not think that is one way we should go. Of course, we have heard from the Constitution that whoever is to govern, let them govern. I see myself as just bringing these issues to your attention and making suggestions.

I will touch on the question of transport, in terms of the island ferry service and BWIA. How good is it working? How many seats are really available or not available? Can you say that we are satisfied with the service and that it is relatively adequate for the travelling public? Would you give us any reasons if this service is not so? One gets the impression very often that you go to get tickets for the boat and there is a big mess down on the docks, as the case may be, or is it just a scant courtesy that we have for our own people? Very expensive boats; plenty money being paid; how long for? Would this continue? These are some of the things that come to my mind.

*Finance Bill*  
[SEN. BRO. KHAN]

*Wednesday, June 15, 2005*

I see under “Personnel Department”, training in the public service; so much depends on this. How far is it integrated into the whole system? What is hoped to be achieved and within what time frame? One would think that all objectives that we set will have a time frame and a control mechanism in place and we would make the necessary changes as we go along. The civil service has been around for quite some time. One could remember King, Lee, Lewis and a host of other thinkers that went into it.

Within recent times we have not had much of that type of investigation into the public service. I strongly suspect that where you have a weak public service, those who are in charge of it would be mortally afraid of even their own shadows, when it comes to the management of these substantial, mind boggling sums: \$30 million, \$3 billion. Of course, it might not be so difficult to show a broad face and talk plenty stupidity to people on the outside, but rest assured that whatever we may say there is an inward feeling that the accumulated knowledge of the people, whom we are supposed to represent, are by far wiser than all of us put together. Remember that; do not ever forget it, so that “one day, one day, congotay”, it will come down.

**10.40 p.m.**

I will touch on the question of the fire. Recently we had quite a big fire in town. One would ask why it did not happen before, because when we walked down Frederick Street and saw it, it was just waiting to happen. But it did happen, God forbid. I do not think anyone lost their lives so we give praise and thanks for that. But quite a bit was lost.

I do recall, too, the laying of salt water mains—and this is a good lesson; the question of the salt water mains and maintenance. As a young man I used to go down to the Tobago jetty to fish and there were some big pumps and ever so often the firemen would come and test the pumps. I do not know if they still do that, or what takes place with the salt water mains. But maintenance and preventative maintenance—I am sure all of us are familiar with those words—are very necessary in so many things.

I think I had mentioned in the past the question of the substantial sums of our budgetary process. Are they really geared to deliverables? Even if we were to look at some simple ratios against money and material, are they relevant towards production? These are simple matters that could be brought to bear. I know over time I have mentioned that there has been some improvement in formatting and change as far as the budgetary presentation is concerned, where we have moved

from a straight one-line item to sector, functions, and what have you, but it is still a far way off from being a real management document. So there, again, some of the techniques that may be available are totally away from us.

I would like to touch on the Ministry of Community Development, Culture and Gender Affairs because I think it is a Ministry that is doing some good work also. It is widely acknowledged that on the world stage raw material and the killing of people occupy the number one activity, as far as the economy is concerned. Culture is the next major economic activity, given all its aspects. One wonders whether the Government is really serious about making proper use of a true good Minister of Culture and to use that facility to really push our economy into other areas. One thinks in terms of that. I do not think so, despite all the hard work the goodly Minister may be doing. It is an area that has tremendous possibilities for social and economic development and amelioration. This is an area where the creative instincts of our people are allowed to work, to produce. And I have said before, one gets the impression that we are not making the best benefits of this area. It is an area, despite all that is being done, where we get, what I would like to term a, sort of, trickle-down effect, as in so many other areas of our activities on what is possible.

With regard to the economic transformation, I ask a question: Where is it? What is reaching down? Where is the change? I do not want to sound too dreary, but it is by reflecting on what we are about, where we are and bringing to bear some of the areas in which I think some change could take place, that we could definitely get to what we are about, making our country a better place. I remember hearing a poem not too long ago written by a gentleman, a very outstanding scientist in the area of nuclear activities. He had showed on a little sketch the potential destruction of the world, as far as nuclear weaponry was concerned. There were just about four dots on a big wide screen and he said that was World War II, while the rest had covered the whole screen. He said that we cannot go that way. He was speaking on a world platform about peace and achieving it.

I think the model is very graphic. We do not have a maccai here now, which the worthy Minister mentioned that though he was in graphic arts he did not have, neither did he have electrical fittings so to do. But it is, perhaps, by forming some mental images and applying it against a background of what is achievable—what can happen—I think we could possibly, at least make the attempt of trying to spur our own selves into some form of direction where this could be achieved.

That outstanding person was a poet also and he had given a poem in Spanish and the translator had given it to us. He had spoken about the holocaust which, as

*Finance Bill*  
[SEN. BRO. KHAN]

*Wednesday, June 15, 2005*

you know, was a terrible experience. I had asked at the end of it if I could clip on some sentences to his poem and he welcomed it. He appreciated, and the crowd also appreciated what I had said. As I said, he had written on the holocaust which, as you know, was a very bad part of the world experience in the last century, but yet my input into it was—and I do recall what I had said and I would add it on here and possibly we would look at it, because we are all on a journey when we think in terms of it. The words were:

“The rain and the sun and the wind and the campfires burning bright and the sun and the wind and the road again.”

It depicted and fitted against the background of that journey that one should make and one should always strive to be better, to be on a path where goals are clear, where we would be able to build our spirituality, a quality that I think we could always do with a little of, not the least inside here, and therefore work towards the improvement of our nation as such.

I would just like to deviate for a while to the question of one of the great challenges, not only of ourselves, but to the world and which our dear Sen. Dr. Jennifer Kernahan made mention of also; the threat of world HIV/AIDS, and also certain other elements that could definitely put us into a dark shade of finding ourselves in, what has been termed, a culture of death. I had mentioned this in the past. Unless we form the mental picture and take the necessary action to get out of that tailspin—not the type of spins that we so very often see displayed here, trying to make runs, if not to make animals of ourselves.

On the question of AIDS, I serve on the National AIDS Coordinating Committee, and on other committees as well, one of them being the Caribbean Council of Churches (CCC). I think the National AIDS Coordinating Committee has been able to form alliances in other parts of the Caribbean areas, because, as you know, the Caribbean area outside of south of the Sahara Dessert, has the second highest incidence of HIV/AIDS. So that speaks for itself.

One could never think in terms of addressing a challenge such as this as what we could do is ever sufficient, but I think that we are about it and to a great extent many of our people are highly motivated. My own feeling is that it is a long-range thing and it would have to go down, and the major exercise now is reaching down. I would think that if this House, in our own individual way, could make that a priority, even in our prayers, I think it would go a long way in helping to meet the challenge; to reawaken in ourselves the strong spiritual forces that we are capable of.

The IRO would be having their AGM shortly and I am sure, Madam President, you will know of it. You are one of our strong supporters. You are a person who is very cherished by so many of us. On the question of that challenge of HIV/AIDS, we have selected “Meeting the Challenge” as our theme this year and we are fortunate to have, not the director himself, because he would not be in the country, neither the chairman of the committee, but one of the very high officers who is totally committed, to give us our feature address. We, too, treat it as a high priority and in our own way are addressing—and we urge everyone—particularly the areas of discrimination and stigma, which are major challenges. I only hope that as far as the legal elements are concerned to give reality to some of the challenges that exist, would be treated with the haste that some of these legislation that are before us could possibly be matched. I hope what I am asking for here does not fall on deaf ears. It would only push the thing back. So as far as HIV/AIDS is concerned, we look forward to this.

Madam President, these are some of the things that are before us. Let me quickly summarize. I would like to see some change in the structure of the budgetary process which has implications, not only for the finance laws, but for our Constitution. There should be some form of revision of the way we approach it, in that even before finance matters come before us there should be a committee. We could short-circuit so much of the talk that we have seen taking place here. We know that paper within the bureaucracy is important. Without paper we have no work and without secrecy and knowledge in certain areas we see our power being eroded or corroded. But if we were to open up, as I have always said in the past, it would allow the areas of collaboration, participation and partnership to blossom more.

So allow me again to express my thanks for allowing me these few moments.  
[*Desk thumping*]

**Sen. Angela Cropper:** Madam President, I have very few points, six to be exact, and I believe I might be able to make those in as few minutes.

Last night in my contribution to our discussion on the Anti-Terrorism Bill, I began by saying that it would have been very helpful if we could have considered the provisions of that Bill in the context of a better analysis and diagnosis of our situation, a better rationale and a more complete context within which we could have assessed it.

I make the same statement now in relation to the Bill before us—the Finance Appropriation Bill—because this Bill seeks a very, very high level

of appropriation. I find that the assessment of how far the 2004 Budget provisions and objectives have been achieved, and the rationale and justification for some of these supplementary requests, are not very well established. I find it therefore very difficult to carry out my function here in this Senate on behalf of the public interest without that sufficient basis and justification. [*Desk thumping*]

I make this point because I think that without that kind of context, analysis and justification for what is brought before us, we would be invited to carry out a very perfunctory function here; and I do not think that is why we put aside our Tuesday afternoons, into evening, into night, or the time to read and prepare, in order to come here to go through the motions of discharging an oversight function on behalf of the country. It might appear to the Ministers who are presenting and introducing bills for the Senate, that to take more time to amplify the basis for the bill that is being brought, or in this instance the requests that are being brought for appropriation, might seem too long a time to take to introduce and to justify the bill. But I think, as we have seen here this evening, that perhaps more time to have done so might have saved a lot of time in the discussion, given the frequent repetition of many of the points made by various speakers. So I am making that as an opening point in the hope that we might give a little more thought to the way in which the matters are brought before the Senate and to enable us to do a better job and a more conscionable job in carrying out the duty that we have.

The second point I wish to make is that it seems to me that the magnitude of the appropriation that is sought, itself invites a debate that amounts to a full-fledged budget debate, and I should like to keep my points and contribution more in the nature of what a Supplementary Appropriation Bill should seek to do. In that regard I would like to say that I find that many of the elements of the Bill that is proposed, could have been foreseen and are foreseeable in nature and, therefore, I question why they are here before us in an appropriation bill. I would only cite, as I go along, a couple of the examples before us without going through the whole schedule of elements here. A lot of them do warrant attention and comment, I am sure, but not at this stage of the night.

For example, “Debt Servicing”: It is difficult to see why debt servicing is brought as an element here in a mid year appropriation. Surely, that is something that was foreseeable in the debt servicing provision that needed to be made in the budget. The same could be said about “Personnel Expenditure”. We are asked to approve here, personnel expenditure, but a very good explanation of what accounts for this additional personnel expenditure is not given. Similarly, we have

a request here for a contribution to the equity of the National Quarries Company Limited.

One wonders why we are increasing the equity in that company at this time, and in a supplementary appropriation, when we have not been able to proclaim the Mining and Minerals Act, 2000 which provides for the administration and regulation of the quarries, and when we have a national quarries policy under revision. It is not clear to us from the statement that is made there what it is we intend to do with \$25 million, given that state of affairs. I would have thought that recognizing that we have an Act that has been in process for five years, that has not been proclaimed, now deemed to be requiring revision, and a policy for quarries that is under revision, that it would be even more incumbent in that situation for us to explain why we need, in a mid-year appropriation, to have \$25 million increase in equity there.

Similarly, I find that there are elements of capital expenditure that one wonders whether they could not have been foreseen. For example, there is a provision here for \$11 million to contribute to the completion of the renovation and repairs of the Chancery and residence of our High Commissioner in the United Kingdom. One wonders: Do we not have a programme for the upkeep and maintenance of our property abroad, in which we plan to do certain renovations and repairs year by year and, therefore, that such expenditure is foreseeable and can be estimated and budgeted in the regular budget? Why do we have to seek an appropriation for that order of cost? This \$11 million that is requested is not for the undertaking of renovation and repairs, but for the completion of the renovation and repairs. So it indicates that there is a lot more than \$11 million that has gone to this particular activity. What struck me here is: What is the nature of the priority for this activity that it needs to be brought at this time if it was not anticipated to be done in the course of the full budget?

I work in some communities in the Northern Range and there is a particular one in which we are actively involved, and we go there very frequently to help and work with this community. What the residents have for a community centre is a very rough patch of earth, covered with rusty galvanized sheets, in which there are gaping holes, and we sit on seats that are made from tree stumps and rough hewn wood; there is no lighting, so we do our business with them and get out before dusk. I wonder how many modest community centres \$11 million might have built throughout our country to enable our communities to have a place to convene, to come together and to try to work together. This is one of the ways in which we could not just build communities, but also address some of the

*Finance Bill*  
[SEN. CROPPER]

*Wednesday, June 15, 2005*

problems that we are confronted with in the country; problems of anomie, delinquency, crime, violence, breakdown of family, breakdown of parenting, breakdown of community and village life.

Having made these comments, the other point I must mention here again, under “Capital Expenditure”, is a provision for national street lighting. Why in a supplementary budget? Do we not have a programme for illuminating the country that is a standard capital development programme, which we can plan and programme and include in a substantive vote in the regular budget each year? Why do we propose here we are going to upgrade so many lighting fixtures? Is that not a maintenance programme that is something that should be there, year after year, being done? Why do we have to address the street lighting needs of new housing developments in a supplementary budget? Is lighting not part and parcel of our planning for community development and building houses? Do we not put in the lighting infrastructure at the same time that we build the houses? To crown it all, we have just discovered that the country is in darkness, so we seek to now illuminate it to provide a deterrent to criminal activities!

All of these things lead me to feel, from what is presented to us here, and what was presented to us in the budget that was approved last year, that our approach to planning is very inadequate indeed, and from these measures that are presented here, it is clear that we have a very, very ad hoc approach to providing the solutions to the problems in the country. Many of these things should have come to the attention of the Parliament in the context of the budget. Many of these things should be outlined in a development plan which should be guiding the way in which we allocate the expenditure; guiding the way in which we prioritize the needs that we have; so we could debate the relative merit and priority of community centres for communities *vis-à-vis* the renovation of the Chancery and the residence of the High Commissioner in London.

The third point I wish to make is one relating to accountability. It seems to me vital to any appropriation bill, that it must be predicated on an account of what has happened, what has been achieved with resources previously allocated. That is the only basis on which it makes sense to me to consider what an appropriation is all about, whether these are justifiable and legitimate requests for further use of public funds. Without that, I do not think we have a very good basis for considering any appropriation bill.

The other point about accountability is that it is impossible, really, for us to carry out our oversight function about the use of public funds by the Government, because I have noticed since being here that there is a long lapse of time before we are presented with the audited accounts of our national public authorities. Some of the accounts that we have received here, since I have joined this Chamber in January 2005, go back to audited accounts for 2001—2002. It is impossible for us to carry out our duty and our function on that basis. And given a situation where there is such a lapse in the auditing function, or bringing those audited accounts to the Parliament, it puts a higher onus on the Government in bringing an appropriation bill to make sure that there is an accounting that takes place, about how the funds in the budget under these respective Heads have been used to date; what has been achieved; why, and what are the reasons for asking for more money at this stage. All of this is part and parcel of the accounting that we need to do and I really do not think we good accounting for the use of such funds.

On the matter of accountability, also, I cannot help but ask: Why can we not have a report or an accounting on the Green Fund? Why is this such a mystery to the country? Why have we never had a proper explanation of where this fund stands, what is it used for; what are the governance arrangements for its use, and so on? There is a widespread belief outside in the society that the CEPEP is funded by the Green Fund. Well, if that is the case, why not declare it? What is the great mystery about this? No one is against redistribution in the society. Lord alone knows how much we need that. But we certainly need far more creative, constructive and imaginative ways to achieve it than through a programme such as CEPEP. It is no different from the parade of such programmes we have seen from the 1960s. The first one, I think, was called the “Crash Programme”, and we have gone through many different incarnations of the same approach to creating what was intended to be a safety net, but what has now become institutionalized as a way of doing business, but which only keep people who are already marginal far more marginalized than they were before. [*Desk thumping*]

Such programmes are not providing a mobility for people to move through the system and have a possibility of attaining a livelihood that is sustainable, that is more respectable and that contributes better to their well-being and overall to the equity in the society. This is a tired, old formula. Surely, in the first decade of the 21<sup>st</sup> Century we can do something different and better than this. [*Desk thumping*]

*Finance Bill*  
[SEN. CROPPER]

*Wednesday, June 15, 2005*

If we were to examine what the Green Fund is doing; what it is being used for; and if we have a proper discussion about the limitations of the CEPEP programme to achieve what it seems it is seeking to do, then perhaps a whole new body of ideas and thinking may come forward. But I think when the Green Fund is clothed in such mystery and when we have no accountability of how CEPEP activities are funded, then we cannot elicit from the Parliament, the Senate, or the country as a whole, any new set of ideas or thinking about how we address these problems. I think accountability, if we practise it, and if we were a bit more diligent and conscientious about it, may enable us to unleash a whole new wave of thinking and new and fresh ideas about how we can address the problems of the country.

The fourth point that I wish to make is, in a sense, more of a question. I wonder what happens to all the suggestions and ideas that come forward in this Chamber in the context of our debate on bills that come before us. For example, the very first bill upon which I made a contribution was the amendment to the Offences Against the Person Act that was debated in February of this year. I remember Sen. Dana Seetahal making some points about the importance of police training in order for the objectives of that bill to be properly fulfilled. I added to that by also talking about the need to do whatever was necessary to get our Magistracy and our Magistrates' Courts to function better and to be more comfortable and civilized places for citizens to attend. I also talked about the need for public information and public education about those amendments that we were passing on that evening, if they were going to have any effect at all.

One would have thought that some of the things that we debate in this Chamber that come after the budget, would be an appropriate source of requests for funding and for appropriation, so that we can actually put on track what is necessary to be done in order to cause them to come into being, to be given effect, and to have some impact on the society. If we do not do that, and if we do not make it a part of our practice to be able to take up and interpret what needs to be done and represent it in our budgets and see what resources we require, then they are likely to continue to suffer the fate that so many of our bills and Acts do.

For example, the DNA Act, such an important piece of legislation to the counteraction of crime and violence in the country, to the processing of many of these cases that clog up our courts and our judicial process, yet such a long period of time elapses before it is enacted and before it is actually put into practice; because the training, the equipment and the resources take such a long time to come into being. Surely we can accelerate all of those things if we make a

better articulation between the work that we do here in the bills that we debate, in the suggestions that we make, and then see what is necessary to translate those into action and by representing them in a supplementary motion, where necessary. That would have been a very good source of requests and proposals for appropriation in the mid-year.

The fifth point I wish to make is to recognize—like I think we all do—that times are good for the country right now, as an entity. It is not good for everyone, unless we can really do some things to transform the society and to build more equity within our development policies. Those good times have come, and are coming, in a seemingly effortless way, because we have to do very little in order to convert our wealth and our national patrimony to income which is ready to be spent. But I think that we have to remember that all of this is built upon wasting and non-renewable resources, and I thoroughly endorse the political economic analysis that has been done for us this evening by Sen. Mary King. The basis of our economy right now should give us cause to consider the grave implications for us for the future. The first imperative of our planning spending should be the transformation of this economy and society. If we were not to do that, I fear that at the time that we should be achieving so-called First World status, whatever that means, we are probably going to discover that we are becoming the biggest basket case in the Caribbean Community. One does not see that being intrinsic to the budget that was approved last year nor in the Supplementary (Variation of Appropriation) Bill that is before us this evening.

Finally, I would like to end on one point that has nothing to do with the Bill before us, but does relate to part of our discussion this evening. Since joining this Chamber, I have been quite appalled at what passes for debate in the Parliament of the country as we seek to discharge our public function on behalf of the public interest. The name-calling, the insulting and the backbiting is something that is irresponsible and I am so happy sometimes when I look up and I see that the media have left, because I think that might be one saving grace of this Chamber, in that they only get about three hours' coverage of what passes for debate here. What reassured me this evening was the fact that Sen. Augustus raised this as an issue. For the first time I have heard someone, an experienced Senator, raise this as an issue here, that we have to take stock of our behaviour and be conscionable about how we relate to one another, because how we relate to one another here is indicative of how we would relate to one another out there, and is indicative, indeed, of how the society is relating to one another.

*Finance Bill*  
[SEN. CROPPER]

*Wednesday, June 15, 2005*

So I am very reassured this evening that Sen. Augustus has raised that point. Sen. Seetahal has expressed her view on it and I also would like to express my view on it. I am here, as I understand my role, to speak on behalf of the public, to be concerned about the public interest and to contribute to the best of my knowledge and judgment, to what might contribute to the well-being and to the development of the society. I am not here to represent a part of that society, but all of it; and I do not think that this is a place for us to be accusing one another and talking about our “natural constituencies”, and other such things. That may be appropriate for the platform at election time, but certainly not for Parliament; because when we are here, we are not required to represent any natural constituency except the national constituency. [*Desk thumping*] I hope that with the discussion that we have had here this evening on that particular issue, that we are all conscious that that is a role we are here to do, and that is a role that we will carry out.

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

**Sen. Wade Mark:** Madam President, Charles Darwin said: “It is not the strongest of the species that survive nor the most intelligent, but the one most responsive to change.” Has the PNM changed? Not at all. It is said that a leopard never changes its spots. I want to address this to my dear friend, the Minister in the Ministry of Finance, Sen. The Hon. Conrad Enill. You cannot create the future in a structure designed to repeat the past. But what else can we expect from a regime that, in terms of its thinking, remains fossilized, possesses a kind of Jurassic Park-type thinking, is tired, archaic, old, sleepy and virtually like “douens” at large. [*Laughter*] [*Desk thumping*]

From the PNM’s perspective, the world economy is still changing. They do not understand that the world economy has changed. I would like to share with you this evening and tomorrow morning, as we proceed—if I am allowed—[*Laughter*] an article in a journal called *The Foreign Affairs*. It is entitled: “The Changed World Economy” by Peter Drucker. It is in the spring of 1986, so you could imagine the distance we are talking about. But we are dealing with the regime today. Listen to what he says:

“The talk today is of the changing world economy. I wish to argue that the world economy is not changing, it has already changed.”

That was in 1986:

“It has changed in its foundations and in its structure, and in all probability the change is irreversible.”

He went on to say:

“Three fundamental changes...”

And I want to add a fourth:

“have occurred in the very fabric of the world economy. First, the primary products economy...”

Third World, basically:

“has come uncoupled or de-linked from the industrial economy.”

He goes on to say:

“In the industrial economy itself production has come uncoupled or de-linked from employment.”

He goes on further to say:

“Capital movements rather than trade have become the driving force of the world economy. The two have not quite come uncoupled but the link has become loose, and worse, unpredictable.”

I want to add a fourth fundamental change that has taken place: Information has been uncoupled from the international economy.

It is clear that there exists a huge gap between the rate of change and the rate of learning in this Government’s thinking. A society can remain healthy or become dysfunctional depending on its ability to adjust or adapt to the turbulent global environment which we currently inherit. Incompetence is a manifestation of a regime that has become unhealthy and dysfunctional. You will agree with me that information is a dominant wealth-generating resource of this world economy in this century, and it flows at the speed of light, at nearly 186,000 miles per second in the global space that we occupy.

What we have witnessed so far over the last four years under the watch of this regime, is a mindset of poverty and not a mindset of wealth. The global economy is information-driven; it is market-based and, of course, it is dominated by a few developed countries, but in that environment we have to challenge and to compete in an uneven playing field. We have to build alliances and partnerships to compete in the new global reality with which we are faced. Therefore, I want to indicate to the hon. Minister in the Ministry of Finance, do not follow that theme

*Finance Bill*  
[SEN. MARK]

*Wednesday, June 15, 2005*

of 2020. We must create our future today. We must create our future in the present period and not in 2020.

The PNM must understand—you know, Winston Dookeran has been saying this over and over—that power without knowledge is a dangerous recipe. This Government has power but it has no knowledge [*Desk thumping*] and that is a dangerous recipe. That is why this country is cascading down a precipice. The Government has power and no knowledge. Poor Minister of National Security, he should be at home sleeping. He is not up to the job; he is tired; he is old; he wants to rest. [*Interruption*] Do not worry about me. We will be in charge shortly.

A country, like a company, should prepare for an unknown future. Do you know that “Stretch?”

**Madam President:** [*Inaudible*]

**Sen. W. Mark:** No, I am saying “stretch” like you stretch here. I have to stretch, man. [*Laughter*]

**Madam President:** I might be sleepy—

**Sen. W. Mark:** That is to wake up the Senate.

May I repeat? A country, like a company, should prepare for an unknown future, either by creating or trying to create this new future for itself or creating the conditions that would allow it to exploit the future whenever it unfolds. We must, therefore, continue to question and to query everything. But for the PNM, it is business as usual. The Chamber of Industry and Commerce has criticized this particular Finance Bill, 2005; the Trinidad and Tobago Manufacturers Association has also criticized this particular measure that we are debating today. They, too, like you and us, cannot fathom what was the basis or the rationale for this huge increase in Government expenditure for this fiscal period, and I think we have about four months remaining.

The Government is about blowing our resources; blowing our money. It does not care. Money, according to Sen. Dr. Lenny Saith—he did not say it in so many words when he had that hastily convened press conference at which he summoned both the Minister of National Security and the Minister of Sport and Youth Affairs, on the \$850 million stadium they want to build in the San Fernando East constituency of the Prime Minister.

**Hon. Senator:** It is not in San Fernando East.

**Sen. W. Mark:** Well, Tarouba, I think. Do you know what? He reminded me of the late “father” of the PNM, Dr. Eric Williams, when he said: “Money is no problem.”

**Hon. Senator:** He did not say that.

**Sen. W. Mark:** Well, words to that effect. There is a tendency on the part of this Government to increase spending as revenues increase without due regard for efficiency with which the revenues are spent. Sen. Prof. Kenneth Ramchand made some interventions earlier and he was asking the question about accountability in the context of bringing to this Parliament some information, some detail, on what has been spent so far; what have we received for what we have spent, given the budget allocation of September/October 2004/2005. But the hon. Senator ought not to be surprised. We just do not have a culture of measurement in this economy and in this nation. Everything goes. That is why we can get this kind of document before us, just making demands without giving any slight indication or information on the basis for the demands that are being made.

This Parliament is seen purely as a rubber stamp. They disrespect the Parliament and, by extension, the people of this nation. It is clear that the PNM is experiencing an upsurge in revenues. But do you know what? They are replicating the experiences of the 1970s. They have not learned. They are an old and tired bunch. The thinking is not there. They are still in the 19<sup>th</sup> Century. The country has gone ahead of the PNM and they are engaging in reckless spending. They are allocating our resources to projects, programmes and activities that, at the end of the process, will not be sustainable, will not be productive, will not add value, will not bring real returns to our nation. They have demonstrated an enormous capacity for expenditure largesse. They are on a virtual spending spree, without regard to the sustainability of the revenue flow that we are currently experiencing. We have learnt no lessons from the economic history and experience that we have had in the 1970s.

I would like to ask the hon. Minister of Finance of the source of this new revenue flow. He has to account to this Parliament on the source or sources of this new revenue flow. He cannot leave this Parliament tomorrow morning without letting us know the source or sources of this new revenue flow. Was the PNM unable to anticipate this increase in the revenue that we are now experiencing? I do not know. Did the increased surplus come from the natural gas sector? We need to know. Or did it come from the oil sector? We do not know. We have not been given any information. Did it come from new business opportunities? Where did it come from? We do not know. He has not told us. Is the budgeting process

*Finance Bill*  
[SEN. MARK]

*Wednesday, June 15, 2005*

flawed? Is that what we are seeing with this huge increase in Government expenditure? Or has the oil and gas tax regime been amended and therefore the oil giants are now paying more? We do not know. Or is there no amendment to the oil and gas tax regime? What is the basis for this new flow? Is it a deliberate attempt by the Government to underestimate its revenues? Is it the intention of the Government to engage in a programme of reckless spending that is clearly not sustainable in the medium term?

I ask these questions and I hope the hon. Minister of Finance who is going to provide the conclusion to our debate tonight, provide us with some answers. The PNM regime has an insatiable appetite, almost capacity, to waste money. Where did the surplus revenue come from? The economy has been virtually flat. For the last eight months there was no activity. It is stagnant! The price of oil, for example, has remained relatively firm during that period, also gas. Is the Government secretly embarking on a policy of borrowing and in the process expanding the public debt? We need to get some answers from the Minister of Finance, because we do not understand the basis for these huge increases in expenditure. Were the initial allocations inadequate when this Parliament approved them eight months ago?

**11.40 p.m.**

Why did the Government not take steps to reduce the expenditure towards its social sector programmes? They are boasting that unemployment is down to 7.7 per cent, yet the social expenditure programme is near \$2 billion. How can unemployment be 7.7 per cent and your social programme continues to expand? The unemployment rate is a bogus rate. The Government is fooling the population. Since they came to office, this Government has rebased the gross domestic product. They have revised the index of retail prices in this country so that inflation would be bogus and artificial because they have doctored the basket of items that would normally be used to measure the cost of living in this country.

The latest bogus manifestation that we have had here is how they have gone about measuring the unemployment rate in this country. I will tell you why. In 2001 and 2002, the Central Statistical Office produced a document called *The Continuous Sample Survey of Population Labour Force Report*. In this report, do you know how unemployment was measured under the UNC? Page 180 of this report states:

The unemployed as measured in the continuous sample survey of population includes therefore, all persons who look for work during the three-

month period preceding enumeration and who at the time of that exercise did not have a job, but still wanted a job.

This was the method used by the Central Statistical Office until the PNM doctored and ordered a change. I will tell you what change they ordered. I refer to the *Express* of May 23, 2005. The headline is “OWTU president: Real unemployment closer to 14%”. This is what it said and I want you to listen carefully. We will expose this bogus regime throughout the length and breadth of this country. This article was written by Andy Johnson.

“All countries are asked to explain the definitions and methodologies they use,...after saying that India uses a method by which it measures employment over a six month period, other countries use measurements over a one year period. In the U.S. such surveys are conducted on a monthly basis. In many developing countries these are compiled on a quarterly basis and in still others it is over a much shorter period, even as short as one week.’

Trinidad and Tobago uses the one week...”

In 2001, the CSO was using a three-month formula. In 2003, the PNM changed that formula and went to a one-week formula. [*Interruption*] Let me speak. A “fella” called Simons works at the ILO office. I challenge any minister to deny this statement. He said,

“...the authorities here ‘refuse to publish the methodology they use...’”

In this document the methodology was clearly enunciated for everyone to see how unemployment is measured in Trinidad and Tobago.

“By this method, persons are surveyed as to whether they have or have not been employed in the past week. The definition of employment here,...is that a person can qualify if he or she had had one hour of work a day for some period during the last couple of weeks.”

They are doing a survey. I am unemployed for the last couple of weeks, but the week that the survey is being done I get a job for one hour, they capture me as being employed. That is how they come to 7.7 per cent.

“Even by this measurement, not everybody who is not working today will qualify as being unemployed.”

This is something that the Government chose to employ.

The ILO’s resolution does not specify how long a person needs to be without work or how long they may have been looking for work, but the person being surveyed has to be determined to want work.

*Finance Bill*  
[SEN. MARK]

*Wednesday, June 15, 2005*

In that week in which the person is being asked about it, if he or she expressed no desire to be employed, this is not somebody who is going to be described as being unemployed. That is a dishonest method! That is why the technician justified why they used the three-month period and not the one-week period. It is here in black and white. You want to look good and mamaguy the population. You tell the country that we have 7 per cent unemployment when the real unemployment could be about 24 per cent. I read that because I felt that it was important to let you know the bogus arrangement that is passing for government in this country.

Let me go to the Public Sector Investment Programme (PSIP). As I recall, it was about \$1.7 billion when the budget was read and passed. The Government has now increased the PSIP by almost \$1 billion; it now stands at \$2.7 billion. We get no justification from the Minister of Finance for such a huge increase. We would like to argue that a large proportion of the allocation to that particular programme is to address huge cost overruns in a number of ongoing projects which the Minister of Finance—I will not say that he is less than honest. I will demonstrate to you where the cost overruns have occurred in the document before us. It is inefficiencies in the management of these projects. We need to get from the Minister of Finance the reasons for these inefficiencies and cost overruns. He needs to explain that to us. You cannot come here and expect us to support you.

I want to go to the document that we got from the Minister of Finance. The first area of cost overruns that the Minister of Finance was less than straightforward in levelling with this Parliament is the Scarborough Regional Hospital, a project that is riddled with corruption and somebody should have been handcuffed and imprisoned via the political mongoose gang, calling itself the Anti-Corruption Investigation Bureau. There is a cost overrun of \$100 million for the Scarborough Hospital and there is no explanation. Pass it off like if nothing is going on. We are fools in this Parliament. We do not understand what is happening. That is why he did not explain to us.

On page 7 of this document under the development programme for the Ministry of National Security, supplementary funding for the upgrading of the coastguard base to the construction of the jetty at Staubles Bay, there is a cost overrun amounting to \$65 million.

They want additional funds for the implementation of agricultural access roads. They were given money already. There is a cost overrun of \$35 million to be allocated to the Ministry of Agriculture, Land and Marine Resources.

I ask the Minister of Finance and the Attorney General: What are you doing with the directors of the RHA in the northwest? These people misappropriated, misspent, mis-allocated \$102 million by employing their friends and families. That is tantamount to misbehaviour in public office. You come here today, to give the NWRHA the same amount of money that they were given before and they were supposed to pay as PAYE to the Inland Revenue Department. That is misbehaviour in public office! You want us in the Opposition to support this. We can never support this! The UNC will not support this! This is corruption! Later on we will come to the national entrepreneurship programme.

On page 10, you have the sum of \$2.8 million for a ghost programme, the National Housing Authority Refurbishment Programme which started at \$45 million and went to \$85 million. Jennifer Lopez, John Wayne, Marlon Brando, resurrected from the dead. They come to collect cheques! What is the Attorney General doing about that? You bring this Bill for us to support! How can we support that? That is inexplicable!

I pause for a cause. I think Sen. Angela Cropper raised the question about street lighting. Last Friday the Prime Minister announced the date for the by-election in the Siparia East/San Francique South electoral district. That \$20 million for lighting facilities did not arrive there accidentally. I assure you. Information has reached us that out of the \$100 million allocated to the so-called National Social Development Programme, the PNM has already earmarked the sum of \$25 million for the by-election of the Siparia East/San Francique South seat to run water and street lights in places like Palto Trace, Ramnarine Trace, Murray Trace, Saltmine Trace, Teemul Trace, Montoute Trace and Arthur Garcia Trace among others. WASA workers who were on projects have already been reallocated to this specific electoral district to promote the PNM's agenda for the electoral district of that particular constituency. That is why \$100 million was allocated all of a sudden to the National Social Development Programme and \$20 million came out of the blue to be allocated for street lighting.

**Sen. Jeremie:** The hour is late. Sen. Mark, I wanted to know whether this is a matter which you wish me to investigate as well dead. [*Laughter*]

**Sen. W. Mark:** How can you investigate it when your Prime Minister has given instructions?

**Madam President:** Sen. Mark, I will ask you not to refer to the Attorney General as "this boy".

**Sen. W. Mark:** Oh no. Sorry, sorry, sorry. I meant no disrespect. I think that is a compliment because you look like a youth, so I say you are a boy. If you feel

*Finance Bill*  
[SEN. MARK]

*Wednesday, June 15, 2005*

that I should say that you are a man, I say you are a man. No problem. I cool with that. I humbly apologize. If you take it personally as how when I stretched my hand to give you a handshake and you refused, okay brother. Senator rather, the honourable.

How can you investigate a programme that your Prime Minister has issued instruction on involving \$25 million of the \$100 million? Corruption! Using public money for public campaigning.

Look under the Ministry of Public Utilities, cost overruns are \$4 million and \$2.8 million. It goes on and on in terms of cost overruns.

On page 16, the Ministry of Sport and Youth Affairs wants an additional \$5 million to enable the Sport Company of Trinidad and Tobago to undertake additional sport programmes. They did not anticipate that? This is all part of the politics and poor budgeting. I ask the Minister of Foreign Affairs who is taking a long rest this evening—I want to awake him from his slumber. You have been sleeping for a long time, three hours now, I checked. Minister of Foreign Affairs, may I wake you, with the President's permission? Would the Minister of Foreign Affairs explain to the Senate, this \$11.4 million for these repairs at this particular residence of the High Commissioner in London?

**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. S. Baksh*]

*Question put and agreed to.*

**Sen. W. Mark:** Thank you. I know that the heat is a bit warm; plenty. The reality is that we need some accountability on the huge cost overruns that have occurred in this particular budgetary period.

I ask the Minister of Community Development, Culture and Gender Affairs to explain to the Senate, what is meant by “national service”.

**Sen. Yuille-Williams:** Let me answer.

**Sen. W. Mark:** No. Talk to Enill. Just now Joan, I do not have the time for truth. Seriously.

**Madam President:** You are not giving way to the Minister?

**Sen. W. Mark:** No. I just want to get some things clear.

**Hon. Senator:** Who is Joan?

**Sen. W. Mark:** The hon. Joan Yuille-Williams, my dear friend of longstanding and the only one I will really vouch for when you all are removed from office. May I go on?

I would like the hon. Minister to tell this Senate through the Minister in the Ministry of Finance what is meant by “national service” in this document.

I would also like to find out why on page 58 of the document dealing with the Schedule we are allocating to the Trinity Cathedral restoration works, a sum of \$600,000. It was \$500,000 it has gone up by \$100,000. I know that there is a separation between church and State. The church does not control the State and the State does not control the church. When you begin to discriminate or choose one particular religion to give support to, I would like to know the basis. I have nothing against the Anglican community. I am asking whether tomorrow if the Catholic Church can approach the Government and ask for \$10 million to help them repair, or the Hindus, or Muslims. I would like some answers because I find it very strange that this sum of money is being allocated to this particular church.

What about the vendors?

**Madam President:** Senator, will you give way to the Minister?

**Sen. Yuille-Williams:** Very quickly. The vendors have all been taken care of. Almost 200 of them have been given interest free loans which they will pay over a period of five years with one year moratorium. They are now into business classes; they have done six seminars. If you go tonight, they should be finished by now. They are at Small Business Enterprises. They will be working for the next six months. They are well taken care of, that is why you are not hearing about them.

**Sen. W. Mark:** I am happy to hear that. I am always happy to ensure that the ordinary people are being taken care of. I have no reason to disbelieve what you have said. We will have to take it.

I would like the Attorney General through the Minister in the Ministry of Finance to explain why this Integrity Commission which I have described as a morgue has received \$2 million. We want to know what that \$2 million is for. Who were the attorneys involved in this particular transaction? What work were these attorneys hired for? *[Interruption]* No, you will speak; you have a chance; you cannot be taking up my time. I have a limited time, unless Madam President, you give me extra time.

**Madam President:** No.

**Sen. W. Mark:** The hon. John Jeremie will speak after I speak. You have one hour to do so. I would like the hon. Attorney General to tell the Senate why this \$2 million was paid; to whom; for what purpose and what appearances did these people make? We would like to know. I would like to give him the opportunity when I am through to rise and speak.

After the Attorney General answers me later on, the real question as far as we are concerned is one of poor economic management of our economy by this derelict regime. There is no justification for the shameless expenditure that we are being asked to approve. This is tantamount to a failure on the part of the Government to establish a tight rein on spending. It is clear that the Government does not control the flow of oil revenues in this country. It appears that the oil giants are in effective control of Trinidad and Tobago in the area of our revenues. Much expenditure is being promoted in this Bill, however, there are no accompanying explanations for the new revenue flows. We would like the Minister to tell us how his technicians could have misled him, the Prime Minister and the Minister of Trade and Industry on the revenue flow. There has been no significant economic change. Do these oil giants including bpTT have this PNM under their firm control?

**12.10 a.m.**

We want to know who is in charge of this country! Is it the “bps”? We believe that “bp” means, back pocket! We believe that the PNM regime is in the back pocket of the bpTTs of this land! [*Desk thumping*] Madam President, that is what is going on here!

Oil companies are supposed to pay their taxes on a quarterly basis. We would like the Minister of Finance to tell us whether their intakes and their payments at the end of December were low; whether at the end of March, they were high or they were low, and what does he expect them to be at the end of June. It seems like these companies are playing footsie with this regime! They are playing footsie with this Government! We want explanations from the Ministry of Finance!

Madam President, I am putting this on record tonight. We have called on Mr. Robert Riley, the CEO and Chairman of bpTT to make public that contract between Maranatha Geophysical Services Limited and bpTT! He has refused to do it! We are going to write to him and we are going to give him a specified time! We are then going to journey to London to the CEO and Chairman of BP

International, who has already given to this Government US \$10 million for the University of Trinidad and Tobago! We want to know if there is a link between the delay in bringing the oil and natural gas tax regime to this Parliament; this US \$10 million and the Maranatha contract. We are only asking questions.

**Hon. Senator:** And after that what would you be doing?

**Sen. W. Mark:** After that we are taking you, not to a political anti-corruption bureau, not to a mongoose gang; we are taking you to Scotland Yard! Police, that is where we are going to take bpTT and this Eric Williams of the PNM! Then we will inform Tony Blair about what is taking place! *[Laughter]* *[Crosstalk]* Madam President, we believe that bpTT is playing politics in this country. We believe that the Government is playing handsy pansy with that multinational corporation.

The Government must be in charge and it must not give the impression to this country that a multinational is in charge of it. I have a great problem—Madam President, if it were you or me and we were in government, and we had a company and we signed a contract with an oil giant that you had to negotiate with, you would not have done it. On ethical grounds alone you would not have done it. *[Desk thumping]* It has happened in the PNM and the Prime Minister and the Minister of Finance must take accountability for this development! Billions of dollars are being lost to this country because of the delay of the PNM in bringing a new oil and natural gas tax regime to this Parliament over the last four years! *[Desk thumping]* We want to know if there is a link between bpTT and the Government! Why is the Government delaying the implementation and the tabling of a new oil and natural gas tax regime?

Mr. Attorney General, you are a decent “fella” but I do not trust you. *[Interruption]* No, sorry. Did I say boy?

**Hon. Senators:** No, you did not say boy.

**Sen. W. Mark:** No, I did not say that.

Madam President, the key point I want to make is that we cannot support the measure before this Parliament. The measure is riddled with corrupt activities! They want us to endorse illegalities! Sen. Dana Seetahal made a point—I was not in the Chamber but I heard her—What is the legal status of the Special Anti-Crime Unit? Is it a legal entity within the framework of Trinidad and Tobago? Or, is it a private army under the control of the Minister of National Security that we are giving \$73 million to? You want us to support that? We cannot support that!

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

*Thursday, June 16, 2005*

Madam President, with these few words, I am telling the Government that we want answers. Conrad, I want to tell you, because you are a nice brother, if you do not give us answers to our questions and concerns, it is not Wade Mark or the UNC; it is the public of Trinidad and Tobago! They are the ones to whom you would have to account, because we would educate them every single opportunity we get!

Thank you very much, Madam President.

**The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):** Madam President, let me thank all those who have contributed to this debate, including the last contributor. I believe there was a high quality of contributions. We have a lot of work to do and we have the resources at this time to make a difference and, in fact, we have the courage to do it. [*Desk thumping*]

Chapter 8 of the Constitution is entitled, "Finance". At section 112 it says:

"112. (1) All revenues or other moneys raised or received by Trinidad and Tobago, not being revenues or other moneys payable under this Constitution or any other law into some other public fund established for a specific purpose shall, unless Parliament otherwise provides, be paid into and form one Consolidated Fund."

It talks about withdrawals; it talks about authorization, but it also talks about the following:

"113(3) If in respect of any financial year it is found—"

A financial year starts at the beginning when we do the budget presentation and it ends when we do another budget. I continue to quote:

"(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 any 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."

Therefore, Madam President, the exercise that the Government is engaged in this morning is a responsibility of the Constitution and we are, in fact, carrying that out.

What this debate has suggested to me though, is that there seems to have been something wrong with our process.

Madam President, I did this Bill in the other place. Let me explain the process in the other place because I think that it is unreasonable to expect something that cannot be done. In the other place this is what happens. The documents are laid and there is the Finance Committee meeting. What happens then is that every single question that could be asked is asked. The technocrats in the ministries have 48 hours, I believe, and they provide written answers for every question. That is then submitted on the day of the debate; that is reported at the level, when the Parliament meets and then we debate the Bill. In that way all the questions would have been asked and are in fact accommodated.

Madam President, we do not have that process here and, therefore, it is not contemplated that anybody would be able to answer all the millions of questions that are asked at an operational level in the Senate. What is contemplated is that we determine whether or not there are any issues of policy that we need to treat with, and in treating with them to have a statement made that could give some kind of support or caution, whatever it is, to the deliberations.

Madam President, it seems to me that at 12.20 in the morning—we have been here since 1.30 p.m.—at that time, at the end of all of this, there is absolutely nothing the Senate could do. The way the Constitution has set out what we do here, is that the thing is passed in the other place and it comes here—Madam President, it is a money bill and I just needed to make that point.

The second point I want to make—this is just a general point—is that I have heard a lot of discussions about cost overruns here, about planning. Let me tell you, Madam President, that the practicality of this exercise is that every year the 25 ministries come to the Government with a programme, when you aggregate that you have a total of expenditure required that is three times your revenue expectations and therefore you have to make choices, you make choices on the basis of priorities but you also make choices on the basis of what you think at that particular time has the best chance of success.

Madam President, the Constitution provides for a mid-year review, when you get to the mid-year review you have six to seven months of actual expenditure. You take that and impose it on the plan and say on the basis of this, this is what we need to do. That is why we come here and that is why we do this exercise we do today. It is as simple as it is clear.

I have heard a theme emerging—biggest budget, biggest budget. I have also heard the discussion that said that in 2001 it was \$13 billion. Madam President, do you know the story that has not been told? Maybe one of these days I will tell it. The cost of running this country is not only the revenue. Do you know what we had to deal with? There is an instrument called “Letters of Comfort” that was used as the mechanism to carry up the cost of borrowings in this country, to supplement whatever was happening with the real budget. In other words, we took a deliberate decision when we got in here that we were not going to get involved in that particular activity. In fact, what we did was all the expenditure that was built; that was outside there in loans, we brought it on the books. Therefore, in the first year the expenditure jumped to take care of off-budget items of the previous administration.

It is interesting because this group asked: “What are you getting for it?” I do not know if Senators are aware of it, but when you take the revenues that are available and the fixed costs that have been brought on by those before us, the balancing figure is usually what we do to the development programme. When you see a development programme from \$1 billion—Guess what?—if you take revenues; if you take expenditure then that is what is available to you. That is why in a lot of instances our development programme gets the kind of allocation that it gets.

Madam President, one needs to know that on the basis of the Government’s development programme, although we provide \$1 billion, the demand on the basis of approved projects is far in excess of that. One always finds oneself in a situation where choices have to be made.

The interesting thing about it: Why did we go with this? Well, for those of you who do not know, let me tell you. In order to get your government programmes going, in many instances what the Central Tenders Board asks for is confirmation of funds. The Central Tenders Board is going to be shut down on July 15, because that independent body says: After that date we do not have sufficient time to process contracts so that by the end of the financial year you must be able to give us confirmation of funds. We have, therefore, taken the position that if ministries want money at this point in time so that they can get their programmes done, we are going to give it to them because we see absolutely no problem with giving it to them recognizing two things.

The first thing is that as at the end of April, notwithstanding the fact that we currently have approved, in respect of last year, a \$2.1 billion PSIP programme,

the actual expenditure, that is to say, moneys actually paid were some \$550 million. So that in a real sense the ministries have an allocation that they are working with, but in actually processing data, in having information, it is at \$553 million. That means that you have \$1.5 billion, plus \$2.5 billion to spend in June, July and August. It is not going to happen! It is not going to happen but you know why you have to do it. If you do not do it your implementation shuts down simply because the other agencies in this business that are independent and so on, will shut you down. They do that all the time and you have to fund it! The impression that is being created about spending and irresponsibility is not so! It is a response to a deficiency within the system that we are trying to fix, and we will fix it because it cannot continue so! [*Desk thumping*]

Madam President, there are two documents that are normally provided to the Senate: one identifies, in great detail, information that has already been made available. I have heard, for example, questions asked about where this project came from. When we do the budget exercise in September we provide a series of documents, which provide in great detail, every piece of the information that is required. For example, in the Public Sector Investment Programme, there are issues in terms of what we are doing with economic infrastructure, social infrastructure, administration, and we have them by projects. We have them in terms of project type, allocation, date started, amount in a particular year and so on. We have also improved it this year to talk about the role of the state enterprises sector. We have talked about investment programmes that are outside of the central government because we felt that we needed to bring to the table all of these bits and pieces of information so that individuals, so that Independent Senators, so that this Chamber, could have a view of what the real story is.

Madam President, it is interesting that having done all this work; having provided all this information, people continue to talk about things that make sense to them because they do not like what is happening. I have heard somebody say that this \$3 billion that we are putting here is a waste of time. Madam President, I must tell you that not a single cent of this, except my salary, goes into my pocket. Every single dollar that is spent, whether you like it or not, is spent on some citizen in Trinidad and Tobago. [*Interruption*] Hold on; let me tell you how it is spent. Madam President, I will go there afterwards.

The point I am making on this particular matter is that when questions are asked about particular projects that are the subject of this schedule, I do not intend for us to, basically, repeat it in the way that Sen. Baksh has asked. As far as I am concerned it is available; it is in the public domain and all that is required is to simply look at one document, relate it to the other document and you will get the information.

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

*Thursday, June 16, 2005*

Madam President, there are two other things. I have listened to Sen. Seepersad-Bachan and I must say that what she said and the way she said it was excellent. It was excellent because when I listened to it; I heard it before. The Vision 2020 Macro Economic and Finance document is finished and we are going to be laying it very shortly. Just so you know, that we know, the document we have tells us the following: The Challenges of growth and development; Establishing target rate of growth of GNP per capita. We have it. The Structural operation of the Trinidad and Tobago economy; Approach to meeting the developmental challenge; A programming model for projections and preliminary results; Diversification; The dutch disease; Macro economic roles for sustainable growth; Rules for fiscal policy; Rules for monetary policy; Rules for income policies; The role of the State; Achieving the target growth rate and recommendations.

Madam President, we are going to ensure, very shortly, that the national community has the information so that there could be input. It is very clear what we are doing. The other thing about it is that, of course, to the extent that we now have it and we have dates, times and so on, this is what the population is going to hold us for. We have no problem with that! We are putting in place the mechanisms, the people, the organizations and the structures to deliver. It is going to happen despite what they say.

**Sen. Mark:** I hope it is not by hanging because not a single person will be hanged!

**Sen. The Hon. C. Enill:** Madam President, the less said about that the better. Just by way of demonstrating; we also have a piece for labour and social security. *[Interruption]* Labour and social security, yes! The issues are as follows: Social security; Vision for the sector; Policy issues; Employment, Legislation.

Madam President, the fact of the matter is that notwithstanding what those on the other side have said, we have a plan and we know exactly what is happening.

Let me get back to the issue of revenue. There was a view expressed that you do not know where the revenue was coming from; you do not know what the expenditure is. Madam President, let me just tell you. The Government's revenue is made up of taxes on incomes and profits; taxes on property; taxes on goods and services; taxes on international trade; other taxes; non-tax revenue. Our expenditure is made up of personnel expenditure; other goods and services; interest payments, subsidies, transfers and capital expenditure.

Every year we provide details of those particular allocations. When you ask: What has happened? What have we done? It is really simple to find out. Just look

at the numbers and the information and you would see exactly what we have done and exactly how we have spent it. You may disagree, but that is okay because to a very large extent you created some of the expenditure. We are simply following on the basis of the expenditure that has been created.

Sen. Mark talks about “bogus” and “artificial”, words that he likes to use. I have listened to him and I ask myself the question: How is it possible for a Government to be able to fool the International Monetary Fund, the World Bank, the IADB, the rating agencies and every other institution that the rest of the world looks to for economic data? How is it possible?

Madam President, every year we go through a rigorous process with them. We spend a month each with most of them. Just three weeks ago we had a World Bank and an IMF team here and, quite frankly—we were doing FSAP—we were looking at a financial sector assessment programme to deal with some of the issues that we know are available such as: What is our risk within the community that we serve? What are the things that we are dealing with? What are the things we have to put in place?

Madam President, these institutions provide a report of Trinidad and Tobago and make it available to the world’s finance system. They use the information to talk to us and say: “The World Bank has said that your inflation rate is too high and so on.” Nowhere in that report does it say anything about anything that is bogus and artificial that we have done.

**Sen. Mark:** Conrad, do you expect them to tell you that? [*Crosstalk*]

**Madam President:** Sen. Mark!

[*Crosstalk*]

**Sen. The Hon. C. Enill:** The point I am making is that it is easy to stand and talk about things that cannot be substantiated. It has to be that we have some rules. The rules are that these agencies that we use to help us to understand what we are doing; to evaluate what we are doing, the results that they produce cannot be simply thrown away just because you do not like the results which you say are bogus.

Madam President, it pains me, therefore, that sometimes we create so much confusion for ourselves. Madam President, to move this country forward—one of the issues we face is our language. You cannot move a country forward when I know the amount of work that we do—because I do it—and then you tell me that we are bogus, with no basis at all! [*Interruption*] You cannot say that because you have no basis for saying it!

**Sen. Mark:** But it is in this document here!

**Sen. The Hon. C. Enill:** You cannot take some document that you write somewhere about the place and say so! You have to deal with it within the context of the agencies that we deal with and you have not done that! [*Desk thumping*]

**Sen. Mark:** You are fooling the country! Poverty is over 40 per cent in this country. Bogus figures!

**Sen. The Hon. C. Enill:** When we came into Government the first thing we saw was that the poverty rate of the country was too high. We took a deliberate decision then to slow down the rate of deterioration by putting in place programmes to address the social ills of some of our people. If you say they are not reaching them, okay, we will do something differently. But we took the decision to do it.

Madam President, the reason that they could say that it is not reaching them is because in a lot of instances it is because they understand the challenges that are associated with the delivery of public service within the Government system.

**Sen. Mark:** Oh gosh, come better than that. That is the reason you are giving. Oh, please! Let us take over the government now. [*Crosstalk*]

**Sen. The Hon. C. Enill:** Madam President, I love this country too much to give it to somebody that, in talking and in trying to move all of us forward, does not understand that I would willingly give it, if I believed that in giving it he would look after my interest.

**12.40 a.m.**

But I must tell you [*Interruption*]

**Sen. Mark:** I would not do that.

**Sen. The Hon. C. Enill:** That is the point! Let me just make the point on the oil and gas issue. We have reached the stage where we have finished the first part of the oil taxation. We have about two weeks work to do again on the gas legislation. The issues are complex, and in dealing with them, there is a lot of unravelling that we have to do. We are finding out that in some of the industries that we operate we need to gather intelligence, and we are putting that in place. So it is taking a little longer than we had planned but, we have said to the companies that as far as we are concerned we have a date by which taxes are going to be imposed. [*Interruption*] Retroactive yes, absolutely and basically. [*Interruption*]

**Sen. Mark:** The oil and gas?

**Sen. The Hon. C. Enill:** Yes, Sir. That is coming.

**Sen. Mark:** We look forward to that.

**Sen. The Hon. C. Enill:** The hour is late and, therefore, I just want to deal with some concerns that I heard expressed by certain Senators.

Sen. Cropper needs to be advised that the Community-based Environmental Protection and Enhancement Programme (CEPEP) is not being funded through the Green Fund mechanism. In fact, the Green Fund exists in an account at the Central Bank. Somebody asked a question on that some time ago, and if one needs to know the details we could provide it to you.

The problem with the Green Fund has been that the way it was set up contravenes the Exchequer and Audit Act and, therefore, we have been attempting to ensure that it conforms to the arrangements that will make it work. I believe we have reached the stage where the regulations that are required are going before Cabinet and I am very, very sure that in the not too distant future we will start discussion with the stakeholders and operationalise that. So that the question of CEPEP and the relationship with the Green Fund are really two different things. CEPEP is funded from the Consolidated Fund and we continue to deal with that.

What happens to suggestions being made? The way that we basically incorporate some of these suggestions is, for example, when we get into the legislative agenda.

There is a process that we go through in Government that goes like this: The decisions that are made come from the policy of the party that forms the Government, so that the party has a particular policy on an issue. That policy gets translated into plans, operations and eventually it gets down to the stage where we bring it to the table. But the fundamental policies are dealt with in another place, and, therefore, sometimes when the suggestions are made, if it does not fit within the policy framework, then it is not dealt with. However, if it is something that can be taken on board, generally it is, generally it would be the responsibility of the particular Minister to deal with it and to inform the Cabinet on changed policy. But there is a process that it goes through. If there is something that is of particular interest to you, that you would like to see incorporated, one of the ways that you can, in fact, do it is to basically approach the particular Minister. Make the point in the way that you want it made and as some Members will tell you, to the extent that it can be facilitated, it will be, because at the end of the process, we are trying to ensure that the system benefits from the collective wisdom of all of us.

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

*Thursday, June 16, 2005*

I agree with you on accountability but the issue of accountability for us is the way the system works. As a Minister I have all the issues to deal with but the public service, quite frankly, reports to the President. Because in a real sense, the structures that are put in place for dealing with issues of accountability are really not under my jurisdiction at all; they are isolated. Their issues go through the Public Service Commission and there is a culture within the service which says let us protect one another and, therefore, in many instances we find that those individuals who are supposed to be the individuals with responsibility for accountability find themselves in positions where, if they do things in a particular way, the next morning they are subject to judicial review. So nobody is prepared to do anything that they believe will cause any kind of challenge, and, therefore, you have a kind of paralysis within the system. You have to be in it to understand how it works.

One of the things we see, for example, in going through the mid-year review, is that we would put moneys aside for personnel, individuals, and in looking at the results sometimes, it takes as much as four to six years to fill a vacancy. It is simply because of the process. And if it is taking you four to six years to fill a vacancy and the vacancy you are looking to fill is for an accountant, then who are you going to hold accountable for the non-production of the accounts?  
[*Interruption*]

**Sen. Cropper:** The Minister.

**Sen. The Hon. C Enill:** You could hold the Minister accountable if the Minister had the ability to find the person but the Minister cannot do that because you will then hear “just for the boys”, political appointees.

There are some issues inside, in terms of the operations, that we need to start to engage in. We have talked about public sector reform and that is seeking to provide us with a particular kind of individual—let me put it another way.

When I look at what we are dealing with, we have a system that is based on loyalty. That is to say, if the individual is loyal to Trinidad and Tobago, then he will basically work and get the things done. But it is not a delivery system in the true sense of the word. Somebody made the point that the systems have not kept up-to-date—and he is correct. We have a policy system and we are trying to deliver within that system and it does not work, plain and simple. In fact, what happens, and we know this, is that you have individuals who in the day sit in offices and make decisions and, in the night carry them out in their private companies because that is where the issues are. And there is nothing we can do

right now because of the way the system is. That is a challenge in terms of the accountability structure. The way we have sought to deal with some elements of that is by creating special purpose vehicles which Minister Montano spoke about.

The Government that preceded us used the same mechanism but what we believe should happen, is that we should identify upfront that this particular entity is going to focus on this particular issue and put everything in place to deal with that, including the question of these enterprises coming before joint select committees and answering the questions. That is basically how that is going to work. The Public Accounts Committee, I think is the more appropriate committee.

One of the issues that was raised, was about the expenditure: Did you not know that was going to happen? Yes you did. In many instances you did, but you may not have been given the funding that you required because we just do not have it.

In many instances we do not give people what they ask for because we just cannot. So what you see happening is we basically take the position, we will fund you for six months knowing that there is going to be a mid-year review at which time we could adjust it. So it is a deliberate strategy sometimes because one of the things we do not want to do is to put funding in an area that cannot use it, and in another area that has the capacity then you lose it. It is a judgment issue in many instances and in other instances our data is not as precise as it should be because of the sheer size of the Government.

Sen. Bro. Khan talked about the system that may have passed its usefulness—and I have to agree with him that there are some elements of the system that need to be changed. I think that all the other comments he made: Are we getting a fair share, issues about national quarries, T&TEC, why the debt repayment charge, I think all of those things can be answered and I do not have the answers right now but certainly, we have explanations for all of those.

I got worried about the contribution made by Sen. Dr. Kernahan because, if what she has expressed, that what is coming across is as though we have no commitment to young people, and there is a lack of sensitivity in what we are doing, that is something we need to correct because that is not so. I do not know if people understand it but we live in this country. We walk outside there and we have the same issues as everybody else. It does not have a part of this country for us and another part—we go outside there so we understand the fears.

Sen. Prof. Ramchand—I tried to deal with his issues. Sen. Baksh had a whole set of issues. Integrated tax processing system. Whether you know it or not the

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

*Thursday, June 16, 2005*

Inland Revenue basically has some systems as old as Sen. Dumas in a real sense, and what has been intended is to attempt to integrate the system. Now, you have an individual with, for example, a VAT number, a PAYE number, all the different numbers and you really have to go with different systems with them. We recently said that if somebody owes VAT we should be able to offset it against the PAYE but the system now is not geared to so do. This system is intended to bring the thing together in a particular kind of way. Some of the other issues that he raised, I am pretty sure that the information is available but I do not have it with me here.

No project can appear here unless Cabinet had approved it in the first instance. The only way that a project gets on the books is that it goes through a process. Cabinet approves it; then it goes through either the Ministry of Finance or the Ministry of Planning and Development; it goes through a technical process, it has a rating, it has a funding mechanism and then it is considered.

In the case of Sen. Mary King's comments, I expect that you will start to see some policy shifts as we move into the formalization of what we are doing with the Vision 2020. We had taken a decision basically that we were going to simply continue with a programme and then wait until this exercise was completed and then start reorganizing and retooling and move in a particular direction and, I think, we have put sufficient things in place so the architecture for that will move forward.

Sen. Ali will get his answers when he basically deals with Minister Saith. Production sharing contracts—there were some very specific questions and I do not have the answers right now but we will deal with it.

Madam President, I only need to say one more thing.

National Service. There is a programme called National Service and it should be the Geriatric/Adolescent Partnership (GAP). That is a typographical error. I do not know how we are going to deal with issues like that in the future. I think we really need to find a mechanism by which we can satisfy the requirements of Senators without having to do it in this kind of way. I think this way is quite unproductive and, therefore, it is something we should think about and with these few words, I beg to move. [*Desk thumping*]

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Finance Bill*

*Thursday, June 16, 2005*

**The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill):** Madam President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

*Question put and agreed to.*

*Question put and agreed to, That the Bill be read a third time.*

*Bill accordingly read the third time and passed.*

#### ADJOURNMENT

**The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith):** Madam President, it is with great pleasure that I move the Senate be now adjourned to Tuesday, June 21, 2005 at 1.30 p.m., at which time we will complete the debate on the Bill which was in progress, the Anti-terrorism Bill, and on the completion of that, we will move to Bill No. 5, Association of Caribbean States (Headquarters) Bill on today's Order Paper.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 1.00 a.m.*