

Leave of Absence

Tuesday, October 11, 2005

SENATE

Tuesday, October 11, 2005

The Senate met at 10.00 a.m.

PRAYERS

[MADAM PRESIDENT *in the Chair*]

LEAVE OF ABSENCE

Madam President: Hon. Senators, I have granted leave of absence to the following Senators: Sen. Bro. Noble S.A. Khan and Sen. Angela Cropper who are both out of the country and Sen. Basharat Ali.

ADJUSTMENT OF MIKES

Madam President: Hon. Senators, just one note. Whenever you get up to speak, turn on your mikes, until maybe around lunch time when it would be adjusted. For some reason you have to turn on your mikes.

SENATORS' APPOINTMENT

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

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: DR. ROLPH BALGOBIN

WHEREAS Senator Angela Cropper is incapable of performing her duties as a Senator by reason of her absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ROLPH BALGOBIN, to be temporarily a member of the Senate, with effect from 5th October, 2005 and continuing during the absence from Trinidad and Tobago of the said Senator Angela Cropper.

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Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 27th day of September, 2005."

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: MS. ALTHEA ROCKE

WHEREAS Senator Brother Noble Khan is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, ALTHEA ROCKE, to be temporarily a member of the Senate, with effect from 30th September, 2005 and continuing during the absence from Trinidad and Tobago of the said Senator Brother Noble Khan.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 27th day of September, 2005."

OATH OF ALLEGIANCE

Senators Dr. Rolph Balgobin and Althea Rocke took and subscribed the Oath of Allegiance as required by law.

SESSIONAL SELECT COMMITTEES (APPOINTMENT OF)

Madam President: Hon. Senators, in accordance with Standing Order 64(1) of the Senate, I wish to announce the appointment of the following sessional select committees:

Standing Orders Committee

Dr. Linda Baboolal	Chairman
Mr. John Jeremie	Member
Mr. Danny Montano	Member
Mr. Wade Mark	Member
Miss Dana Seetahal	Member

House Committee

Dr. Lenny Saith	Chairman
Mr. Satish Ramroop	Member
Mrs. Hazel Ann-Marie Manning	Member
Dr. Eastlyn Mc Kenzie	Member
Dr. Jennifer Kernahan	Member

Committee of Privileges

Dr. Linda Baboolal	Chairman
Ms. Christine Kangaloo	Member
Mr. Martin Joseph	Member
Miss Dana Seetahal	Member
Mr. Robin Montano	Member

Statutory Instruments Committee

Dr. Linda Baboolal	Chairman
Mr. Knowlson Gift	Member
Mr. Rawle Titus	Member
Mr. Sadiq Baksh	Member
Miss Dana Seetahal	Member

**APPROPRIATION BILL
(BUDGET)**

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2006, brought from the House of Representatives [*The Minister of Finance*]; read the first time.

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

Question put and agreed to.

PETITION

Request For Hansard—Hadyn-John Gadsby

Madam President: Hon. Senators, you will remember that at the last sitting of the Senate, the Petition was read, but the leader of Government Business asked that we postpone it for one week so that they could get an opportunity to read the Petition. Sen. The Hon. Dr. Lenny Saith, have you read the Petition?

Sen. The Hon. L. Saith: Yes.

Question agreed to, That the petition be granted.

PAPERS LAID

1. Annual report of the Teaching Service Commission for the period January 01, 2003 to December 31, 2003. [*The Minister of Education (Sen. The Hon. Hazel Manning)*]
2. Annual report of the Judicial and Legal Service Commission for the year 2004. [*The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith)*]
3. Draft Estimates of Expenditure for the financial year 2006. [*The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill)*]
4. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2006. [*Sen. The Hon. C. Enill*]
5. Draft Estimates of the Revenue and Expenditure of the statutory boards and similar bodies and the Tobago House of Assembly for the financial year 2006. [*Sen. The Hon. C. Enill*]
6. Draft Estimates of Development Programmes for the financial year 2006. [*Sen. The Hon. C. Enill*]
7. Draft Estimates of Revenue for the financial year 2006. [*Sen. The Hon. C. Enill*]
8. Review of the Economy for fiscal 2005. [*Sen. The Hon. C. Enill*]
9. Social and Economic Policy Framework—2006—2008. [*Sen. The Hon. C. Enill*]

10. Social Sector Investment Programme—2006. [*Sen. The Hon C. Enill*]
11. Public Sector Investment Programme—2006. [*Sen. The Hon. C. Enill*]
12. Public Sector Investment Programme—Tobago 2006. [*Sen. The Hon. C. Enill*]
13. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Couva/Tabaquite/Talparo Regional Corporation for the financial year ended September 30, 1999. [*Sen. The Hon. C. Enill*]
14. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements of the San Fernando City Corporation for the financial year ended September 30, 1999. [*Sen. The Hon. C. Enill*]
15. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the San Fernando City Corporation for the financial year ended September 30, 2000. [*Sen. The Hon. C. Enill*]
16. Report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the Eastern Regional Health Authority for the year ended September 30, 2000. [*Sen. The Hon. C. Enill*]
17. Report of the Auditor General of the Republic of Trinidad and Tobago on a special audit of the system for the storage of records at the San Fernando City Corporation during the financial year 2004. [*Sen. The Hon. C. Enill*]
18. Second report of the Auditor General of the Republic of Trinidad and Tobago on the financial statements of the National Settlements Programme Second Stage—Phase I as per loan contract No. 1402/OC-TT for the financial year ended September 30, 2004. [*Sen. The Hon. C. Enill*]
19. Seventy-seventh report of the Salaries Review Commission of the Republic of Trinidad and Tobago. [*Sen. The Hon. Dr. L. Saith*]

10.15 a.m.

**APPROPRIATION BILL
(BUDGET)**

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

That a Bill to provide for the service of Trinidad and Tobago for the financial year ending September 30, 2006, be now read a second time.

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Madam President, this is a money bill and was approved in the other place on October 07, 2005. The Bill provides for the issue from the Consolidated Fund of the sum of \$30.640 billion under the various Heads as indicated in the Schedule of this Bill.

Madam President, this budget advances the process put in place since this administration assumed office in December 2001. That process involves the laying out of the framework and strategies for paving the way to a new era of prosperity when we the people of Trinidad and Tobago, can realistically look forward to taking our rightful place among the advanced countries within this hemisphere and ultimately within the world at large.

It is the Government's deep conviction that broad-based participation in the economic and social life of the country makes growth and development more human centered, democratic and equitable.

We have therefore been heartened by the spirited feedback which we have received in our consultations with the members of the national community. The involvement of our Ministers of government, parliamentary secretaries and other members of government in the process has been no less dynamic and forceful.

Our public officers have demonstrated the highest levels of professionalism and dedication in preparing all the documents laid in this Parliament. We wish to take this opportunity to salute them. The documentation represents an account of our stewardship for the period just ended and our plans for the future and they include:

- Review of the Economy 2005
- Social Sector Investment Programme 2006
- Social and Economic Policy Framework 2006—2008
- Public Sector Investment Programme (which incidentally includes not only the central government but also state enterprises)
- Tobago—Public Sector Investment Programme; and
- Draft Estimates of Revenue and Expenditure and the Development Programme 2006

Madam President, I wish to highlight the Government's performance by a review of the documentation laid in Parliament which points to the successful efforts of the Government in managing and modernizing the economy. We have

had the deep satisfaction of seeing this country evolve into a global leader in the gas and petrochemical markets, a regional centre for financial services as well as a business and manufacturing hub and a preferred destination for investment in the western hemisphere.

Success has been due to our economic and social policies which placed people at the centre of our planning. We must be justifiably proud as we review our own domestic economic performance in 2004 and our medium-term outlook. Some of the highlights are as follows:

- Real economic growth was recorded at 6.5 per cent in 2004—our eleventh successive year of positive economic growth; in 2001 it was 4.2 per cent.
- Economic growth continues to be broad-based; from oil only to oil, gas, tourism, financial services, manufacturing, and expansion of small business activity in distribution and services.
- Economic growth is generating jobs (28,000 jobs in 2004) at a rapid pace bringing the unemployment rate to an average of 8.3 per cent; in 2001 it was 10.8 per cent.
- Economic growth is generating healthy trade surpluses with our major trading partners, including our CARICOM neighbours and is contributing to a build-up of our external reserves which now stand at a comfortable US \$3.8 billion.
- Fiscal surpluses have continued with transfers to the Interim Revenue Stabilization Fund the balance at the end of 2004 is TT \$5.4 billion; in 2001 it was TT \$1.0 billion.
- External public sector debt has now fallen to approximately 40.5 per cent of GDP; and in 2001 it was 58.3 per cent.

Our financial institutions remain sound, profitable and well capitalized.

Madam President, our 2005 expenditure profile is illustrative of our public policy agenda with the larger-than-expected oil revenue in 2005—\$3.2 billion higher than envisaged in the budget. Because of this, Government scaled-up its capital programme with the result that expenditure in 2005 was \$27,901.3 million—\$3,893.4 million more than the original budgeted figure.

Madam President, our commitment to good governance requires that we provide this House and the population at large with a full account of our expenditure and this is available to all. We will, however, highlight a few:

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First, we transferred \$2,593.0 million to the Interim Revenue Stabilization Fund.

Secondly, we spent approximately \$1.4 billion on subsidies to maintain the price of gasoline and other petroleum products, and as we stated before, in due course we would have to decide at what price it would be reasonable to sell this commodity on the domestic market.

Third, we spent \$7.5 billion on our three (3) priority areas: education, national security and health.

Fourth, we spent \$2.6 billion on interest payments;

Fifth, we spent \$2.0 billion on pensions;

Sixth, we transferred \$1.6 billion to the Tobago House of Assembly and to the regional corporations;

Seventh, we spent \$1.0 billion to maintain water and electricity rates, to subsidise inter-island transport and to address the restructuring requirements of Caroni (1975) Limited and BWIA (West Indies) Airways Limited.

Eighth, we spent \$426 million on the Unemployment Relief Programme providing relief for 50,000 temporary job opportunities; and

Ninth, we spent \$2.847 billion on the Public Sector Investment Programme.

Madam President, all of these details are in the documents we have provided. We have been making a decisive difference in the lives of the people of Trinidad and Tobago. In fact, the 2005 United Nations Human Development Report through its human development index has underlined the improving social conditions in the country.

I would like therefore to detail a number of successes in our human development agenda:

- in education: the strengthening of the educational infrastructure with the coming on-stream of the University of Trinidad and Tobago (UTT), the Government Assistance for Tuition Expenses (GATE) financing programme, and other programmes targeted at pre-schools, primary and secondary schools;
- in health: improvement in the delivery and quality of health services as evidenced by reduced waiting times for surgical operations, the overwhelming success of the Chronic Disease Assistance Programme

(CDAP) and free-of-charge access programme to the Eric Williams Medical Sciences Complex;

- in housing: the aggressive and impressive programme under which 6,000 houses were built in fiscal 2005 and the allocation of residential lots for lease by 6,755 former employees of Caroni (1975) Limited; and
- in public infrastructure: improved delivery of services by the Water and Sewerage Authority and improved wastewater treatment through the completion of the Municipal Wastewater Treatment Facility.

Madam President, by any standard these are remarkable achievements.

Trinidad and Tobago is at a most critical juncture in its history. We are advancing steadily towards a transformed and diversified economy. On the other hand, we are facing some acute social challenges which, if not successfully addressed, could undermine the gains we have achieved. In particular, we must continue to deal with the issue of crime and safety of our citizens.

Our strategy to control crime reflects a full understanding of the dimensions of the problem. Government has been making available to the security forces all the required resources to address the current crime wave on a sustainable basis. We have acquired state-of-the-art crime fighting technology. We are purchasing three (3) offshore patrol vessels. The first would be delivered in the first quarter of 2007. We established the Special Anti-Crime Unit (SAUTT), and the Incident Co-ordination Centre. We are purchasing 149 additional vehicles for the police service. We continue to rehabilitate police stations—work on five began in September 2005 and we are building six police stations. We are establishing a prisons training college at Tumpuna Road, Arima and, through a Prison Reform and Transformation Unit, we have embarked on a rehabilitation programme for prisoners. We are accelerating the implementation of three military-led specialized youth programmes and we are providing technical assistance to the police service through Scotland Yard of the United Kingdom and the Federal Bureau of Investigation of the United States of America.

Madam President, this Government recognizes and accepts its responsibility to the people of Trinidad and Tobago of providing an environment of peace and security, of creating good quality and sustainable jobs and building a cohesive and caring society.

For this reason, the theme of this budget statement “Ensuring Our Future Prosperity: Addressing Basic Needs” is indeed appropriate.

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Madam President, how do we see the medium-term outlook? Our economic projections for 2005—2007 have just been endorsed by the International Monetary Fund during their July 2005 Article IV Consultation. Our medium-term economic outlook remains encouraging:

- real GDP is expected to increase from 6.5 per cent in 2004 to 8.0 per cent in 2006;
- the expansion in GDP would be driven by:
- increasing oil production levels;
- the commercial commissioning of LNG Train 4;
- the expected commissioning of five new plants in the petrochemical sector; and
- construction activity resulting from the ongoing development projects.

In addition to our economic policy it is important to spend some time on our social policy. It is well established that if you rebuild and strengthen the family—the basic unit of society—the multifaceted societal problems would diminish and community life enhanced. The first pillar in our modernization programme is therefore, the utilization of a more targeted, comprehensive and coordinated approach to treat with issues confronting the family as a unit.

In our social and economic policy framework we have identified the following objectives for the population:

First, guaranteed access to an adequate level of housing, including related basic facilities and services for all families;

Second, the creation of an integrated security infrastructure which ensures that issues of crime, public safety and security are addressed on a sustained basis;

Third, the evolution of a modern and relevant education system which would promote a culture conducive to lifelong learning and training;

Fourth, the establishment of a health system conducive to delivery of high quality services.

10.30 a.m.

Fifth, the assurance of sustainable high quality jobs and equal opportunity for all groups in the society; and

Sixth, the provision of support mechanisms for the unemployed and other vulnerable groups.

Madam President, this comprehensive approach would be collaborative in nature and would be driven by several key ministries of Government.

Madam President, the Unemployment Relief Programme is a key support mechanism for the unemployed. However, in the context of falling levels of unemployment, we are simultaneously rationalizing and restructuring the programme with the introduction of a mandatory comprehensive training element.

In respect of community development, we are upgrading and establishing community sporting facilities, including swimming pools, play fields and jogging tracks.

Madam President, in respect of culture, we are transforming the national steel orchestra; establishing two academies for the performing arts; and establishing a new state-of-the-art national carnival centre at the Queen's Park Savannah in time for the 2007 carnival celebrations.

Madam President, the second pillar which underpins our economic and human development strategy is our explicit and sustained policy to improve the quality of our human resources. We are focusing on early childhood care education. We are rebuilding some 150 primary schools of which 20 are being built in this fiscal year. We are putting in place a modern secondary school system in which new infrastructure would be installed and we are well on the way to achieving our goal of a 60 per cent participation rate at the tertiary level by 2015.

Madam President, we cannot deny tertiary education opportunities to our citizens for want of financial resources. The Government is therefore pleased to announce that with effect from January 01, 2006 all nationals of Trinidad and Tobago enrolled at public tertiary institutions: University of the West Indies, the University of Trinidad and Tobago, COSTAATT and other institutions where the Government sponsor students would be eligible for free tuition.

Madam President, please allow me to take the opportunity to respond to a letter to the editor in one of the daily newspapers in which the writer indicated that she intended to save any extra money she got from the 2006 Budget for her daughters' university education because she was unsure that the Government would be able to continue to provide free tertiary-level education by the time her daughters were ready to attend university.

I would like to commend her on a well-thought-out and brilliant strategy, because in five, 10, 15, 20 years under this Government two things would have occurred:

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1. Her children would have received free tertiary-level education under this Government; and
2. They would have been provided with seed capital by their mother, who also benefited from the fiscal measures proposed in this Budget.

Madam President, as a direct result of our fiscal measures her daughters would be armed with both a university degree and capital which could be used to buy a house or start a business. [*Desk thumping*]

Her daughters would be well on their way to taking their rightful place in society, and that, Madam President, is the vision of this Government. She, together with the assistance of this Government, would have achieved two things. She would have ensured the future prosperity of her daughters as well as helped to address their basic needs, and that, Madam President, is the goal of this budget. [*Interruption*] I have a tie for you.

Madam President, the demands of our expanding and diversified economy are being met by no less than 17 training programmes. The Laventille Technology and Continuing Education Centre has now become a major provider of technical training in one of the most poverty-stricken areas in our country. Similar centres are being constructed throughout various parts of the country to support these efforts.

As our third pillar, we are ensuring that our front-line health institutions, through qualitative improvements and capacity expansion, continue on a path of providing affordable and equitable health care. In support of this thrust:

1. A Bachelor of Science Nursing Degree is being offered by the University of the West Indies;
2. We are continuing the annual scholarship programme for doctors to be trained at the St. George's University, Grenada; and
3. We have put in place a community outreach family medicine programme utilizing mobile clinics that would provide a broad range of health services to families living in remote areas.

Madam President, access to affordable, adequate and quality housing represents the fourth pillar in our modernization agenda. We are improving access through a subsidized interest rate and a rent-to-own policy; we are constructing 8,000 units under the accelerated housing programme; and we are continuing with our subsidy programmes and our home improvement grants.

The restructuring and strengthening of the drivers of growth in our economy remain at the top of our agenda and is the fifth pillar in our transformation drive.

In support of our diversification thrust, we are ensuring that the energy sector forges greater linkages with the rest of the economy:

First, all new project proposals in the downstream natural gas sector must now include a value-added element.

Second, a world-scale US \$1.4 billion polypropylene plant is being established with start-up estimated for the year 2010.

Third, LNG Train 4 is being commissioned in November 2005 and investment opportunities along the entire LNG value chain would be promoted and developed.

Fourth, the National Gas Company is nearing completion of two major cross-country pipeline projects.

Fifth, the Government is giving due consideration to the establishment of two aluminium smelter plants, one at Point Fortin and the other at La Brea.

Sixth, the Government is also giving due consideration to the revitalization of the iron and steel industry; and

Seventh, the Petrotrin refinery at Pointe-a-Pierre is being upgraded and a new refinery also at Pointe-a-Pierre is being considered.

Madam President, international agricultural development required that our agricultural sector become competitive, resilient, adaptive and market-driven. We are improving our access roads, drainage, irrigation and water management systems. We are rationalizing land use and we are making available access to finance. Within this general framework, Madam President, we have created 7,247 new farmers and brought into productive use an additional 18,338 acres of land in settlement of our commitment to former employees of Caroni (1975) Limited, and we are providing support to these farmers in research and development, agro-processing and marketing.

Madam President, there are a number of other initiatives for improving agricultural production and food security: the establishment of an agro-industrial park, the use of Caroni lands as a basis for the development of an agro-processing industry; programmes to increase the levels of sufficiency in five strategic foods; and the strengthening and rebuilding of family farms in rural communities.

Madam President, we are also pursuing a range of initiatives to ensure that the manufacturing sector maintains its dominant position and becomes competitive in

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new markets further afield by: completing the Technology Park at Wallerfield; modernizing existing industrial parks and developing new ones; improving the customs service; restructuring the Port Authority of Trinidad and Tobago; and intensifying efforts to complete negotiations for free trade agreements with MERCOSUR, Canada and Central America.

Madam President, the small and micro-enterprise sector is being adequately supported. In addition to facilities offered by the Business Development Company and the Caribbean Leasing Company, the small and micro enterprise sector would have access to Government contracts under the Fair Share Programme which is being introduced as part of the reform of the procurement regime in the public sector.

The importance of infrastructure for rapid and sustained economic development cannot be overstated and its strengthening represents the sixth pillar in our modernization programme. We are undertaking significant road rehabilitation and repair work as well as the cleaning and de-silting of rivers, drains and watercourses. After overcoming significant engineering issues, the Mamoral Dam and Reservoir are now being constructed. The problem of flooding in Port of Spain is being addressed. With respect to sea transportation between Trinidad and Tobago, Government proposes in 2006 to purchase a fast ferry to service the sea bridge between Trinidad and Tobago. Power generation is being enhanced to facilitate the planned development projects across the country, and over the next three years, a continuous supply of water would be available to 36 per cent of the population.

Madam President, we are addressing the less-than-adequate implementation of the Public Sector Investment Programme. We are outsourcing to 15 special purpose state enterprises approved development projects. These special purpose state enterprises which are essentially project management companies will undertake development projects in a number of areas and will operate under the highest standards of good governance, transparency and financial accountability. They are, in fact, going to be within the parliamentary net.

Madam President, the seventh pillar in our modernisation agenda is our commitment to a clean and healthy environment. We would continue to address issues relating to deforestation, indiscriminate land development and the improper disposal of solid waste. We have revised the national environmental policy. We propose to establish a recycling industry with incentives for manufacturers, vendors and consumers.

Madam President, the Community-based Environmental Protection and Enhancement Programme—CEPEP as it is fondly called—is also making an

important contribution towards the enhancement of the environment. But the time has come to reorganize this programme to ensure maximum effectiveness through a change of hours of work and mandatory training, and that is intended in this fiscal.

Our comprehensive financial sector reform programme is continuing apace. The reform of Government's procurement regime is also well advanced and will come into effect by the fourth quarter of fiscal 2006.

Madam President, let me now turn to Tobago. Economic growth and development in Tobago is now being driven by the tourism sector. In 2002, 7,000 individuals were employed in the tourism industry. That number is now 15,000. The hotel occupancy rate is currently at 85 per cent compared with 15 per cent in 2002. Yet, Madam President, there are other significant achievements in Tobago, including the progress addressing the HIV/AIDS situation, the acquisition of Pigeon Point, the establishment of Cove Industrial Estate and the virtual achievement of full employment.

10.45 a.m.

Madam President, with an overall allocation of \$2.3 billion to Tobago, the Tobago House of Assembly will receive \$1.3 billion directly, and will have available a further \$500 million from the Capital Expenditure Borrowing Facility. In addition, a further \$470.9 million is to be expended under various Heads of expenditure for the people of Tobago; in all, \$2.3 billion for fiscal 2006.

Our commitment to regional integration is unwavering. Caricom trade has been generating substantial and good quality jobs for our citizens. For this reason, it is critical that we provide wider assistance, when we can, to our Caricom neighbours. In fiscal 2006, we will maintain the Petroleum Fund which was established in 2005 to provide assistance to Caricom countries.

Rising inflation, in particular food prices, impact heavily on the incomes of the poor and the vulnerable. For this reason, the Government has put in place a three-pronged strategy to address the problem. Firstly, by the end of March 2006, we would provide short-term, conditional cash transfers through a Smart Card, targeted at approximately 60,000 families. The food hamper programme would, therefore, be discontinued.

Secondly, we are reducing or removing duties on a number of food items which are, in fact, annexed to the detail of this statement. Thirdly, we are restructuring the National Agricultural Marketing and Development Corporation (NAMDEVCO), to provide a greater degree of support to our farmers.

Despite our obvious economic successes, we cannot become complacent. We need to improve the economic environment within which savings and investment can be optimized. Viable tax regimes tend to encourage savings and investment and in the process make growth self-sustaining and job-creating. We have now fulfilled the commitments we made in 2003 and in 2004 to reform the tax systems, both energy and non-energy. We have undertaken a complete overhaul of the energy taxation regime; and I wish to place on record, on behalf of the Government, our deepest appreciation for the work done by the Energy Tax Committee under the Chairmanship of Professor Ken Julien and for the advice we received from energy taxation consultants, both locally and internationally.

The first phase of the reform involved oil taxation. That was enacted in July 2005 through an amendment to the Finance Bill 2005. The revised petroleum taxation regime is now limited to the taxation of income from oil production, through a petroleum profits tax (PPT), a supplementary profits tax (SPT) and the unemployment levy (UL). Income from gas production is now subject to a separate regime. We have sought to ensure that the new system is transparent, easy to understand and easy to administer with predictable and stable revenue flows and consistent with international best practice. As a result, under the new regime, SPT payments are now based on a weighted average price of crude, calculated quarterly instead of annually. Previously, SPT was assessed annually, but paid on a quarterly basis; this often reduced the Government's cash flow pending end-of-year adjustments. That issue has now been dealt with.

The petroleum profits tax (PPT) will now be determined through the following amendments: the removal of the first year allowance for both tangible and intangible expenditure. In the case of Part III, capital allowances exploration expenditure will be calculated as follows:

- 10 per cent initial allowance;
- 20 per cent annual allowance on a declining balance from the year of expenditure and for development expenditure;
- 10 per cent initial allowance and 20 per cent annual allowance, on a declining balance from year two or the year in which there is commercial production, whichever is earlier;
- The shift to quarterly tax payments calculated on a current year basis;
- non-deferral of capital allowances and allowing decommissioning and abandonment costs, only when they are incurred; and

- limiting deductible management charges to 2 per cent of expenditure.

The increase in petroleum revenue, arising out of the revised legislation, is estimated at \$1 billion.

With respect to gas taxation, the second phase of the reform of the energy sector's fiscal regime involves the establishment of a separate regime for gas. Although income from natural gas contributes over 62 per cent of the total petroleum revenue, the tax paid to the Government from natural gas is 49 per cent of the total petroleum tax receipts. The decision, therefore, to establish separate taxation regimes for oil and gas is timely, as it is appropriate.

We are deeply aware that in an environment of increasing oil and gas prices, there is need to balance the economic and financial interests of both producers and the Government. I am pleased to report that over the course of the last year the Government has had fruitful discussions with the industry and arrived at a position that we believe is equitable and fair, under the current circumstances. This comprehensive review has led the Government to agree on amendments to the fiscal regime with a view to firstly, expanding exploration and development activities; secondly, balancing the allocation of gas for export and domestic uses; thirdly, achieving fair market value prices for gas and, fourthly, revisiting the system of incentives for the LNG industry. All these measures have been discussed, in depth, with the companies and have been agreed, generally, as a sound basis for developing the sector to the mutual benefit of the companies and the Government.

I wish to inform this honourable House that bpTT, the largest supplier of gas operating under an exploration and production licence in Trinidad and Tobago, has committed to a deep drilling programme over the next three years. This agreement was arrived at after prolonged discussions between the company and the Government and this programme would yield a stream of gas which would guarantee a measured pace for our energy sector development. Moreover, bpTT has also agreed to advance the 10 per cent royalty payment to 2008 from 2017. This would be paid in kind and done on a phased basis beginning in 2005, with the full 10 per cent of the value of gas sold by the company for LNG to be realized in 2008 and continuing. With this new gas regime, the concept of fair market value provides the underlying basis for determining the taxable income, thus ensuring a fair return to all. The increase in revenue attributable to the new gas regime is estimated at \$2 billion.

The Government has realized that it is not in the best interest of the companies or the country for long lapses between reviews of taxation in the sector and,

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therefore, we are now committed to reviewing the energy taxation regime at least every three to five years.

I would like to apprise this honourable Senate of a significant development in this sector. In the context of the prevailing prices for gas, we intend to revisit with the company the existing tax incentives structure previously granted for Atlantic Train 1. Given the present situation, we are confident that we will reach agreement with the parties concerned which will positively impact on the country's revenue base and consolidate the gains to be derived from LNG for the benefit of the people of Trinidad and Tobago.

The effective date of these changes will now be January 01, 2005, instead of January 2004. In agreeing to this date, revenue foregone will be accommodated prospectively.

In reforming the non-energy tax regime, we are seeking to establish a transparent and credible system, which would be easy to administer; would minimize efforts at tax evasion and tax avoidance and would be consistent with international norms. In designing the architecture for the personal income tax regime, we have decided to establish a flat personal income tax rate at 25 per cent and increase the personal allowance to \$60,000. The efficiency of this system required the elimination of a number of allowances except contributions to pension funds and the deferred annuity plans. We have also decided to rationalize the corporation tax regime by reducing the rate from 30 per cent to 25 per cent and focus on more depreciation and investment tax credits, as against tax holidays.

We are of the view that the indirect taxation regime is in line with international best practice, in most instances, and, in that connection, we have left unchanged the current value added tax regime. Due to the complexity of the issues involved, we are now giving due consideration to the expansion of the tax base, through the introduction of a capital gains tax and the overhaul of the present property tax system.

The fiscal operations for 2006, provides for the total estimates of expenditure for financial year 2006 to be \$34,119 billion of which \$344 million represents expenditure from the Unemployment Fund, including the reforestation programme of \$44 million; \$150 million from the Green Fund; \$1.5 billion from the Public Sector Investment Programme and \$2.3 billion from the Infrastructure Development Fund. Total revenues are based on an average oil price of US \$45 per barrel Galeota mix and a net-back gas price of US \$3.75 per mmbtu.

Expenditure is based on oil and gas prices of US \$35 per barrel and US \$3.75 per mmbtu, respectively.

Accordingly, the difference between the revenue estimates, that is, the estimates based on an oil price of US \$45 per barrel and a gas price of US \$3.75 per mmbtu and the expenditure estimates based on an oil price of US \$35 per barrel and a gas price of US \$3.75 per mmbtu, is \$1,862.8 million. That 100 per cent of estimated excess oil and gas revenues will be appropriated for transfer to the Interim Revenue Stabilization Fund. This will bring the balance of the fund to \$7,301.8 million or approximately US \$1,159 million. Revenue is expected to be \$34,128.8 million. Expenditure is estimated at \$32,256.2 million, creating a surplus of \$1,872.6 million. The sum of \$1,862.8 million will be transferred to the Revenue Stabilization Fund and there will be a fiscal balance of \$9.8 million. Included in our expenditure, is an amount of \$2,291.8 million which represents capital repayments and sinking fund allocations and is normally treated as financing.

The amount of \$3,800 million for the Capital Programme for 2006 comprises \$1,500 million from the Consolidated Fund and \$2.3 billion from the Infrastructure Development Fund.

I will conclude by pointing to the fact that over the past four years we have gained a greater appreciation of the diverse aspects of high quality growth and development. We have come to understand, more clearly, that macroeconomic stability, which we have achieved, must be supported by a range of public policies to improve the efficiency and resilience of the economy.

11.00 a.m.

We have learned more accurately the importance for the achievement of a sustainable fiscal position and we have benefited from the improved capacity of the Central Bank of Trinidad and Tobago to manage the domestic financial system.

Madam President, this approach accounts for our current insistence on the need to maintain key public sector investment in the areas of national security, social services, health, housing, education infrastructure and we have gained a keener appreciation of the importance of sustainable growth of social and environmental policies.

Madam President, we have determined in a much better manner how much to keep adding to public expenditure to avoid an erosion in the economic fundamentals. We believe that we are well within the critical threshold of where

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public spending should lie. At \$32.256 billion in fiscal 2006 or 31.7 per cent of gross domestic product, public expenditure has risen by less than 5 per cent of GDP over the previous four-year period average of 26.8 per cent. Relative to GDP, revenue in 2006 is 33.2 per cent.

Within this threshold we are of the view that our ramped-up social and infrastructure spending would not impair already stable conditions and would foster growth and development and this would take place under the astute economic management of this administration. The details of all the tax measures are provided in the Annex to this Statement.

With those issues addressed, Madam President, I beg to move.

Question proposed.

Sen. Wade Mark: Thank you very much, Madam President. Is it not ironic that in this land of plenty and abundance, poverty, crime, corruption and chaos reign supreme? In this nation that is virtually awash in oil money and whose balance sheet is dripping in gas profits, why do endless rivers of the blood of the innocent continue to flow over this land? [*Desk thumping*] Like the faithful Abel who was slain by his brother Cain, the blood of these innocent citizens cries out for justice. But alas, there seems to be no end in sight to the slaughter in our land. The carnage is only getting worse.

Madam President, close to 300 citizens have already been murdered this year, some 186 citizens have been kidnapped and thousands of robberies and burglaries have already occurred this year, and the scary thing is that the year is not over. As I speak, Madam President, there is a strong possibility that more nefarious acts are being committed under the watch of a diabolical and evil regime. Fear grips and—

Sen. D. Montano: Madam President, on a point of order. The hon. Senator likes to use that type of language, but this is a new parliamentary term and it is completely out of order. It is inflammatory, and completely improper to suggest that this regime is evil, and to suggest that the Members on this side are evil and he cannot say that in this place.

Madam President: Sen. Mark, I think your language is a bit strong. You cannot really be referring to Members or as a group as being diabolical. I would ask you please to be more restrained in your language.

Sen. W. Mark: Thank you, Madam President. Fear grips and pervades our once peaceful country, and all the citizens get from the PNM Government are

excuses and false promises. For the grassroots of this land, this budget is nothing but pillars of deceit and deception. It offers nothing but crumbs to the unemployed and the unemployable. To the pensioners and the retirees—

Madam President: Senator, are you reading?

Sen. W. Mark: This is the normal approach we have taken for our budget debate.

Madam President: I would prefer as an experienced Senator—

Sen. W. Mark: No, no, I have prepared my statement in order to compress it, otherwise I will be long.

May I continue, Madam President?

Madam President: Yes.

Sen. W. Mark: This budget offers nothing but crumbs to the unemployed and the unemployable, the pensioners and retirees, the recipients of public assistance and disability grants. There is nothing for the wage worker, the small farmer, the trade union movement, the micro entrepreneurs, public officers, professionals, teachers, students and, of course, the sick in our land.

The combination of bogus employment, chronic underemployment, declining living standards, worsening real income and reduced ability to purchase both vital necessities and comforts have dramatically changed the cultural matrix in our country. Profits and prices are running amok whilst wages and salaries remain stagnant, compressed and depressed.

Madam President, this has been the worst anti-worker, anti-people and anti-poor people budget that I have seen for a very long time. This budget is supposed to have addressed the basic needs of our people to ensure their sustained development and prosperity, but where have these basic needs been addressed in this \$34 billion budget? This budget is supposed to hoist our people to the top of the mast of the sinking PNM ship and navigate them into the promised land of Vision 2020.

Only a small minority will benefit from these measures and actually feel solid ground, but while paranoia dominates our way of life and paralyzes the nation, the United National Congress will continue to provide hope to a population under siege. In these rough, choppy and turbulent waters where the ship of state has run aground, life-saving apparatus have been put to sea by the UNC and it is only a matter of time before all are rescued and safely returned to solid land once more.
[Desk thumping]

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Madam President, what is the use of a budget of \$34 billion, a gross domestic product of \$94 billion, a per capita income of US \$9,000, and a growth rate of 6.5 per cent, when a pensioner cannot walk the streets of her nation without being accosted and used as a human shield in a John Wayne western-style shoot-out in our land? They are meaningless to the people who live below the poverty line.

Four budgets and tens of billions of dollars later, hundreds of thousands of citizens still cannot access a regular water supply in this beautiful land of Trinidad and Tobago. Imagine, in the middle of an oil boom, tax paying citizens have to resort to burning tyres in the middle of their dilapidated roads and ruined thoroughfares in order to get some attention.

Farmers are lamenting million-dollar losses in the aftermath of flooding. It amazes me that nearly a third of our people are still dependent on pit latrines and have no access to modern, indoor toilet facilities. I am mortified when I hear of innocent school children being severely beaten by bullies who seek to illegally extract what I can only describe as a new type of school tax.

Madam President, I am at a loss as to why 500,000 of our fellow citizens are currently living in abject squalor and poverty in a 21st Century, wealthy, developing country. What is this Government really doing with billions of dollars budgeted in this Parliament year in year out? Certainly not servicing the basic needs of the people!

Madam President, this is Trinidad and Tobago under the PNM watch in 2005. While the second successive Minister of National “Insecurity” fiddles, sweet Trinidad and Tobago is burning. He waves about foreign newspapers to justify his own incompetence and managerial bankruptcy.

Madam President, the budget of 2006 is like a bulldog with false teeth. It gives in one hand and takes away from another. It barks loudly but does not bite. It is very long on words, but short in substance. It was three hours of painful and pure drivel.

Madam President, development must not only be articulated in terms of the macroeconomy. There is a fundamental disconnect between the macroeconomic fundamentals and the reality of day-to-day life in this beautiful country. Over the past four years, the quality of life has all but collapsed for the vast majority of ordinary citizens.

Madam President, as an example, the life expectancy index has consistently fallen from 0.82 years in 2002, to 0.75 years at the present time. Infant mortality rate has remained at the uncomfortable level of 17 per 1,000 live births compared

with six per 1000 live births for Cuba and eight per 1,000 live births for Costa Rica.

Maternal mortality stood at 70 in 2002 and rose to 160 at the end of 2004. According to the UNDP report for 2005, approximately 12.4 per cent of the population representing over 156,000 citizens lived on less than US \$1.00 per day whilst another 39 per cent representing over 500,000 persons lived on less than US \$2.00 per day.

Madam President, this gives us a grand total of 660,000 citizens living on US \$3.00 per day in an oil and gas-rich society called Trinidad and Tobago. This is happening where the PNM would have spent by September next year a total of \$125 billion.

11.15 a.m.

It has been estimated by the United Nations that there are hundreds of thousands of people who are undernourished in this land. Indeed, some 12 per cent, representing over 156,000 people, have been classified as being severely undernourished in this land. These citizens are unable to access basic low-cost items or nutritionally adequate caloric content. Reduced nutritional intake tends to affect children under five, the elderly, pregnant and lactating women.

The concentration of income and wealth among small sections of the people have intensified and worsened under the watch of this regime. Madam President, would you believe that the share of income going to the poorest 10 per cent of our people is a mere 2.1 per cent, whilst the share of income going to the poorest 20 per cent is a mere 5.5 per cent? This is of a GDP of some \$94 billion as at the end of September 2005.

What is even more astonishing is that when compared to that of the richest 10 per cent, it moves from 25.6 per cent in 2002 to 30 per cent at the end of 2004. As it relates to the richest 20 per cent, the share of income accruing to these people increased from 40.3 per cent in 2002 to 46 per cent at the end of 2004. The rich are becoming richer and the poor are becoming poorer under this vicious regime called the PNM. This is the state of play under this Government. The vast majority of people are desperately trying to make two ends meet, to free themselves from grinding PNM-imposed poverty and slavery; to live somewhere decent; to secure proper quality schools for their loved ones; to afford a life of reasonable comfort and decency. This is what real development is supposed to be all about.

The Human Development Report of 2005 has recorded yet another sharp drop in Trinidad and Tobago's ratings in the human development index. This index

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measures achievements in terms of life expectancy, educational attainment and adjusted real income. We have dropped—and I do not know where my good friend, the hon. Minister in the Ministry of Finance got his information from—from 54th in the rank of high human development to 57th at the end of 2005. We are at the virtual bottom of the table in respect of the high human development index. Trinidad and Tobago continues to decline under this regime. Not only has our nation slipped in the human development index over the last four years, but we have also suffered enormous declines in our global competitiveness index. The report was launched in 2001 and Trinidad and Tobago was ranked under the UNC as number 38. Subsequent reports reveal that Trinidad and Tobago has collapsed in its rankings, falling to 42nd in 2002 under the PNM; 49th in 2003; 51st in 2004 and 60th at the end of 2005. Yet the Minister of Finance glibly speaks about good and sound economic policies.

The global competitiveness index is based on three pillars:

1. The macroeconomic environment sub-index;
2. The public institutions sub-index; and
3. The technology and innovation sub-index.

In the first sub-index, Trinidad and Tobago has a normally healthy ranking. However, we continue to perform negatively in the other two indices. This means that as far as development is concerned, it is no longer adequate to measure economic progress in terms of macroeconomic fundamentals.

Doing business in Trinidad and Tobago has become extremely problematic. Five factors have been identified as being problematic for doing business in this country. They are:

1. Crime and theft.
2. Inefficient government bureaucracy.
3. Poor work ethic in the labour force.
4. Inadequate supply of infrastructure.
5. Rampant corruption in this PNM Government.

This is not according to the UNC, but to the World Economic Forum in its 2005 Global Competitiveness Report.

Madam President, corruption has flourished with ease and speed under this “holier than thou” PNM Government. There is widespread and rampant political

corruption and the public sector is plagued by bribery. Political corruption is also widespread in the construction sector in which the Government is involved in large-scale public projects. In the 2004 Corruption Perceptions Index Report, which reflects perceptions of the degree of corruption among public officials and politicians, Transparency International, the coalition against corruption ranked Trinidad and Tobago number 51 out of 145 countries, with a low score of 4.2. The lower the score, the more corrupt is the country. And the world now perceives Trinidad and Tobago, under the PNM, as one of the most corrupt countries under the guidance of the father of spiritual and moral values and the so-called beacon of integrity.

Is it any surprise that several senior Government Ministers are now under investigation by the Integrity Commission on a host of serious charges? Is that any surprise? Why has the Integrity Commission dragged its feet on these serious matters? The head of the pack continues to play fast and loose on matters of integrity and corruption. Promised reports are yet to be laid in Parliament. Could the Prime Minister tell this nation when the commission of enquiry into the Scarborough Regional Hospital and the Landate Project Report will be laid in this Parliament? Are we witnessing another cover up by the Prime Minister?

I ask you, what has happened to the bribery charges levelled by Dansam Dhansook against Eric Williams, Minister of Energy and Energy Industries and Franklin Khan, former Minister of Works and Transport? Why the delay in laying charges by the police against these public officials? Could the Prime Minister answer these questions? Is the police investigation being deliberately frustrated, and by whom? The public needs to know why no charges have been laid against these two public officials.

Freedom House, which is based in the United Kingdom, and prepares an annual global index on political rights and civil liberties, has reclassified Trinidad and Tobago from being “free” under the UNC to being “partially free” under the PNM. For both political and civil liberties, countries receive a rank between one and seven, with one being the best case and seven being the worst case. In 2000/2001, under the UNC, Trinidad and Tobago received a score of two, which put us in a “free” category, for political rights and civil liberties. Since the PNM came into office in 2002, our rank has fallen from two to three and we have remained so up to this present time. So Trinidad and Tobago has been classified by Freedom House as being partially free under the PNM.

Workers have also been the target of PNM hammer-blows in this budget. Some 190 workers, out of a workforce of 283, now find themselves on the breadline,

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thanks to the Minister of Health. A contract valued at over \$150 million was given to some company called Global Medical Response Trinidad and Tobago Limited, a partnership between American Medical Response and Amalgamated Security Limited. This same service was being run by the South West Regional Health Authority at a contract fee of \$76 million a year. Why this 100 per cent increase for Global Medical Response? Why has the Minister of Health used taxpayers' money to insult our workers? Why has some 190 workers been put on the breadline by this Government?

This new outfit has proceeded with the full consent, obviously, of the Prime Minister and the Minister of Health, to demote 18 supervisors and reduce the salaries of all the safety and training officers. This new outfit has dictated—and you would love this one—to our women how many children they can have over a period of time. Would you believe that foreigners and aliens have come here and they have been given the support of this Government and they have workers signing contracts—young, female workers—and in that contract there is a provision that says: “You cannot have more than two children within a four-year period”. That is against the Maternity Protection Act, and I want the Minister of Labour, Small and Micro Enterprise Development, who seems to be surprised, to get a copy of the contract that has been entered into between this new outfit that is now responsible for the emergency health services and those workers that they have now employed.

These are criminals posing as employers, telling our women how many pregnancies they must have; how many children they must have! How can the Prime Minister, the Minister of Labour, Small and Micro Enterprise Development and the Minister of Health support such retrograde conduct by foreigners in our country? As I said, it is against the provision of the Maternity Protection Act of Trinidad and Tobago. What will happen to these 190 workers and their families? These foreigners come in here; they pick and choose who they want to work, even though these workers have been on the job for the last five years.

These workers have mortgages to pay; their children are in school; they have huge obligations to many businesses in the country. What is to happen to the families of these workers? Will the State now intervene to save them? This is unacceptable, criminal and highhanded conduct on the part of this company that has been imported into this country. We call on the Prime Minister and the Minister of Health, to take immediate steps to ensure the employment of every single emergency health service employee on the same terms and conditions of employment as previously obtained and to instruct and direct these new owners to observe and obey the laws of the land.

Some 150 workers have been made redundant by the Caribbean Development Company, producers of the famous Carib beer. You know this. It is policy measures. Not to mention at TSTT, under the watch of Minister Dr. Lenny Saith, who is acting Prime Minister—and I want to congratulate him, even though it is temporary. Would you believe that TSTT is planning, as we speak, to retrench hundreds of workers by the end of December 2005? Are you aware of this? The Minister is well aware of it. There is another alien that has flown into our space called Espinal, who is doing everything to violate every shred of decency in terms of industrial relations in this country, and the Minister of Labour, Small and Micro Enterprise Development sits silently as if he has no knowledge of these developments. I do not know if he is also invading our space like these aliens.

Some 40,000 security guards are crying out for protection against unscrupulous and criminal-type employers, but to no avail.

11.30 a.m.

This regime has turned a blind eye. A small, selfish and greedy elite currently determines the economic agenda of this PNM Government. Just ask people like Prof. Ken Julien along with my good friend here, Dr. Lenny Saith and other business tycoons who are really in charge of this country. I understand that they are going to move the venue from La Fantasie and they are now going to change address to No. 2 St. Vincent Street, Federation Park, St. Clair.

As long as massive poverty; obscene inequality and social injustice persist in our land, none of us would be truly safe. Too many of our citizens remain imprisoned; enslaved and in chains. They are trapped in the prison of poverty. It is time to set them free, Dr. Saith. They are trapped in the prison of poverty promoted by the PNM. When we talk about liberation, emancipation and freedom, we do not mean freedom through charity, welfare or handouts. What we mean by emancipation is empowerment, education and training. A country does not become developed because it suddenly comes into money. It remains an underdeveloped country with a good deal of money and as is said, a fool and his money are easily parted. This country is that proverbial fool that has come into money. The problem is that this fool has lost his money once and is angling very nicely to lose it again.

There are many weaknesses currently plaguing the Government, the economy and the society. Let us see why despite the huge injection of revenue for Government, the country is more underdeveloped today, than when we were robbed of office in 2001. Trinidad and Tobago is enjoying as the Minister has said, its eleventh straight year of economic growth. The macro-economic

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indicators are positive, yet over 600,000 of our people out of 1.3 million live in squalor and crushing poverty. How can that be real? How can we allow this to continue? [*Interruption*] Look at the UNDP Report; you provide them with information. They have all the information and it is worldwide. Can the poor, oppressed and downtrodden really celebrate because we have a bumper budget of \$34 billion for the next fiscal year? Can they be happy? Are there mechanisms in place to ensure that money allocated to address basic needs is spent for the purposes for which it has been allocated? The PNM seems to be oblivious to the unfolding reality in our country.

The Prime Minister is completely divorced from the pains and sufferings of the masses of the people. The Prime Minister and Minister of Finance presides over a lawless regime. The Prime Minister is prepared to ignore the cries of the people and to waste a billion dollars to construct a sports complex at Tarouba. There is a saying that those who cannot hear will ultimately feel. I give you the assurance today that the PNM will feel the full weight of the people very shortly.

What are the real issues facing the people of our nation? The real issues are crime; high food prices; the escalating cost of living; traffic congestion; inadequate health care facilities; poor business opportunities for professionals; mismanagement of government resources; high real estate prices; lack of a reliable and regular water supply; massive capital flight; relevant and affordable education and constraints to doing business in our country. What is absolutely clear is that this budget will not reverse the worsening and deteriorating quality of life for the vast majority of our people.

The buoyant macro-economic indices mask the naked reality of a steadily declining non-energy sector. Quite apart from a shrinking VAT base of less than 5 per cent GDP which ought to be about 10 per cent of GDP and massive losses at the level of state-owned enterprises such as WASA, I was shocked to see in the estimates that a loan of \$1 billion is characterized as revenue for WASA. The total revenue for WASA is \$1.6 billion when WASA is only collecting \$600 million and borrowing \$1 billion from the State. They capitalize and categorize them as income in that context. The rate of diversification of this economy remains profoundly disappointing.

Agriculture has all but collapsed under this evil and wicked regime. Today agriculture represents less than 1 per cent—

Sen. D. Montano: Madam President, on a point of order. We are back to the same rhetoric. I did not ask him to withdraw it on the last occasion. We are in the Senate and we would avoid this type of language. You see how he is.

Madam President: Senator, I did ask you to be more moderate in your language.

Sen. W. Mark: You know that I have followed your advice.

Madam President: Not “evil”. Please do not use those words.

Sen. W. Mark: Madam President, I will be guided. We will talk about that on another occasion. Why is this gentleman so hot under the skin? I wonder if he took a vow of poverty.

Agriculture represents less than 1 per cent of the gross domestic product, down from 1.3 per cent five years ago. The PNM has killed agriculture in this country. Tourism, being presided over by my good friend, Sen. The Hon. Howard Chin Lee is a virtual disaster zone with its contribution to the GDP of 2005, of being less than one-tenth of 1 per cent. Manufacturing has also severely declined under this administration from 7.2 per cent of the GDP to 6 per cent today.

Crime, corruption and chaos have resulted in major capital flight. So grave is this phenomenon that the Central Bank was forced to inject US \$500 million in order to avoid a major foreign exchange crisis in the foreign exchange market over the last 10 months. These many weaknesses manifested in the local economy are further reinforced by weak and deteriorating institutions. Strong institutions are not only needed to maintain stability, but also to promote and encourage overall economic growth and development.

Under the watch of the PNM we have witnessed poor and weak regulatory agencies, such as the Telecommunications Authority of Trinidad and Tobago and the Regulated Industries Commission among others. The country lacks an impartial and fiercely independent Central Bank. This is manifested in the appointment of unqualified personnel to the Board of the Central Bank. This spells danger and disaster for the future stability of our nation.

The public service as an institution is being undermined, weakened and assaulted by this administration. It spares no effort in attacking and openly accusing public officers of non-delivery of goods and services. I was in the Chamber of Commerce when the hon. Minister in the Ministry of Finance made a presentation. All he did was to blame the Public Service Commission and by extension, the public service for non-delivery and justify special purposes vehicles for the failure of the Public Service Commission. They take no responsibility for their inefficiency and incompetence. Everyone is to be blamed except the PNM and their ministers. Blame the Commissioner of Police, not the PNM! Blame the architects, not the Minister of Education! Blame everybody but

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do not blame the PNM. Our view on this side is that if the PNM cannot do the job stop blaming people! We call on the people to fire the PNM. You are only blaming and blaming. You are not responsible for anything.

The police service is being severely tested. Today, there are two police services in this country; one headed by the Commissioner of Police, Trevor Paul who has been publicly vilified by the PNM through Dr. Keith Rowley and the other is headed by Brigadier Peter Joseph who runs a virtual mongoose gang type illegal outfit known as the Anti Crime Unit. It has no legal status in law but it is there with millions of dollars under its control.

May I also indicate that there is an undermining of the independence of the Judiciary in this country and these machinations do not go unnoticed. The international community has taken note of the incursion of these forces into this independent Judiciary. Judicial independence from political influences, that is a category under Public Institution in the Global Competitiveness Report was ranked at 35 in 2004, today, it is ranked at 53. That is the state of PNM influence in the independence of the Judiciary.

There exists weak capability at project implementation with many projects characterized by huge cost overruns. The PNM's new energy tax regime is highly suspect given the previous relationships among energy advisors, ministers and these oil companies. How are we to know that this is the best arrangement we could have obtained? An expansion of the economy and a pumping of expenditure particularly through the recent tax breaks are aimed at stimulating the economy for the purpose of preparing the PNM for the next general election.

The failure of monetary policy implies that fiscal policy may offer temporary relief only. The middle classes of our country should be aware that the recent increases in their tax allowances may be purely illusory and may be cancelled in the not-too-distant future. Beware of Greeks bearing gifts!

The increase in spending from \$24 billion to \$34 billion in one year, an increase of 50 per cent in a period of one year, can spell chaos with respect to inflationary pressures which would erode the welfare of the elderly, pensioners and those on fixed incomes. Persons over 60 years and who had previously enjoyed deductible allowances of up to \$80,000 annually would now—thanks to the Minister of Finance—experience a huge loss as a result of the new personal allowance of \$60,000 and the consequent removal of several tax benefits. These retirees have suffered severely as a result of the 2006 budget.

The increase in spending on the Government's building programmes would lead to a crowding out of the private sector. The dream of the middle class of

owning a home is now further removed because of labour scarcity; high interest rates and land costs.

With respect to the redistribution of income to the poor and vulnerable, the real issue has to be addressed. The real issue that has to be addressed is how much of the allocation actually reaches the poor. Where are the accountability and transparency and the checks and balances in the system?

The PNM particularly the Minister of Finance must take full responsibility for the emergence of gangs in this country that are able to divert money away from the poor and towards the purchase of drugs, guns and fast cars. What is the Prime Minister doing about this? Would Scotland Yard and FBI make any difference? Scotland Yard was here before and they were run out of town. What will be the role of the FBI? What about the much touted Interim Revenue Stabilization Fund? Quite apart from the legislation that is necessary the PNM regime is not true to the original intent of the fund.

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

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

Question put and agreed to.

11.45 a.m.

Sen. W. Mark: Madam President, the Government allocated an expenditure of US \$25 last year and said that the rest would be saved. This year, the Government has gone from US \$25 to US \$35; recklessness.

Madam President, the other area I would like to address is the special purposes vehicles. No rules have been established to govern these entities. Who will audit and supervise their operations? Are we witnessing a reversal of the State's role so that it could create legal avenues for large-scale theft?

The establishment of these special purposes vehicles represents a direct attack on every permanent secretary, every administrative officer, every technical director, every engineer and every public officer. They have really been demoted in the scheme of things. This is what the Minister in the Ministry of Finance has been doing. As I have said, he has been blaming people for Government's incompetence.

On the issue of the Smart Cards, Madam President, the question that must be asked is whether these cards will suffer the same fate as the infamous food stamps? Will the tertiary education gift last for a long time or a short time? We

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do not know. Madam President, these are questions that the middle class would do well to ponder, since most of the concessions granted will be short lived.

Madam President, I will now say a few words on Caroni (1975) Limited. Large-scale corruption and fraud involving tens of millions of taxpayers' dollars may have taken place at Caroni between the period September 2003 and the present time. We understand that a sum of over \$380 million was allocated and there has been no proper accountability, transparency and financial scrutiny.

During this period, we understand a lot of activities took place which require full investigation. A thorough forensic audit needs to be conducted by a reputable auditing firm. Here are some of the activities we call on the Minister of Finance to investigate:

The handing over of five executive bungalows to Mr. John-Williams at a monthly rental fee of \$15,000. Information has reached us that not a cent has been paid for those bungalows by a "fella" called John-Williams.

Miles of steel rail-tracks and steel wheels, involving millions of dollars, were sold as scrap iron by this same "fella". He is a lucky "fella", you know! John-Williams sells that, Madam President, and information has reached us that no money has been accounted for in this regard.

Several contracts were handed out without any tender by this Caroni Board, which was controlled, I understand, by a corporate secretary who is now the President of the ECA.

Madam President, would you believe Gilbert Park comprising of some 15 acres of land, including a cricket ground, a lawn tennis court, a car park and several practice grounds were given again to John-Williams. Who is John-Williams? It was given at no cost, Madam President! We call on the Government to investigate this! He has also been given five acres of prime agricultural lands, just as you are about to enter Point Lisas!

We understand that even a high-ranking magistrate received several dozen tractors and cranes without any cost being incurred! We want this investigated! This so-called Employers' Consultative Association, the ECA, received a contract, we understand, valued at several million dollars to train retrenched Caroni workers. Since when is the ECA qualified to train people in this country? I understand they got between \$14 million and \$16 million, until the Minister, Christine Kangaloo intervened and terminated their contract! This is a national scandal! We call on the ECA to make a public statement on this national scandal, Madam President. [*Interruption*] Not you; Christine Sahadeo! [*Laughter*]

Madam President, we call for the intervention of the Fraud Squad at Caroni. We believe the former corporate secretary, who was in charge of Caroni and who is now President of the ECA and Mr. John-Williams may be in a position to provide the Fraud Squad with the necessary assistance in their investigations. We need a commission of enquiry into the closure of Caroni and the analysis of the true role of the Sugar Manufacturing Company!

We would like to advance—in light of this situation, and what we see as an unprecedented level of driven-PNM corruption—that the time has come for the swift ratification and enforcement of the UN Convention against corruption, as well as strict implementation of the Conflict of Interest legislation.

Madam President, once again the PNM Government has been cursed with a windfall from the energy sector. Nothing in the Minister of Finance's Budget Statement suggests that he has learned from the mistakes of his Government's past follies and he is, therefore, doomed to repeat them.

The PNM won a lottery in the '70s and wasted every penny. They have now won a second lottery and already they have engaged in a pattern of unsustainable wild and reckless spending. The bubble has begun to expand but all bubbles collapse sooner rather than later.

It is futile, Madam President, to reason with an irrational and unreasonable PNM regime. The PNM has begun to accelerate the pace at which they are squandering the legacy of this and the next generation. We on this side would like to, therefore, caution the national community that the day of reckoning will come as it confronted us suddenly in 1982. Do not trust this PNM Government to do for you that which you must do for yourself! Treat their concessions as purely temporary gifts! They will not last! History has proven that the PNM cannot be trusted with the management of our wealth. Remember Desmond Cartey's famous confession: "All ah we tief." One of these days one of them on that side might find the courage to repeat that confession.

Let us hope that in two years, or less, the PNM regime will not do much lasting damage because when this blighted PNM administration is finally removed from office and placed in the dustbin of history the nation would be returned to the capable hands of a high-performing United National Congress! [*Desk thumping*]

The wealth of this nation would be jealously guarded for all the citizens of this troubled land. Madam President, it is time we reclaim our heritage! It is time we reclaim our streets, villages, communities and country. It is time we take charge of our affairs once again! It is time for our people to stop being chauffeur-driven

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and assume direct responsibility and control of the nation's steering wheel! In a word, Madam President, let us take back our communities from the drug mafia, from the criminals, from the bandits and the unpatriotic, pathetic, corrupt and absolutely sell-out PNM administration! [*Desk thumping*] It is only then we shall move forward! It is only then, Madam President, we shall be enlightened and would fully liberate and emancipate our country from the clutches of the PNM.

The brilliant Prime Minister referred to the Opposition as a bunch of neophytes. May I remind the hon. Prime Minister it was these same neophytes who provided this country and its people with six straight years of unprecedented, unparalleled and unsurpassed prosperity and dignity! [*Desk thumping*]

Madam President, we in the UNC believe that our Prime Minister has begun to suffer from a bout of neophobia; that is a fear of the new. The Prime Minister is clearly caught up in the old and is in a clear state of panic and fear. It is only a matter of time before the neophytes defeat and crash this shameless and poor excuse which currently passes for governance in this great Republic of ours.

Madam President, I want to say a final word on autism and autistic children of this nation. As you are aware this is a complex developmental disorder. Hundreds, if not thousands of children are being affected. Indeed, it has been estimated that one in every 10 children fall victim to this disorder. There is an urgent need for direct Government intervention at the levels of the Ministries of Education, Health and Social Development. Early diagnosis and screening are absolutely essential.

Trained personnel are required, as well as the provision of greater financial, physical and human resources. Specialized schools must be fully funded by the Government and should be constructed throughout this country and a range of relevant services provided. The UNC, therefore, calls on the Ministers of Education, Health and Social Development to take immediate measures to provide the necessary interventions in order to arrest this alarming crisis. NGOs such as the Autistic Society of Trinidad and Tobago must be highly commended for their selfless service and work to the communities.

Madam President, they can only do so much. The time has come for direct State involvement to address this serious disability once and for all. Autistic persons are human beings, too, and should be treated equally and fairly. Let us stop the criminal neglect of all our citizens, particularly, those who are suffering from development disorders through no fault of their own.

It is only a matter of time before the UNC is called, once again, to rescue our nation from the tentacles of a marauding PNM octopus.

Madam President, let me quote, in closing, from this great Indian leader, Karamchand Gandhi when he remarked and I quote:

"In times to come, the people will not judge us by the creed we possess or the label we wear, or the slogans we shout but by our work, our industry, our sacrifice, our honesty and our purity in character."

12.00 noon

Madam President, how would history judge the PNM? How would history judge the Prime Minister and this group that is currently like an albatross around the neck weighing this country down? I dare say it would judge the PNM very harshly and very unkindly. It is only a matter of time before the PNM is swept completely like a political tsunami out of the history books of this great nation. I thank you.

Sen. Mary King: Madam President, the budget before us is really, in essence no different than those that have come before us from both regimes over the past several years now. They may differ in scale but they do not address even what we had begun to hope for from the Vision 2020 exercise.

I have been very critical of these budgets from the standpoint of their inability to commence or even to indicate any movement towards creating that sustainable economy so much so that one of my colleagues at the opening of Parliament asked me: Am I intending to speak again on my discourse on the development of the onshore sector?

Madam President, let us take as read my last three or four contributions on the annual budgets as comments also on today's enlarged spending driven by the US dollar rents or revenues earned by the Government in the energy sector. Those contributions are as relevant today as when they were delivered since, in my view, the mindsets or the headsets of the governments have not really changed.

After the formal opening of Parliament a few weeks ago, one of the Government Ministers in response to an article that he had just read that I had written in the press on the pending budget and the economic morass of the economy, said as a country we are doing great, we are doing extremely well because we are growing at 6 per cent per annum and we have saved all of US \$4 billion which is some seven months of imports.

Those of us who do not learn from our history, from our boom bust situation, our boom bust affair of the 1970s and 1980s that resulted in the collapse of our economy under Prime Minister Chambers are destined to repeat the mistakes. The

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budget before us today has made assumptions that the energy prices would remain high and that our natural resources are infinite. Why else would we be making such long-term commitments of free tertiary education for all, as we rapidly expand our facilities to cater for all? We can only do this as desirable as it is, if we are sure of prolonged windfall funding or if we have in front of us the proper restructuring of our economy. And yet, when one looks and studies the economy over the last 20 years, it is really difficult to blame the individual Members of this Government or even the other government or, in particular, it is difficult to blame the present Cabinet. They are all honourable men and women, and by their attempt to get the general public involved in the formulation of the budget, they really appear to be very concerned about what the population requires. Also, we know that these decision-makers have access to well-trained government and other advisors who, I am also sure also have the interest of the nation at heart, hence the explanation for this economic development vacuum has got to lie elsewhere. And I think, we need to explore that. This is what I intend to do today in my contribution.

I think it is important that if we do not understand the problem, then we really cannot move forward. The Minister has himself told us today that this economy is at its crossroads and, therefore, I think this discussion has to take place.

Madam President, we have all heard about the hidden hand behind the behaviour of economies which governments have to modify so as to accomplish their objectives, objectives that are not automatically met by the free market. These objectives such as full employment, the delivery of the social services, the protection of the citizenry, are very vital and important matters today, and, of course, the environment and so forth. The problem before us is the present structure of our economy. The economy is diseased and the equally diseased hidden hand is progressively constraining our economic transformation.

This disease was first noticed in the Netherlands in the 1960s when that country also experienced a vast increase in wealth after discovering very large natural gas deposits in the North Sea, hence how it got its name, the Dutch Disease. And I think we need to explore what is behind the Dutch Disease. In its elementary form it forces a certain kind of economic distortion that restricts economic growth even in the presence of economic abundance in the natural resource sectors of the economy. In the original form, there appeared to be a monotonically decreasing relationship between the natural resource and economic growth. Take, for instance, the average growth rate of some countries over the past few years; some of these countries, where there were no natural resources, and I am looking at the period 1965 to 1990, and these are very interesting statistics.

Singapore over the period grew at an average rate between 1965 and 1990 of 7.39 per cent; South Korea grew at 7.4 per cent; Hong Kong, 7.78 per cent; Taiwan 6.35 per cent. Let us look at these, for example, with countries like Venezuela. Venezuela, one of the richest oil countries in the world with negative growth over the period of 0.8 per cent; Nigeria also oil rich, it grew over the period of 1.89 per cent; Zambia another negative growth country, minus 1.8 per cent, and, of course, Trinidad and Tobago over the period grew at 0.76 per cent. The former countries that we mentioned did not have any natural resources to become winners. Of course, we must not jump to the hasty conclusion that the disease is fatal simply because of the richness of our natural resources in the country, because we have seen growth winners that are also rich in natural resources and we will take ones like Botswana, that over the period grew at 5.7 per cent; Canada 2.5 per cent, Australia, 2.6 per cent and Norway also oil rich, 3.05 per cent.

Madam President, in a study done by the World Bank in 1994, of 82 countries, five belong to the top eight, according to their natural capital wealth and also they belong to the top 13, according to their per capita income. Hence we cannot say we are simply having an abundance of natural resources through resulting foreign exchange may set the circumstances for a diseased economy. But it appears that other economic drivers can mitigate its effects or even turn the natural disaster into either a blessing or a curse depending on what we do with it.

Madam President, the learned economists tell us that there are generally three basic sectors in such economies. Firstly, the traded manufacturing agriculture and services sector; those areas where we have trade. The non-traded service sector and here we can name one, very prevalent in our economy today, construction, and the third, the traded natural resource sector.

Madam President, internally generated growth as we would wish for our onshore sector arises because employment in the traded manufacturing or services sector generates improvements in the human capital as a by-product. However, what they have found is that when the natural resources become prominent they raise the income for a number of years and continue to employ fewer people. A part of this income is being spent on the non-traded sector and we will look at the construction sector in Trinidad and Tobago drawing resources away from the traded manufacturing, agricultural and services sector, making increased demand for manufactured goods, services and food and so forth which we are satisfying via our imports.

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So we have the reduction or lack of growth of the traded manufacturing, agricultural sectors, reduce the rate of growth overall due to the attendant decrease in human capital. So the more we import the less emphasis we are placing on the development of our human capital. The more resources poured into sectors like construction, food imports, foreign consultancies, the more declines we would have in the traded manufacturing services sector, and it is something we must attend to now.

Madam President, I deliberately spent this time defining the form of this disease so that we could identify our particular strain and, therefore, its impact on our economy. Also, we should note that we are not at present in a bubble economy. Someone has stated we are in a bubble economy. If we were in a bubble economy we would have everything rising including the stock market, and that is not happening. And also in a bubble economy speculation is one of the root causes, and this is not what is happening in Trinidad and Tobago.

In the Review of the Economy presented within the budget documents, we note in our GDP at 2000 constant prices we have a GDP of \$76 billion. The petroleum sector, a major contributor is expected in 2005 to generate \$30.249 billion and compare that with what we expect from agriculture, \$528 million. Manufacturing, \$5.18 billion, and services which is the largest contributor is \$38 billion. And of all those sectors, agriculture is declining and export agriculture today is miniscule.

The major part of manufacturing according to the statistics here is food, beverages and tobacco which stand at \$2.5 billion which demonstrates to me that the claim that we are the manufacturing export giants of the Caribbean is relative when compared with the export capability of our energy sector, an export capability that we have to depend upon as we hope to live as we are now living, energy or no energy. So we are in a very sad state.

In 2005, the head of the Trinidad Manufacturing Association told us that we have been losing market share for our manufacturing goods in the region as free trade increased. This was confirmed by the Central Bank Governor who also said that our exporters, because of lack of price competitiveness, have not been able to engage the non-Caricom markets. This is despite the fact that the manufacturing sector is exploiting large subsidies in electricity, transportation, energy and even in water.

12.15 p.m.

I understand that the Prime Minister, in his budget presentation, alleged that Prime Minister Chambers helped the manufacturing sector and, because of that,

they are still exploiting basic factor advantage in a market where knowledge and innovation are key competitive factors.

Madam President, the *World Economic Forum Report, 2005*, again registers a fall from 51st in 2004 to 60th in 2005 in the Growth Competitive Index, and that is confirmation of my own fears that we are on a downwards slope as far as the traded manufacturing services sector goes.

Here we should note that evolution of growth in an economy identifies three basic pillars: the quality of the macroeconomic environment, the state of the country's public institution and, given the importance of technology and innovation, the third pillar is the level of its technological readiness. In today's contribution, it will be shown that we in Trinidad and Tobago are wanting in all three pillars.

If we were to look at the non-traded sector and particularly at the subsector of construction, we note that this subsector is expected to continue its growth and, in 2005, should show an increase of 8 per cent, with an activity valued at \$6 billion.

The Government-sponsored building boom is a major contributor to the surge in the non-traded service industry, so much so that there is now talk that we have to import skilled labour to accomplish our planned projects.

The upturn in our economy over the past decade shows the basic symptoms of the diseased economy where the move is towards non-traded services, shopping malls, restaurants, construction; all the things which take away from adding to production capacity. This has taken precedent over indigenously traded goods and services in general manufacturing, in agriculture and in services. It is driven by and coupled with foreign direct investment and a commodity prices boom in the natural resource sector.

Some will say that our economy is growing faster than world average and that we have actually made substantial savings in foreign exchange, but even these have nothing to do with our own efforts and depend basically on large foreign investment and high prices of oil and gas and other energy-based products.

Further, we have a GDP growth rate around 6 to 7 per cent, whilst national income growth rate, that part of the economic return that stays in the country, is more like 2 per cent and even this is fuelled by the revenues from the natural resource sector. Others might well ask—and some do—if indeed we have the good fortune to have never-ending natural resources and high prices that will be maintained well into the future, why should we bother with improving the human capital and increasing our traded, manufacturing and agricultural sectors and the related

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export capability? And, of course, they might be right. The attitude in other words is, let the fete continue; so we should forget our PM Chambers' plea: "Fête done; back to work." In reality, our resources are indeed limited, the prices are volatile and these may be kept reasonably high by the phenomenon of peak oil. The emerging technologies related to, say, natural gas hydrates would eventually return some of these prices to normalcy, so it is not something that we know and can say safely that we will have high prices forever more, amen.

We also have had the IMF "non-report" that has been warning us that even in the present scenario we may have to begin to use our savings as early as the year 2008—that is not very far away—to maintain our economy at its present level. That effort, according to the IMF, can only continue up to the year 2020, and that is only if the reserves actually last.

Madam President, as a note on the side, the Government recently claimed, in the other place, that it is working with the estimate that we have some 90 to 100 trillion cubic feet of natural gas existing in the basin, hence there is no fear, they said, that we are going to run short of gas reserves. Madam President, the only authentic figures released are those from Ryder Scott, which put the proven reserves at 20 trillion cubic feet of gas.

So that we understand the difference between "proven", "possible" and "probable", there is literature which defines "proven reserves" as the amount of gas for which there is a 95 per cent probability that we can produce it economically. If we add the proven and probable reserves, then the amount has a 50/50 chance of being produced economically; but adding the proven, possible and probable reserves are the quantities with which there is probably a 5 per cent probability of it being produced.

So, for the Minister to stand and tell us that we have 100 trillion cubic feet of natural gas, I do not think was a totally honest picture of what we have in Trinidad and Tobago. As a matter of fact, the Securities and Exchange Commission of the United States (SEC)—equivalent to our SEC—so as to protect investors, only allows listed companies on their stock market to officially post proven reserves. The other reserves, in their view, are too speculative and no business is done by singing or using these figures. Yet our Government is doing our business and planning our energy sector economy with even more speculative figures. If Trinidad and Tobago were listed on the New York Stock Exchange, the Minister of Energy and Energy Industries would have already been charged for misleading the public with his statement on the reserves in the basin.

A further claim by the Government on current production rate is that we have another 50 years of crude oil, since their claim is that the field is not half empty, but half full. Have you ever heard more? as they say in local parlance. An oil field is not like a gas tank, one that can be operated at full delivery speed until the last drop is consumed. The truth is that the production rate of a field increases until depletion overtakes production and then production rate decreases until the field is totally exhausted.

When we have entered into this declining position, half of our resource is still there to be extracted, but this should bring no comfort to us because of this reduced production. Revenue at given prices drops with diminishing production each year. This is very important if we are really going to take the reserves into account in our future planning process.

Madam President, though the quantity of oil discovered by BHP has been downgraded from its original expectation, its current production is now only 45,000 barrels per day and this has almost been completely neutralized as far as total production of the country is concerned because we have had a 58 per cent decline in bpTT's crude oil output over the past few years. So, as a result, our crude oil production is now forecasted to peak at 165,000 barrels a day, compared with a projection a year or so ago of 180,000.

Let me get back to the main area of my discourse. Given that we now know a little about the Dutch Disease, surely we have to look to other countries that have actually beaten it—countries I have mentioned, like Botswana, Australia and the United States—to see how they have managed to turn the resource curse into an advantage; how to manage the disease and how to manage the natural resource industries. Indeed, we seem to need some help. The problem though is, like the alcoholic or the drug addict, we have to admit that we do have the disease. So the Government and the Cabinet have to admit that we have the disease.

Current literature describes the two main effects of this disease. The first is the decisive role of institutions in a country in its economic development and the other relates to political impact. I am sure we all recall Prof. Sachs' comment that the US could afford to have a weak or a poor government, yet maintain a good economy, while countries like Trinidad and Tobago, without adequate private sector institutions could not afford bad governance. He was saying that without the proper government institutions, the Dutch Disease would overwhelm us as it appears to be doing at the moment.

Whilst the Government is admitting its lack of ability to implement its projects and its lack of institutionalized capacity, the new state enterprises are

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mere facilitators of the disease. It is not going to go away. They are certainly not treating the disease, but they will be exacerbating it and I think we have to take note of that.

The damage to the country is not that most of our activities utilize the rents generated from the energy sector; we are also subsidizing energy products in state enterprises to large amounts every year. The Budget Statement tells us that \$16 billion of Trinidad and Tobago's \$18 billion from oil and gas will be spent this year, 2005—2006. The damage is because most of our spending will not be on producer-friendly activities where rent-seeking and production should be complementary. Madam President, instead, the rents from the oil and gas will be spent by what is known in the literature as “grabber institutions”, a term introduced by Mehlum, Moene and Torvik of the University of Oslo. A grabber institution easily diverts the scarce entrepreneurial resources out of production, out of agriculture—the traditional export sector—and into unproductive activity as a result of the abundance from the oil sector. Does that not sound very familiar to us?

The current boom in the non-tradable subsector, particularly in construction, is draining the rest of the country of both its professional people and its tradesmen. Construction and quarrying contributes \$6 billion to GDP, while export and domestic agriculture contributes \$400 million. Distribution and restaurants, another non-traded service, another grabber institution, contributes \$9 billion to the GDP, while assembly-type industries contribute \$920 million.

This particular subsector, Madam President, in spite of the Minister telling us that the manufacturing sector is growing, is actually in decline. Another subsector in manufacturing in decline is: assembly-type wood and related products, textile, garments and footwear; all in decline.

So surely we can see that the major part of the non-energy activities is being taken up by the rent-grabbing industries and institutions that do not contribute to the continued development of the human resource in innovative or entrepreneurial capacity or even trying to create capability.

Madam President: I have to inform you that you have spoken for 35 minutes. You will continue after the lunch break. We will now have the lunch break and will return at 1.30 p.m.

12.30 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

Sen. M. King: Thank you again, Madam President. As I was saying when we stopped to eat, which was a delicious lunch, surely I think from what has gone

before, we can see that a major part of our non-energy activities is what has been termed rent grabbing institutions that do not contribute to the continued development of our human resource, in either innovative or entrepreneurial capacities or even build creative capability; meaning they are not geared to productive-friendly enterprises, that is traded manufacturing and the traded agriculture or services institutions.

It is in this respect that I do register some concern over the massive increase in tertiary level graduates planned by the Government—it was also planned by the last government, so it is not just this Government—even at the lowly levels of 8 per cent of the secondary schools cohort as tertiary level graduates. Many of them are actually leaving because there are no jobs for them at home and whatever jobs there are available, are of no interest to them, because of their tertiary level education. If we look at it in this light, the move towards free tertiary education will contribute to the grabber institutions if provisions are not put in place to incorporate our trained human resource into the economic development, that is in creating the producer-friendly institutions. We certainly will not retain them if the non-energy sector is dominated by the rent-taking or rent-grabbing activities, which are predominant in this economy.

The unfortunate phenomenon of the Dutch Disease is not that it destroys institutions, but they are tested very severely and many actually become decorative or totally irrelevant within the scheme of things. Also in the situation where they never actually existed, such as in our economy which originated as a plantation economy, they are actually very difficult to build these institutions for all kinds of cultural reasons. Surely, when we examine this position, we can ascertain that the plantation economy can indeed be described as the first stage of the Dutch Disease.

If we look at Botswana, where 40 per cent of its GDP stems from diamond revenues, it has had the highest growth rate since 1965. This performance is attributed to the existence of good institutions. Botswana is 39th in the institution's table of the economic forum growth competitive index. Just compare this with Venezuela, which is also rich in oil and gas, it is 106th in the index and it has a negative growth rate of 0.8 per cent over a 30-year period. Venezuela is one of the largest producers of oil in the world today. If we look also at Botswana, we will find that Botswana also has the best African score on the corruption perception index, which tells us a thing or two about governance.

If we were to look at our strong and influential institutions, and we do have some—they are not all decrepit—strong institutions. Among the Government

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Ministries, there is no doubt that the Ministries of Energy and Energy Industries and Finance are indeed powerful ministries that have put their mark on the economy of Trinidad and Tobago. They are still trying to convince this nation that steel, aluminium and plastics, in a depleting natural resource economy, are what sustainable economic advantage is about.

Complementary to these ministries we have the Energy Task Force, an energy tax committee, the National Energy Corporation and the National Gas Corporation but if we look deep down into these organizations, all of their focus and attention, specifically, is on the rent-generating sector. They are not looking at the productive-building capacity of the rest of the economy.

If we look further at the ministries, we know that the Ministry of Education, in its present context, that is isolated from the economic development of the country, is also what can be considered a grabber institution. It is not producing any development.

Continuing along this line of thought, the ministries that deal with social services, for example health, necessary as they are, are also grabber institutions. There is absolutely no research and development done within our Ministries of Health or Education, which could be attributable to economic development. If we were to compare our performance in health with that of Cuba, we would, indeed, see in great detail, what I am actually talking about.

This Government, driven by a high unemployment rate and poverty figures, is spending massive sums on URP and CEPEP. Some of it is absolutely necessary, as we were discussing over lunch with the Minister, but they are basically make-work programmes and, again, in general, they are not producing tradable services or goods; they are grabbing institutions. I am sure, if you think of all the other ministries, some others will come readily to mind. There is no development, no research, no new productive capability built and only taking rents from the energy sector to develop their particular programmes, which are non-productive programmes.

Surely, in all economic development issues and all economies, there must be some rent-taking and rent-seeking, but productive-oriented institutions should also be part of the process. We look at institutions like NEDCO, the Business Development Company; VCIP, the Venture Capital Company; the new tourism development company which grew out of Tidco, NAMDEVCO; the Agriculture Marketing Company and others. These are basically very weak institutions that have found it difficult to produce results within the environment in which we live; the environment with the Dutch Disease. For example, in a country like Trinidad

and Tobago with a budget of \$34 billion, the Venture Capital Incentive Programme has funded, in total, 12 companies, many of them have not succeeded and spent a ridiculously small sum of TT \$12 million. Dynamic Equity, which is another Venture Capital Company, not part of the programme, has actually invested a grand total of \$7 million.

Madam President, the economic forum's competitive index shows that as far as public institutions index is concerned we are now at 83rd position, falling from 43rd position in 2002. What this tells us, if we are really listening, is that the Dutch Disease is becoming more chronic.

Our budget speech this year talks about the allocation of a sum of money to our research and development fund and indeed very welcome news, given that we spend only .13 per cent of our GDP on research and development. If we look at countries which have succeeded like Singapore and New Zealand, they spend 1.4 and 1.1 per cent; much more than Trinidad and Tobago.

However, if we look back over the years, we must also take note that at one stage, the University of the West Indies spent US \$16 million, some five to eight years ago on what started out as a commercialization of research projects. Very little happened, simply because there were no institutions at the university and no institutions even in the wider community, that were devoted to the commercialization or development of research, no institutions at all taking forward the research and development which had been done by our people in our university.

Madam President, in the same way a government research and development fund could serve very little purpose on its own—since it appears that this fund bears no relationship whatsoever to any report which has emanated from the committee, which has been working on Vision 2020—there does not seem to be any link between the Vision 2020 Subcommittee on Science and Technology, Innovation and Entrepreneurship. What this fund is going to do is something that we will have to ensure it is not wasted like the US \$16 million, some five to eight years ago.

If we look at the Vision 2020 subcommittee's report on innovation and entrepreneurship, the report seems to be very incomplete, as it does not address the creation of what we need in Trinidad and Tobago to create the innovation system; funding for which will be important, ranging from seed money to venture capital and, obviously, to other financial institutions and other financial investments being involved. The report on science technology and innovation is very big on policy, but very thin on process and terribly thin on strategy.

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To cap all of this, Madam President, we are apparently witnessing the assignment to the dustbin of the work of the subcommittees of the Vision 2020 Programme, as the Government is paying lip service to the notion on the covers of the budget documents again, this year. As in the 1970s, economic development planning has again, obviously gone out of the window.

Further, according to the paper by Mehlum, Moene and Torvik of the University of Oslo, which we started talking about earlier this morning, even more stark examples of grabber-friendly institutions can be found in countries where government is not able to provide basic security.

Madam President, the apparent inability of our State to provide basic security, not only dissuades people from investing or encouraging our entrepreneurs to emigrate, it also encourages the disease into the further development of more non-productive type institutions at the cost of production and at the cost of the development of our trained human resource.

As an aside, Madam President, if we are really serious about developing a proper and mature police force, capable of dealing with the crime situation, I do not think that we can continue to have an entry-level at three and four O'levels. I think we have to be very serious about the development of the human resource and we should be starting at those particular institutions like the police service.

When we look around us at every corner in Trinidad and Tobago, there is a new security company and the non-traded sector is offering services ranging from a man with a dog, to a man with a gun, to high-tech surveillance systems and the budget has allocated \$3 billion of the \$34 billion, to national security.

1.45 p.m.

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Sen. Dr. E. Mc Kenzie*]

Question put and agreed to.

Sen. M. King: Madam President, thank you and colleagues. So, the same paper by Mehlum that we started talking about this morning has a table of countries that have weak institutions that have proven themselves unable to cope with the Dutch Disease. In that table of contents we, Trinidad and Tobago, take our place alongside Nigeria, alongside Peru, and even Brazil in not possessing the required institutions that would foster development, a fact that has also been

confirmed by the World Economic Forum when it talked about institutional developments.

We are spending massive sums of money on our new university, another rent grabbing institution like eTeck and the other new implementing state agencies. Yet no mention is being made of strengthening or creating ones that would use the revenues to provide the productive capacity and the associated human resource.

We have heard praises poured unto UTT in its collaboration with the energy sector in the budget, totally ignoring the fact that this sector is the originator of the Dutch Disease. We have not moved in the economic thinking from the 1970s, and if we are using the same types of consultants that we used in the 1970s, we cannot make any change, we cannot go forward.

Further, the Wallerfield Park which was also one of the institutions created by the last regime is still to be demonstrated to us as being a productive user of the energy rents. To make it into another Point Lisas—and, of course, again we have the same advisors there—is not necessarily about sustainable development. We, in this House, patiently await the information on the University of Trinidad and Tobago and the Wallerfield Park combined, to see whether they are productive or whether they are going to end up as the grabber institutions of yesteryear. Together, we also need the accountability system in place. I think the Minister has told us this morning that they will be under the purview of Parliament and for that we are, I think, satisfied that would happen.

I mentioned two fallouts of the Dutch Disease: one being the non-traded growth of the sector and the other fallout is what is known as the “political Dutch Disease”. I think it is worth mentioning. What has been noticed is that the earnings and rents from the natural resources sector are skewing the development of the other sectors—the other traded and non-traded sectors—also impact on the allocation of political power.

What is also evident is that the resource abundance brings a huge amount of rents or resources into the Government which exacerbate income disparity between the populace and income among the political elites. So this can actually cause rent-seeking and a pernicious distribution of struggle for resource earnings by the numerous powerful groups and elites in the society.

Madam President, it is said that we may have political parties which are divided among ethnic lines, but there are no real signs noticed of struggles to get into power so that certain parts of the community could benefit from the revenues and not others. So rent-grabbing wise, both the political elites—those who control

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the political parties and the governed—are fairly happy that they are going to get their fair share whichever party is in power.

Madam President, the TI Corruption Perception Index and the number of public officials and their cohorts now before the courts, suggest that the political Dutch Disease has a foothold in our country, not necessarily in a fight among competing elites, but in the process of acquiring rents by the elites.

I would like to turn, Madam President, to the actual quantity of revenues and earnings that are being poured into the economy. I have already established the fact that little or any of it is going into rent-seeking productive activity. What I need also to address is the attendant stresses that are being put on the economy due to the level of spending. So if we could review very quickly, the proposed spending in the budget, the Government allegedly spent \$28 billion—this is in fiscal year 2004/2005—of which some TT \$6.6 billion was backed by US dollars earned from energy.

The Central Bank put US \$700 million into the economy which would have assisted in mopping up the TT \$4.34 billion, leaving the rest to increase the liquidity in the market. Of course, the Central Bank is attempting to control the local economy that is, the levels of credit and, hopefully, the inflation rate by using its repo rate. This repo rate is meant to indicate to commercial banks what their retail interest rates should be.

Inflation is a complex phenomenon and it does not really respond quickly to just a change in commercial retail interest rates. However, for this to work, even in any event, the commercial banks must be operating in the face of tight liquidity, otherwise the de facto repo rate becomes zero and the Central Bank, to all intents and purposes, loses control of the management of the economy. So under these conditions, the repo rate can do nothing to effect change.

I would like to quote from our own Government's *Review of the Economy* where it stated that high levels of liquidity characterized the 11 months preceding August 2005. So, as a result of these conditions, the Central Bank maintained an active presence in the financial system via its Open Market Operations (OMO). At the beginning of the financial year, the amount outstanding on OMO bills was TT \$1.3 billion and by the end of August it had increased to \$3.35 billion.

In the meantime, we had maturities of the OMO bills—the redemptions in other words—over the same 11-month period totalling \$2.7 billion. So we are looking at a total face value of OMO bills offered at \$8.1 billion.

Madam President, what this means is that for the Central Bank to maintain some control over the economy, it had to take out and freeze some \$8.1 billion, whilst the Government is pouring money into the economy, additions to this liquidity, at the rate of \$2.3 billion alone last year. So we are going around in a vicious little circle year after year.

As a reduction in income and corporate taxes would now put money directly into the hands of consumers—an inflation push that cannot be controlled via credit or interest rates by the Central Bank—that would be one of the results.

Again the *Economic Review* also states:

“For the period October to June 2005, the monetary aggregates displayed higher growth rates consistent with the high liquidity in the financial system. The narrow money...”

The narrow money is the money in circulation on peoples deposits in the bank:

“increased by 34% to TT \$7.8 billion in October 2004 to TT \$ 9.8 billion in June 2005.”

So we are talking grants here and liquidity.

We really cannot go into the long discourse on monetary policy here, but I think it is sufficient to say that economic development and economic management depend on the ability of our Central Bank to control the variables in the economy. The prime variable is the commercial retail interest rates. This depends on keeping liquidity tight.

The last budget and the one before us today exacerbate this liquidity and add to the amount of money the Central Bank has to take out of the economy and to freeze. This liquidity also increases depending, in general, on the deficit financing by our Government and this, obviously, is due in part to the amounts that we are spending of the rents collected from the energy sector whilst not at the same time releasing the US dollars into the market. We know we cannot release all of the US dollars into the market because we have to save some. If we were to look at trying to come to a conclusion as to what might be one of the better solutions, it has to be a reduction of the Government’s deficit spending based on the earnings from the energy sector.

The only question left obviously is: What is out there that must be done today and not tomorrow? The problem is that anything the Government attempts to justify as necessary now relates primarily to what we call “rent-grabbing institutions” like URP, CEPEP, social services, et cetera and little, if any, to do with

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the use of the earnings to generate that productive capacity. This is the disease that we have been talking about in its most rampant form. No development issues are tackled.

I would like to leave you with one comment. This comment is from Miguel De Cervantes Saavedra's *Don Quixote de la Mancha* and he states in that publication:

“The gratification of wealth is not found in mere possession or in lavish expenditure but in its wise application.”

There is no doubt in my mind that if the Government continues to do the things that it is doing and left to its current devices, we could be consumed by our particular bout of the Dutch Disease. It has happened before, Madam President, and we must not let it happen again.

I thank you. [*Desk thumping*]

The Minister of Labour, Small and Micro Enterprise Development (Sen. The Hon. Danny Montano): Madam President, thank you very much. After listening to Sen. King—it is always a pleasure to listen to her—I would love to engage her this afternoon, but that is not my mission today. We have to do it on another occasion. If I had it second via the Chair, then it would be great, but I do not have that stake.

Madam President, the first thing I want to say is that it really was a bit of a surprise to listen to Sen. Mark this morning. Sen. Mark is the longest serving Senator in the Senate at this point. He has been here for about 16 years, and he openly read his contribution. When he was challenged, he was allowed to continue reading.

Madam President, I would just like to tell you that in the last administration, I had been invited into the Senate as an Opposition Senator, and if you would recall, we were brought in December, and within about one month or five to six weeks we had a budget. The then President, Sen. Ganace Ramdial, was very gracious and he certainly allowed me to read my budget contribution on that occasion. Madam President, that was the last occasion that he let me do that and I did ask him. He never allowed me to do that again.

Madam President: Mr. Minister, I did enquire about that and I was in fact informed that it is the practice to allow Senators to read their contributions only during the budget debate.

Sen. The Hon. D. Montano: Madam President, it is quite all right. I am not objecting to it. It is perfectly all right. I am merely saying that there was a different treatment at a different time. I did request and those requests were always denied.

2.00 p.m.

You know, clearly he had to read it because he did not write it. But there was one part clearly that he wrote and you know the part, where he goes: "The evil and corrupt..." He wrote that. He wrote that twice, and that is his part of his budget contribution. The rest of it somebody else had to think up for him. To give credit to my colleague, he spoke as a true patriot. [*Laughter*]

When I listened to the whole thing I realized that he is not really living in Trinidad and Tobago. He read a whole bunch of facts, figures and statistics. There was a wise man who once said: "There are lies, damn lies and statistics." It was not very impressive, but however, what did occur to me was that what he was showing us was that last year, I was on my legs at this time and I said, I detected a sense of panic on the part of Sen. Mark and, Madam President, by this year it is complete hysteria. He was almost hysterical, and I realized it because, when I was in the other place and I listened to the budget as it was presented by the Prime Minister a while before, I was thinking to myself, thank heavens I am not an Opposition Senator; thank heavens I am not in the Opposition, because this would be a really tough one to argue against.

I can see how he is not just in a panic, but he is almost hysterical in terms of how we are going to deal with this onslaught. He used an expression, almost a metaphor, he said how the PNM was using a hammer; and I realized what he was seeing visually in his mind. He sees that what the PNM has done over the past three or four years and in this budget is literally a sledgehammer on the fingertips of the UNC. These "fellas" just cannot get their fingers back into the Treasury, and they are in a panic about it.

When you add it all up and you look at the initiatives in housing of this administration, when the last administration had no functioning policy at all; when you see the thousands of families; thousands of them every year, that are getting houses that they can own for the first time, that puts the Opposition under serious pressure. When you see what has happened with the unemployment figures, the number of persons employed has increased between 2001 and 2005 by some 56,000 persons. Fifty-six thousand persons now have jobs, who did not have jobs before. The labour market has actually grown with 56,000 more persons having jobs. But the number of unemployed has actually fallen from 62,000 in

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2001 to 56,000 in 2005; that is why he is hysterical; that is why he is in the condition that he is in.

When you consider the impact that the Government's policies and initiatives with regard to tertiary education are going to have on the population—he is thinking about it only from a political standpoint. He is not really addressing the social benefits that are going to accrue to the citizens of the country; he is looking at it purely from the political perspective and what it is doing to the lack of winability of the UNC in any election that may come up.

When you look at the issues in terms of poverty alleviation—I can tell you about that in a little while—or the improvement of the standard of living; the United Nations Human Development Index wrote that there has been an increase in the social security levels in the country. We may have fallen in ranking but the levels are rising. When he looks at what the Government has done with Caroni (1975) Limited, and the fact of the matter is, I spoke about this a year ago, and nobody really understood what we from this side were talking about. The fact that we were going to empower the workers at Caroni (1975) Limited, give them land that they could farm and give them land that they could build their houses on, [*Desk thumping*] we were going to empower 9,000 workers. Now they understand. Now that they have seen it, now they understand the threat to their political base. They do not care about the fact that 9,000 persons are going to benefit; they are not concerned with that. They are concerned about the damage that has been done to their political base. That is what we are talking about here.

I just want to deal briefly with some of the other issues. He spoke about TSTT importing a chief executive officer (CEO). Madam President, this is something that is misunderstood, and is being misunderstood in the country a great deal. We are a population of just under 1.3 million persons. The size of our country is smaller than a suburb of London, New York, Washington, Miami or Toronto; we are not even a suburb. Nobody in his or her right mind could seriously think that a suburb of London or New York could be a complete self-sustaining economy on its own, that they could develop with all of the resources and the technology that they are looking for by themselves.

The fact of the matter is the people living in those small sub-regions are able to be educated outside of the region. If they need any kind of resources, whether it is mechanical or intellectual, they can bring it in from a neighbouring city or part of the city that they are a suburb of. They can develop their little micro-economy. Can we do that here? What do we have? We have nonsensical statements being made that we should not be importing this level of expertise into the country. We

must do it entirely by ourselves. That is what the mantra was back in the 1960s and you saw what happened with the economy.

When we began to change that philosophy and we said, no, we must begin to enter the global marketplace; we must begin to cross-fertilize ideas, the economy began to expand rapidly. You can see what has happened in the petrochemical and the energy sector, because of the cross-fertilization of intellect as well as financial capital. This is what is necessary.

Madam President, in today's marketplace you can buy a motor car that is built anywhere in the world. If you have the cash to pay for it, you can import it. You can buy anything that you want anywhere. That is part of the problem that Sen. King was talking about; almost a substitution of preference for imports as opposed to locally manufactured goods. The fact is you can import any product that you wish. Therefore, if we are to be part of a global economy; if we are to take our rightful place on the stage, then should we not also be allowed to import intellect at the same time? We are already doing it. We are doing it with doctors; we are doing it with nurses; we are doing it with pharmacists—because we simply recognize this is what we must do—and we are about to do the same thing with the police. The people have been calling for it. So, when I hear statements being made about TSTT importing a CEO or something of the sort, I have to take issue with that because men and women at that level are going to make invaluable contribution to the development of our nation. We must not be so blinkered and wear the myopic glasses of the 1960s and repeat those mistakes. We have done that already.

Sen. Mark also said that the budget was anti-worker. I do not see anything in the budget that says it is anti-worker. I do not know what he was talking about. He complained about, in this nation, at this point, we have too many pit latrines. I would have to suggest that that is very largely a result of the complete absence of a housing policy during their six years in government. They made no contribution to the improvement of that at all. To talk about poverty alleviation, let me just tell you what has happened.

A year ago when I was in another ministry I was looking to see exactly what the general standard of living was in the country, what incomes were like and so on. One of the things that I found—and this would have been data coming from 2003, and I was getting this information from the CSO during the year 2004. What the CSO said, surprisingly, was that 47 per cent of the labour force earned less than \$2,000 a month. When I asked them recently—now in the Ministry of Labour, Small and Micro Enterprise Development—what is the situation; that

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figure has now dropped to 32 per cent. Thirty two per cent of the working force earns less than 2,000 a month. This is not a happy state of affairs, but a radical improvement from 47 per cent to 32 per cent. It is a drastic improvement. It is a drastic improvement in the living standards and the conditions of low income workers; and he said that we are anti-worker. He had absolutely no basis for saying that at all; it is just sheer nonsense.

In recognizing that that 32 per cent represents 181,000 workers; and recognizing that we cannot just make a call to raise wages beyond a particular level—Sen. King would understand clearly what that would do to inflation, competition and so on; we cannot do that. So what have we done in order to protect the vulnerable; those at the lowest levels? We set up a small group and we came up with the idea of the Smart Card which is a direct subsidy to those families where the per family member income for food is less than \$300 per month. We did that on the basis of saying that a proper basket of food with a proper diet would cost about \$1,600 a month, and that is the figure that I keep hearing around as being a fairly accurate number. That is a family of four could feed themselves properly on \$1,600 a month, so that is \$400 a person.

The Government said: If by any chance you are earning less than \$300 a month per head, then the Government would step in to make sure that you are given a subsidy. That is what the Smart Card is; that is to rescue. Understand this; by doing that the Government is literally subsidizing employers who would not pay more than the barest minimum wages. The Government is virtually subsidizing employers; notwithstanding that, this is a poverty alleviation programme and that is exactly what we are doing.

There were two other things that we did, Madam President. One was that we reduced the duties on a list of 30 food items and it is going to be monitored by the Ministry of Legal Affairs. We hope that within the next month or so, as the original stocks run out, the replacement stocks would be coming in without the duties, and the prices would actually come down.

2.15 p.m.

Another major plank to alleviate the standard of living of those low income and vulnerable groups was the NAMDEVCO initiative. This will be spoken about in more details, but NAMDEVCO will be used to support farmers.

The 7,000 former Caroni workers who will be farming their own two-acre plots of land, in order to stabilize prices, because you are going to have imbalances in the supply and the demand, depending on what they are producing,

NAMDEVCO will use a mechanism to stabilize the prices so that the prices either do not go too high or that they actually do not crash into the floor. This is so that the farmer can get a reasonable price and that the consumer also gets a stable price that he can count on. And when and if there are shortages, NAMDEVCO will be mandated to import directly to supply the market as necessary.

So, Madam President, we touch workers, we touch the poorer classes, we have touched farmers, so you can understand the concern of Sen. Mark. There was one thing that he spoke about and I would like just to set straight for the record. He mentioned that a state-owned company was issuing contracts to female workers saying that they were not to have more than two children every four years.

Madam President, let me say it from the start, if that is in fact so, it does not represent Government's policy. It does not, and let me also say that any such clause in any such contract is completely invalid. It has no legal basis at all, it is just nonsense. And if any female employee is being pressured into that sort of thing, then, they should know to notify either my office or the office of the Attorney General, immediately.

He also said, Madam President, and the words that he used were “a shrinking non-energy sector”. The GDP at constant prices increased from \$42.5 billion to \$44.2 billion in the non-energy sector, so that just puts the lie to that statement. It just does not make any sense at all. Not only that, just let me see how things are going, corporation tax from non-oil companies increased by \$500 million which means that their profits are exploding. If the corporate tax rate is 30 per cent, that means that their profits over the years have increased by more than \$1.5 billion, and he says that sector is shrinking. Madam President, he is not living here!

He talked about interest rates. Madam President, interest rates on term loans in 2000 was 17.5 per cent. Today, according to the Central Bank, it is 8.88 per cent. Is something wrong with that? What that means is that men and women who want to purchase a motor car, fridge, furniture, TV set, major appliances and major capital goods, are now finding it much more affordable. And that is a bad thing! Madam President, that is an increase in your standard of living. That is an increase and a betterment of your lifestyle, and somehow that is a bad thing. He just does not understand what is going on.

Allow me also to say that the special purpose companies are fully accountable to Parliament. They are subject to the review of the Public Accounts (Enterprises) Committee which is a committee of the Parliament and they are subject to a public scrutiny in that way. But of course, what—

Sen. Seetahal: If I may, Mr. Minister, I have been looking at these documents and I think I heard you say that the non-oil producing sector—is that the word—if I am right, increased by 500 per cent?

Sen. The Hon. D. Montano: No. Increased by \$500 million.

Sen. Seetahal: Of what they gave? So, that would suggest that what we are getting from them has increased. What I have here in the *Review of the Economy*, does not suggest that. The GDP from petroleum as against non-petroleum, it is shrinking, according to this, at page 49 of the *Review of the Economy*. Could you make that clear to me? I would appreciate if you make it clear.

Sen. The Hon. D. Montano: I would refer you to page 34 paragraph two of the report.

Madam President, he went on to say the PNM was squandering the oil revenues. I would ask the goodly Senator—and I hope I would get a positive answer—if he was able to save 10 per cent of his income last year, because that is exactly what the Government did. We saved 10 per cent of our income and we have plans to save 10 per cent again this year. So I do not know what nonsense he is talking a about.

Madam President, let me go on to deal briefly with some of the issues in my own Ministry. It is a Ministry that is new to me, and one of the things that I have seen is that the Ministry of Labour needs very significant institutional strengthening, in almost every department. In almost every department we are badly undermanned. The Cabinet has been very supportive, so far, for my request to increase the manpower so that we can serve the public better. But I would talk about that in a second; let me not get ahead of myself.

Let me just talk a little about the cooperative division. The cooperative section of the Ministry again, is one of the major units in the Ministry of Labour that has been severely hampered by a shortage of manpower and a shortage of real expertise. At the same time, what has been happening is that there are indications of some decay and decline in that sector. It is a very serious concern to the Government, because the Government is very committed to the success of the cooperative movement. The data that we have from the end of last year indicates that we have 1,185 registered societies, but only 287 of them are active; 898 cooperatives are inactive. Of the 287 that are active 46 per cent are credit unions and therefore are a different type of cooperative.

The Ministry and the officers in the Ministry recognize that we are now doing business in a global market, and the cooperative movement and the cooperatives themselves have been severely challenged by the competition from imports, as well as the competition, even from the private sector. Historically, the strength of the cooperative movement was the fact that it came from the very bowels of the community, from the small villages and it was the people who decided to get together to do a certain type of business for themselves.

Up to perhaps 20 years ago, they were much more successful than they are today, because what has happened to a very large extent—and I have said this before, and I have said this to the cooperatives directly—is that their way of doing business, they have just kept doing it the same way for the last 20 years. What has happened is that their strength as a cooperative was the fact that coming from the community, they had a strength and a bias towards service, because they knew everybody and their service was effective.

What has happened, Madam President, is that the larger trading companies, whether it is the McALS, the Neal & Massy or the HiLos, whatever it might be, those businesses and companies have become extremely competitive. They have managed to link up with suppliers from abroad, so that when they buy, they buy in large quantity so that they can get an economy of scale in terms of their pricing, and their selling is now very competitive.

They get out there, they market, they sell and they will bring the goods for you. A lot of the former members of the cooperative movement are now finding it easier to go and shop at HiLo than to go and shop at the local coop. The prices are better, the selection is bigger, it is brighter, it is cleaner and it is nicer. They just want to be there rather than an old kind of dingy place that is a little run-down and the goods are not so clean and so on. What has been happening is that they are being pushed out of the marketplace.

Coming from the private sector, I believe in free enterprise and what the private sector is doing, is what they should be doing and there is no quarrel with that at all. I had a concern for the small man and the cooperative movement has got to be strengthened. We have got to find meaningful ways for them to reengineer their image and to bring in high-tech, competent management expertise, so that they can, in fact, compete on a regular basis with the best of the best in the country.

Madam President, if there is anything that I have to do for the cooperative movement it is that, it is to bring them in, fully, into the 21st Century. That is my mission and that is what I intend doing.

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Let me talk a little about the National Entrepreneurship Development Company Limited (NEDCO), if I may, Madam President. NEDCO was set up in the year 2002 shortly after we came into Government. It is really one of the very strong success stories of the Government. NEDCO is operating as a window of lending to very, very small businesses, that is their primary activity, but what they are also doing that is extremely good, they also do a lot of mentoring. A lot of the businesses that come to them for support, they have received support in terms of marketing and how they do their purchasing and stocking. Their success rate, they have had something like 5,600 opportunities for loans and they have lent those loans. The failure rate of NEDCO is only 17 per cent. International experience for the failure of small businesses is very high, it is well over 50 per cent. International agencies like NEDCO operating in the United States, Canada, and Britain and so on, their failure rate is usually—they benchmark it at 40 per cent. They say if we can get 60 per cent of our companies to survive we have done well. NEDCO has had a success rate of 83 per cent at this point.

In fact, Madam President, one might also say that they have been too successful and perhaps they ought to be a little more generous and take a greater risk. What has happened is that NEDCO has invested approximately TT \$80 million in loans. That investment of \$80 million is to be paid back, and as we speak the balance on that capital is now only \$65 million because \$15 million has been paid back.

2.30 p.m.

More than 10,000 permanent sustainable jobs, Madam President, for \$80 million that you are going to get back; a tremendous success story. They have impacted over 80,000 persons through one form of advice or training programmes or another. They have 12 offices spread around Trinidad and Tobago; the last one was opened in Couva two months ago. Within the past two months, they have had 2,000 persons walk in to ask for information and advice; that is 2,000 walk-in cases. They have already completed the process and granted 50 loans.

The one thing that concerns me and needs to be looked at is that NEDCO was given a mandate to not be allowed to lend more than \$50,000 to any one business.

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

Experience has now shown that the \$50,000 limit seems to be too small; they are now asking for it to be raised to \$100,000. I have looked at it. I am generally in support of this and, I think, as we speak, that a note is being prepared to take to Cabinet. I hope Cabinet would give it a favourable hearing. It would help a lot of

businesses. In fact, all the businesses that come to NEDCO are unable to access finance through the regular sources, which would be the commercial banks or even credit unions. Therefore, they would have no opportunity for any source of financing, unless they come through a lending window like this. Even after they have used up their facility of \$50,000, they may be doing very well, but they may need to sustain it a little more, they need to go a little further and there is no opportunity to extend any further credit to them. This is why we are looking into that.

In support of NEDCO there is another initiative that we have called the "Fair Shares Programme", designed specifically for very small businesses. It is designed so that all state contracts under \$1 million would be reserved for these small businesses and, in that context, a small business is defined as a business with assets of less than \$1.5 million, revenue/sales of less than \$5 million and the number of employees less than 25.

Along with the Fair Shares Programme, is a little caveat. One of the difficulties that we face is that these businesses are coming into the main stream of business; once they start to participate in government contracts, they are going to be in the mainstream of business. You can very well see that some of these contractors will be getting contracts from primary contractors who, let us say, are building houses for the former National Housing Authority (NHA), the Housing Development Corporation.

One of the difficulties with these businesses is that while they are small, they are primarily tradesmen. They may be skilled, but they lack experience, in terms of finance and accounting. They certainly would not have any legal skills and when contracts are placed in front of them, they do not have any experience. They do not have any sophisticated experience in terms of costing.

When a contractor is working on a project, his costing, his analysis of what the project is to cost, is a most important part of the deal. If he makes a mistake in his costing, then what we saw happened with the Scarborough Hospital, happens with them. That was a major business that got its costing all wrong, but the fact of the matter is, little businesses would not be able to withstand the rigours of any errors in their costing. I am trying to develop a programme of support for small businesses, so they can effectively take part in the Fair Shares Programme. We have to give them the tools so they can protect and defend themselves against the vagaries of the marketplace.

I will now speak very briefly about institutional strengthening. The Conciliation Unit is, of course, a major unit in the Ministry of Labour, Small and

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Micro Enterprise Development. Again, it is badly understaffed. Between 1998 and 2004, the number of matters coming before the Conciliation Unit increased by more than 50 per cent, with a declining number of persons in the unit and Cabinet has recently agreed to increase the number of technical officers from 18 to 33 so that matters can be dealt with much, much faster.

[MADAM PRESIDENT *in the Chair*]

Just to give you a little idea, on January 01 of this year, we had 496 unresolved cases coming forward from 2004. We have had 517 cases coming in and we still have 326 pending. We need some support. The Labour Inspectorate are the guys who go out and inspect businesses from a number of standpoints, not the least of which is for compliance with the Minimum Wages Order. There are 17 labour inspectors; between September 2004 to May 2005, they were able to visit 1,772 businesses; that works out to a little over eight per day. That ratio is important and we will come back to it. At this point, there is no officer assigned on a full-time basis to Tobago and it is something that we intend to correct.

The Cipriani College of Labour and Co-operative Studies is another success story. It is in the process of transforming itself and its physical facilities. They recently received an international award, the 2005 Development Provider of the Year in academics from the Global Congress Project Management Institute. So they are doing very well. Their new building will be finished by the end of this month and their student intake this year will be approximately 1,600, almost double what it was in the year 2000. That is another tremendous success story.

I did not really intend to speak for so long, but allow me just to talk briefly and lastly about the Occupational Safety and Health Act. There are those Members of this Senate who are very seriously concerned about this Act and it would be remiss of me if I did not talk about it.

A couple of months ago, in the other place, I gave a commitment that by the end of September I would complete my review of the Act. I was hopeful that by April of next year I would be in a position to do something about it. I was not quite sure where we were going with it and had suggested that what I thought of doing at the time was to proclaim parts of the Act. I have so far kept to my timetable. I have gone through every single line of the Act and I have some issues with it. I will just share some of those issues with you.

Before I go there, let me start from a different point so that you will understand what my thinking is. In any country, safety is a function of the cost of labour, of life and limb. You would know from your history that in times when

labour was plentiful and cheap, the regard for life and limb was scant, so the cost of labour, of the cost of losses is a most important ingredient to the issue of safety. I draw your attention to the fact that the Workmen's Compensation Act that we presently have is a kind of no-fault insurance. In other words, if there is an accident and a worker is injured or dies, that Act kicks in. There is no question of fault; it is an automatic thing. But let me just tell you what the Workmen's Compensation Act does. In section 5 of the Act it says that if a worker dies as a result of an industrial accident and he leaves dependants, he gets paid three years' salary or 36 months' pay; it is the same thing. In other words, you take a young man, perhaps, in his late 20s or early 30s; he has a wife and two or three children and he is killed on the job, the company is obligated, under the Workmen's Compensation Act to give him three years' pay.

So after three years what does that wife do? Does she find a husband? How does she raise her children beyond that point? That is the state we have right now.

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. [*Hon. Dr. L. Saith*]

Question put and agreed to.

Sen. The Hon. D. Montano: Thank you, Madam President. Under the Workmen's Compensation Act, if a worker dies and he has no dependants, he must be compensated for the expenses of his funeral up to a maximum of \$500. [*Laughter*] TT \$500, that is the price of a man's life. If he has total permanent disability, as a result of an industrial accident, he gets his salary for four years. If he is temporarily disabled, whether it is total or partial, he gets one-third of his salary for five years. So it does not matter whether he has a mortgage, a loan on his car or school fees to pay, he gets one-third of his salary for five years. That is what workers are struggling with, at this point.

There is another case that I would draw to your attention; one of the cases that I have been looking at. There was an accident and in this particular accident, based on the reports I have received from the factory inspectors, it was difficult to really assign blame. In fact, in a lot of these instances, it is difficult to really say that there was something lacking. You will find that in almost every case, there is a safety system and when you look at it you know that it should be all right, but what tends to happen is that the accident itself tends to show where the weakness

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is and it is something that nobody thought would happen, but it did. You may think, "Oh, well, we will not do that again," but it is kind of after the fact. You cannot put things down that would make you safe in all circumstances.

2.45 p.m.

This fellow, through no fault of his, or maybe through nobody's fault, a big piece of machinery falls on his leg and he loses his right foot. He is in his late 20s, has a wife and two children and he is partially disabled. What is he going to get? The Act says, one-third of his salary for five years. Is that what we are going to do for him?

No Occupational Safety and Health Act is going to put his foot on or make any difference, and the Act as it now stands makes no difference in terms of the compensation he would get. He is in the same situation. He will never be able to run or play football or cricket with his son, he will never be able to go to the beach and lime with the boys and do regular things. Where he lives he has to go to an outhouse which I have seen. In the middle of the night if he has to go to the bathroom he has to go out there with crutches on one foot if it is raining. Madam President, that is not easy. Quite apart from the trauma when he wakes up in the middle of the night screaming because of what he remembers and he gets one-third of his salary. No, there is something drastically wrong with that system but I will tell you something

I learned something when I first came into the ministry. I met with a number of the trade union leaders and I was impressed with all of them and the quality of trade union leaders we have in the country. One in particular really impressed me. He told me he has a daughter who has a PhD in mathematics, another one who is an attorney-at-law in New York, and a son who is a petroleum engineer at a university in Houston. I asked him how did he manage to pay for that. He told me when he was a young man working for a foreign US firm, there was an accident, he was badly burnt and he saved the compensation that was paid to him and that educated his children. That told me something.

Madam President, just let me give you some shocking numbers here before I run out of time. In the year 2000, the number of non-fatal accidents were 443, fatal accidents were 5; in 2001, non-fatal 375, fatal 3; in 2002—these were being reported, we do not know how many accidents there really were—non-fatal 536, fatal 1; in 2003, non-fatal 352, fatal 3; in 2004, non-fatal 234, fatal 4; in 2005 to September, non-fatal 1,531, fatal 13. That is where we are.

Madam President, let us talk about the Act itself. There are some difficulties with the Act, and I will give you three examples. Section 26 of the Act requires the fire service to certify each industrial establishment every 24 months.

A check with the Companies' Registry shows there are 93,432 businesses registered. According to the Occupational Safety and Health Advisory Council, it says 27,600 companies will be subjected to this inspection from the fire service. That means that the fire service that you and I know is going to inspect 60 places each day. Let me ask if this is going to happen. And if you do not get the certificate, you cannot do business. So you close your doors and wait for the fire service to come, however long it takes. Is that the way it is going to work?

Section 74 of the Act says:

“Where an inspector is of the opinion that there are unsafe conditions he shall serve a prohibition notice.”

In other words, this is unsafe, shut it down. He shuts it down. Nobody is going to arbitrate this and to get away from this one has to go to court. So he has an absolute right to close your business.

Madam President, you know this is Trinidad and Tobago, you know what happens when people have that kind of power. Is that what we want to do? There are other ways of achieving the same thing and I have some suggestions which I am not going to get into at this point, but there are other ways of achieving the same thing.

Section 15 of the Act says:

“An employee may refuse to work where he has reason to believe that there is serious and imminent danger to himself or others.”

Understand that. In other words, if I am working here, but I think Sen. Dr. Balgobin is unsafe, I can stop work. That is what this says.

What I was told when I came into the ministry was this Act was largely the product of the Caricom model which was used. Let me read the Caricom model and you will see the difference; somebody did not get it quite right.

It says:

“A worker may refuse to work where he or she has reasonable justification to believe that any equipment, machine, device or article the worker is to use presents imminent and serious danger to himself or another worker...”

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In other words, what the Caricom model says is if what I am doing is unsafe to Sen. Dr. Balgobin, then I can stop working. There is a huge difference in how it would actually work.

Let me show you what the Barbados model says, so you will understand where we are coming from, and Barbados used our draft in the preparation of their Act. It says:

“Where during the course of his employment there is sufficient evidence to indicate that an employee’s health and safety are in imminent danger, that employee may refuse to carry out the task assigned to him.”

That is what makes sense. Somehow in the translation, ours got to where it is and clearly we need to make some adjustments.

Madam President, we can in fact create the framework, we can probably proclaim parts of the Act, but we are going to look at that. I have established a small team and we are looking at it again to see what we can actually do, and I hope to have a decision on that, certainly not later than March next year, because whatever I come up with I will have to have the sanction of Cabinet so it may take a little while to get everybody’s agreement. I am certainly in line with the target dates I had originally set and I hope Senators will understand that we are looking at the issues very seriously. We intend to make good law.

Madam President, let me say that the Government is neither pro-business or pro-worker; it is here to govern for and on behalf of, to the benefit of all the people equally, and whatever we do must be done in a balanced and sensible manner and that is exactly what we are trying to do with this Bill.

So with those few words, Madam President, I thank you very much.

Sen. Roy Augustus: Thank you very much, Madam President, for giving me permission to intervene in this debate this afternoon. I just want to first of all look at one or two of the statements made by the last speaker, particularly in response to Sen. Mark’s contribution.

I normally look at these things with a fine eye. For instance, I heard the Minister indicate that we were worried about the sledgehammer since it is going to deal with our fingers and prevent us from going into the Treasury and I noticed that nobody admonished him. I deliberately did not get up waiting for somebody to admonish him particularly, since ironically, it was the same speaker who argued vehemently about Sen. Mark speaking about evil and diabolical. I could not understand why he was not admonished.

In fact, I wondered whether when he mentioned that the contractor for the Scarborough Hospital did not do his costings right and got them all wrong, whether if I in my contribution would say that probably the costings were deliberately done wrong to assist Landate, whether I would be pulled up.

Madam President, I also looked at the question of Caroni where 9,000 workers—according to them—were treated properly and what we on this side are worried about. It is the politics. It is not that 9,000 workers were dealt with properly—according to them, via the Minister’s statement—what we are worried about is that it possibly could have been an erosion of our political base. Maybe that is what they aimed at, more than really dealing with the workers as they should have done.

If that is correct, if that side did not do it in that way and we are worried about our political base, what are they doing for their political base? I am talking about Laventille which I will return to later on because I do not know that over the 40 years they have been in existence, that they have dealt properly with Laventille and even now they are not dealing well with Laventille. So for the Minister to accuse us of being political and not being sympathetic to our own people as he puts it, maybe not in those words. It is not my language, but his language, because he was talking about our base, but I am deliberately talking about their base which happens to be my base also.

3.00 p.m.

So I would like the speaker to be very careful. But we continue. We have grown so accustomed to blaming other people for our shortfalls and shortcomings that I could not believe the speaker when he said that pit latrines exist today because of the UNC. The Minister said this: Pit latrines exist today because of the UNC. And when he was talking about somebody—that part I did not understand at all—who got injured and lost a leg, he called it, outhouse. I do not know what part of the country that was, but maybe he does not know the difference between a pit latrine and an outhouse, and maybe he does not know how long pit latrines have been in this country, and maybe he does not understand how many pit latrines there still are throughout this country. I could take him for a walk because he cannot go there by himself, I could promise you that.

Sen. Dumas: How you could say that?

Sen. R. Augustus: And he admitted that he is not pro-worker. [*Interruption*] I am listening, you know, because I know you must come in. I am waiting for you. Of course, I should not say “he”; I am very sorry. The Minister admitted that the PNM is not pro-worker.

Sen. Joseph: Pro-business.

Sen. R. Augustus: Let me speak “nuh”, please. He admitted that the PNM is not pro-worker. Of course, he tried to sugarcoat it by starting off that they are not pro-business. Understand me clearly. He is admitting that they are not pro-worker. A party whose foundation was built on workers from 1956 to now; a party whose charters spoke about the worker, whose charters spoke about the trade union movement, the Minister of Labour admitted today that they are not pro-worker. I am not buying the nonsense about not pro-business. If you are pro-worker, why is the OSHA not yet law? You come to give me a whole lot of stories now—“tories”; quite correct—and over the last few years we have been waiting for this Bill as to what the problems are. You are telling me you know what the problems are and you cannot fix it to today? You are asking me now to give you some opportunity till March 2006 to have it fixed? It is more than two years since you have this Bill in your hand. So I could very well understand why you are not pro-worker, because this Bill will forever be in your face. I thought they did not know what the problems were, but I sit here listening to the Minister identifying problem after problem, clause after clause. What could they fix? Have they fixed anything since they are there? They have not. [*Desk thumping*]

But you know, this budget that was touted as a budget that cannot be argued against, so many people feel their lack is a lack that exists everywhere else. If this budget appears very nice, good and hunky-dory to you all, it does not appear so to everybody in the society. There are things that we have to look at. My position is that you have begun very nicely to address the basic needs of your people—I am talking about the whole country now, because we are addressing the basic needs of the country—except that I have a problem trying to identify what basic needs are when I look at the budget delivery. I want to tell you, I do not get bogged down into the figures. You see, the GDP and whatever kind of “P” you have, I do not get bogged down into that; I go into the realities of the situation.

I remember going into a little area called Cunjal just after the budget was presented and a young man in the area came off the basketball court to listen to us and he said the image he had in his mind of the budget was that the Prime Minister or Minister of Finance, or whoever it is, having loads of money and took it and threw it up into the air and some fell here, there and everywhere else, but in Cunjal. That is the important thing: Some fell everywhere else but in Cunjal. He does not know about GDP; he knows that you are probably talking about \$34 billion and he is not seeing any. And you should see the roads going into Cunjal. Then the lights went while we were there. So you understand why he said it fell here, there and everywhere else but in Cunjal.

So whose basic needs are we addressing? I have a kind of definition of basic needs, you know—two definitions. I have the definition of those people who are satisfied with their basic needs of food, shelter, clothing, safety, health, education—basic—once they can get some of it, and then there is the other group whose basic needs, because of where they are in the societal scale, are big; big house; large cars, one for each member of the family, and probably a yacht; swimming pool in the yard. Are those the people whose basic needs are being addressed? Because when we go through the budget we have to look to see where those \$34 billion are filtering down to the people in some real and sustained way.

My view when I heard the title of the budget as “The Basic Needs” I thought we were looking at the basic needs of the development model, and one of the first things in the basic needs of the development model is that you try to eradicate poverty in the shortest possible time. Throughout the budget I have been looking to see where there is definite, serious and focused emphasis on the eradication of poverty in the shortest possible time. I have not seen it yet. There is a little here and a little there; nothing cohesive that will make Laventille, Cedros and La Brea a little more comfortable than they are now. I do not want to say Charlotteville because there is a man in Tobago for whom I have respect, so I am not going to talk Tobago as yet; and it is not the Minister of Local Government. I have not been there for a little while so I am not too sure whether the kind of image that he is putting on the national stage is really transferring to the alleviation of the problems in Tobago. I have not been there as much as I would have liked to be, when I was in my younger days.

But getting back [*Interruption*] I want to hear you, you know.

Sen. Seepersad-Bachan: Talk louder. We want to hear you.

Sen. R. Augustus: I want to challenge—and again the Senator mentioned the question of unemployment. This is why I am talking about eradication of poverty, so I am going into employment because I think that a budget in a developing country with a population as small as ours is—with an ageing population, in fact—employment should be your major focus. Employment was not the major focus in this budget because the people of that side are satisfied that the employment level is 8.4 per cent and 9 per cent. I am not satisfied about that at all. I am not a statistician, but when I see that you include in your employment figures, people who work in the Unemployment Relief Programme, I worry; when you include people who belong to CEPEP which also is an unemployment relief programme, I worry. That is not employment in the true sense of the word. It is not sustainable employment. This budget does not give me an indication that down the road we will move away from unemployment relief programmes.

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So in your figures, what you have included in the employed cadre of people are under-employed, because you still have a lot of people working below the minimum wage. So you have the under-employed there and you are counting that as a success; you have those in make-work Government programmes and you are counting that as part of your employment figures. I always like to put this down. I am not saying to stop CEPEP or URP now, so I do not want people going out to the people out in the streets and telling them Roy Augustus say: “Mash up CEPEP and URP”. I am not saying so. I want to see the direction in which the policy of the Government is taking the country so that we will reduce the numbers of people who are involved in CEPEP and in the Unemployment Relief Programme. I am afraid I am not seeing that here as much as I would have liked to see it. I am not seeing that at all.

Madam President, I want to suggest that we have to look at the social well-being of our people. What do we mean when we talk about their social well-being? We are talking about people who have dignity and self-determination. What programmes have we included; what training programmes have we included; what modules have we seen pointing from this budget presentation? I am asking these questions because I expect that the various Ministers would respond to us as we go along, to tell us that we have done some of these things.

I want to say that I would prefer the Ministers not display the kind of arrogance that was displayed by the Senator when he was speaking just now, when he was questioned by the Independent Senator and he told her: “Read page 34, paragraph 2.” Nonsense! When the Independent Senator asks a question, whether she can read or not, the Minister is supposed to answer, if not for her, but for the wider national community. His arrogance is unbearable! [*Desk thumping*] I am hoping later on when these goodly Ministers get up to respond to all these speakers here, they will respond to us truthfully and with candour. That is what we are hoping.

We want to say that there must be participation and belonging if we want to develop social well-being among our people. So I read in the newspapers and in the budget also that we are going to fix Laventille, from Charlotte Street in the west up to Lady Young Road in the east, and whatever have you, and I understand that there is a committee already in place to deal with that Laventille fix; that whole question of reorganization of the housing settlements, or whatever you have to call it, and I want you to ask them to tell us how many people in Laventille are involved in that exercise.

How many people in Laventille have been consulted officially and in an organized manner so that they can make a contribution to a place that is theirs?

3.15 p.m.

More than that, I do not believe them! It will not happen! They will never fix Laventille! I am talking on the basis of experience. The track record is of such. I have mentioned that in two contributions in the Senate in my two stints and I am saying it again. They have always promised Laventille to fix Laventille. They have always promised to build homes. They cannot even build a community centre; they did not even want to build a community centre.

I would like to lose the bet. I bet “all yuh” that Laventille will remain like that until the UNC gets back into power, then we would take care of it. [*Desk thumping and interruption*] Do you mean it will never be fixed? Are they saying this? They have had experience in Laventille, their base and they have not done anything. They are boasting now that about 250 persons are in the Trade school. I am happy for it, for some of the people in that trade school. I cannot remember the long name that you have given it because I do not like long names. Give me the initials, the acronym; it is easier.

That brings me to another point. Why are we importing Jamaicans to work in this country? Skilled workers, I understand. Skilled in what? I will like to ask the question: From which constituency in Jamaica are those workers coming? That is very relevant. I will like to find out the employment agency in Jamaica that this Government is in contact with to select and screen the workers that they are bringing to Trinidad. I will tell you the rumour and you know it very well. It is said that there is an ambassador—the person who was talking to me does not know about these things very much—who has plenty potential and has contacts with a golden Bruce in Jamaica and those two persons are developing this plan of bringing of workers to Trinidad and Tobago. I am not saying that it is part of the gang that fellow has in Jamaica. They are bringing them here so that when the time comes, they could do the job that another group was doing in 2002. That is not far-fetched. Madam President, I see you are creasing your forehead. We have a way of dismissing these things. I am calling it a rumour here but I am telling you that it is a fact.

Hon. Senator: It is a fact now. You have moved from rumour to fact.

Sen. R. Augustus: Yes, I have moved now. Because the President creased her forehead, I have moved now. It is fact. Let them doubt it. [*Interruption*] Why are you talking and I cannot hear?

Sen. Dumas: If you ask me to say it properly I suggest that you are imputing an improper motive to the Government by what you just said.

Madam President: Mr. Minister, it would be your duty to rebut what was said.

Sen. R. Augustus: Thank you very much, Madam President. I do not understand big words like “imputing” and “improper” and “motives”.

I want to keep being assured that when we talk about the future prosperity of our nation we know what we are talking about. All governments no matter from where they have come need to be kept on their toes by a vibrant opposition which they have. My problem these days is that you have a Government existing in a situation where the trade unions have suddenly gone quiet and all my soundings indicate that the church has abdicated its responsibility to argue for the poor. When a government is operating in that kind of situation particularly that one over there—I do not want to describe them before somebody argues again, that I am imputing improper motives—then you have to fear. When you look at a situation where no matter what you say, nobody on that side takes you on, you have to worry.

It goes a step further. When my good friend and I hope that I can call him a friend, the Minister in the Ministry of Finance, nice boy and I could say boy because of my age—how can you stand in public and berate public servants? You cannot do that. You should not do that.

Sen. Enill: Madam President, I allowed this to pass on two occasions, but it is absolutely untrue to represent what was said in that way. What was said was how a delivery system works and the difference between one and the other. There was no imputing of anything against the public service. There was none. I wish Senators not to make an incorrect statement, including Sen. Mark. That is not true. I was there.

Sen. R. Augustus: Madam President, I withdraw. I tell you that I have a lot of respect for this Minister. I am stepping back a bit but I am staying on the point.

When there is no delivery the person to be blamed is the manager. The manager must therefore find ways and means no matter how difficult it is or what kind of system is met there, to do it. Let me tell you a little story; it might sound to be going off a little. Years ago when I was in the teaching service, a principal told me that he was in his school speaking with another principal early one morning and there came a teacher whom he had known very well from the old days. The other principal had known that teacher too. The principal did not know what the teacher was coming for. Immediately as the teacher came in she handed him a letter of appointment. His friend watched him, smiled and ran. He called him afterwards in his office and said, “Boy I am sorry for you. You have real trouble on your hands because that teacher was known to be a recalcitrant, not

delivering and not doing any work.” Four years later, that teacher retired and came to the principal and she told him, “You know you real good. You know how much school I went in and sit down. You know you get me to work here.” That was a good manager. He did not run from the teacher who was not a good teacher; maybe she was a good teacher, but a slacker. He found ways and means to get that teacher to work. When you go on the hustings and beg people to be managers of the various ministries, get the people to work. [*Desk thumping*]

One of the most vulgar, I should not say vulgar because I do not think it is the correct word. One of the most distasteful things I read of is a Minister in the Lower House blaming the Commissioner of Police. First of all, I thought that when you are in the honourable House you do not go after people who do not have the right of response. That is the first cardinal error made by that Minister. The second cardinal error made by that Minister is that it was not even his ministry. What was he doing there talking about that? The third cardinal error he made—somehow I always get “ol’ talk”. Nobody drops thing in my post box as they used to drop in that same Minister’s post box. This is the ironic thing about it.

About a year and a half ago, I indicated that I found that the Commissioner of Police was a little too reticent, a little too laid back. I move in some of these circles now and then when my wife gives me permission. The response I got from someone who is in the ranks also was that the Minister told the Commissioner of Police that he does not want any set of big television appearances. That is Minister Joseph. He does not want all this talk that Chin Lee used to have with operation this and that.

Sen. Joseph: No, no, no. [*Laughter*] On a point of order, Madam President, I really need to correct that. This is one Minister whose position is that the law enforcement agencies have a responsibility to report. Since I have been the Minister of National Security you will see the extent to which I have made certain that persons who are accountable for their performance appear. This talk about the Minister said that he does not want “no set ah ting”—I would get the opportunity in my contribution.

Sen. R. Augustus: If the Minister tells me that my information is wrong I will accept that. Again, that is another boy for whom I have respect. When I stand here to say something I say it after proper checks, but I will give the benefit of the doubt to the Minister. I do not expect them to lie or tell falsehoods in this honourable place, but I expect them to behave with a certain amount of dignity and not to go after public servants, the police commissioner who does not have the right of reply here. I have just been reminded that public servants have to be

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very careful about going on the media because of regulations. They have to get permission; I do not know from whom.

I am saying that while I have withdrawn the last couple statements somebody has to tell the Minister in the Lower House that he has to apologize. The picture in the papers, talking and laughing, I do not take it as a joke. We have a serious crime problem in this country. The police are demotivated and when a senior Government Minister begins to attack the head of the police service, they would be even more demotivated. Therefore, we are in a situation where we are not safe. While I am saying that, I am not saying that the police service is the embodiment of efficiency and effectiveness. Like everybody else, I am aware that there are bad eggs in the service. Like everywhere else there are bad eggs on that side; we do not have any on this side. Like everywhere else the society flows into all these institutions. The police are operating under many constraints.

3.30 p.m.

Madam President—and tell me if I am wrong, again, Mr. Minister—in 1991 there was a manpower assessment in the police service—I think it was handled by ACP Richardson and Ewing, and what they came up with was that, in 1991, the authorized strength of the police service was 4,849 officers. In other words, that is all you could have recruited. The actual strength at that time was 4,000. The recommendation from the assessment committee, in 1991, was that the authorized strength should be 7,662 officers. Madam President, 14 years later, the actual strength is 6,000 officers. It is not even up to the strength that was recommended in the 1991 report, so they are operating under constraints! All of us together have to work to assist them.

Madam President, I take the opportunity here to support my political leader, Winston Dookeran—[*Desk thumping*]—for his initiative, during his budget contribution, about speaking with the Government and having dialogue on crime. I support him fully because we are all in this boat together and we must work together to clear up the problems. [*Desk thumping*]

Madam President, I expected all that set of desk rapping over there, you know, but I also want to tell them that if we are governing together when we ask questions on this side, that they must answer them. When we want information, give us the information. Do not be selective in what you want to talk to us about or what you want us to talk to you about. No, no, no, if we are going down the road together—[*Interruption*]—“You all like that eh; down the road together?”—[*Interruption*] Madam President, again, I deliberately goaded them into that. [*Laughter*] and it took the youngest Senator in the back to respond.

Madam President, a lot of people feel that if you are not in office you cannot serve. Too many people feel this! You can serve whether you are in office or not. When you are born every day takes you closer to your exit from life. When you come into this Senate every day takes you closer to your exit from this Senate, no matter how you get it. If your mission is true however, if you feel you want to serve your country, then nobody could take that away from you! Understand this! [*Desk thumping*] So I will not die politically. [*Interruption*] [*Laughter*] Yes, Madam President, he fell for it.

Further, I am still on the police service. Apart from the fact that they are nowhere near the recommendations that were given 14 years ago—the authorized strength—mobility is another thing. You would hear people arguing that they got 150 cars the other day or they got 60 cars the other day. Nobody puts that against the background of what reports indicate are the numbers of vehicles that must be on the road every minute of the day if this population must be served properly.

Five or six years ago the figure was 460 vehicles, including motorcycles, cars, jeeps, unmarked cars and what have you. Is that what we have operating today? We talk about what we are seeing without information. If you hear that the police got 75 cars, has that taken them to their strength? No, it has not, so we have to get that information. Are we satisfied they have all the tools they need? Do we have enough of these bullet-proof vests for our officers who are out there, and effective ones, too? My information is—and I do not want to talk about that too much because it could be a security risk. But do we have enough? If we do not have enough, could we take some money from Tarouba and buy some more so that our police who are going into the field will go with a reasonable amount of protection?

Madam President, I hinted at this in a previous statement when I spoke about the children who left the Savannah and were arrested and so on. I indicated then to the Minister of National Security that he has to look at his units, because while I was in the police station, I detected a hint of animosity between units.

The Interagency Task Force is worried, is disturbed. If you go into that compound, VMCOTT, the officers are down. It is not the best place for your select troops to be. They argue that they go into the dangerous killing fields more than SAUTT and SAUTT gets more money than them. That is a recipe for conflict. When you have conflict among your security agencies, it makes me unsafe. [*Desk thumping*] Madam President, I am, therefore, begging; I am asking; I am pleading with the Government to look at the units that they have operating. I understand they have a coordinating force, according to the budget; these words sound nice,

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but the people on the field are not getting that coordination. They are not even sure who is their boss. I am sure who is my boss but they are not sure who is their boss.

Madam President, we have to look at that entire situation to make sure that we arm our troops properly. I am still seeing “fellas” with revolvers, in 2005. When I go on Besson Street to take a little lime, I see “fellas” coming out of the station, going on a raid and they have revolver but “them fellas up the road with them big things”, AKAs and what have you,. That is what they face while we are in our big cars and we are in our air conditioned offices and we are cussing.

Madam President, there is a large supply of police officers out there who, in spite of the dangers, go out there and try to do their jobs and they are also in danger because of the rogues. [*Desk thumping*] We have no right to curse the police or to lambaste them. We have got to find a way to weed out those who have to be weeded out. I always hear that you cannot fire this one and you cannot fire that one. We have reached the stage; fire him and let him go to court; while he is going to court we are doing the work! Fire him and—[*Interruption*] I am saying that if we are satisfied that this person is a rogue, a vagabond and a bandit, fire him and when he goes to court—he would not finish that case before five years the way the courts going—

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

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

Question put and agreed to.

Sen. R. Augustus: Madam President, these are the things that worry me, when Ministers ask me how to do it. If you do not know how to do it, leave! [*Interruption*] Not you, the Minister behind. If you do not know how to do it, leave and let somebody who knows how to do it take your seat. [*Desk thumping*] Do not ask me! [*Interruption*] Come quietly, I will tell you later. [*Laughter*] [*Crosstalk*] Madam President—

Madam President: I agree, you do not accuse another Member of the Senate of being dishonest, please.

Sen. R. Augustus: I accept the apology, unreservedly. Madam President, we have to look at how we can motivate the police; how we can tool them. Another thing, Madam President, when last have we had recruitment in the police service? I do not know who has to do the recruiting—

Sen. Joseph: Do you want me to answer you?

Sen. R. Augustus: No, no, answer in your time; my time is nearly finished. There were 250 officers recruited I think, every six months but we have not had that exercise of recruiting for the last two or three years. I think that since the much lambasted Trevor Paul came into office the ministry's policy is not to recruit. He is not even getting additional police to the understaffed strength that he has and they are abusing him. While that is going on people are falling sick every day, about 2 per cent are in the courts as witnesses or prosecuting and so on; people are retiring; people are resigning; people are on suspension. *[Interruption]* What is happening to them over there; they are beginning to argue now. Madam President, they are having a little problem. *[Laughter]* That is my good friend there, you know but I want to hear him but he is not talking loud enough for me to hear him.

I have to run quickly now because I have certain things I want to say in terms of using Sen. Prof. Ramesh Deosaran's proposal for community policing and so on because there are a number of suggestions that came from a number of persons in the country. I do not mean Mastrofski; Mastrofski does not know anything about Trinidad's society, how could he help us? *[Desk thumping]*

I do not have a problem with best practice; let me know what you are doing over there and then let me do it here; let me adapt it and tailor it to suit what I am doing here.

I remember bringing police from Britain, the London Bobby, to understand how we could supervise thousands of people for Carnival and now the thing has reversed to them; now we are going there to understand how to police crime down here. Regression, regression. *[Interruption]* I like to say regression; I like the word.

Madam President, if you are talking about community policing then you would have to look at the question of community centres. I know the Minister of Community Development, Culture and Gender Affairs is a very hard worker and I know she is trying her best, it is just a problem that she does not have enough help around her—some of the Ministers around her are not very helpful but she is trying her best.

We are not getting enough community centres as we should have; enough community work going on in the various communities. The question of using sport to occupy people's spare time, which eventually could lead into—the way the world is going today—real commercial activity. A lot of our sportsmen could have access—if they are provided with the proper training—to millions of dollars, literally.

Hon. Member: Tarouba.

Sen. R. Augustus: Madam President, I heard Tarouba. I was speaking with a guy from Bermuda last week and his argument was that FIFA had given his country some money for a goal project and while he said they should have used that money to train the footballers, the rest of his executives said: “Let us put up a big headquarters.” He said he has never heard Brazil talk about a stadium; he heard Brazil talk about Pele and Robinho and Adriano and those fellows. So when you talk about Tarouba, the moneys should be spent right now in development, in training, and you do not need an \$850 million stadium for that, what you need are small utility centres all over the country! We have gone back to centralizing!
[*Desk thumping*]

3.45 p.m.

When after thirty something years ago under the PNM you only had the Hasley Crawford National Stadium, under the UNC there is a stadium in Tobago, in Central, in South, in Arima, although they are not upkeeping them now. For the last four years this Government has not appointed a board to the Hasley Crawford National Stadium. If they cannot appoint a board to the Hasley Crawford National Stadium, do you think they could manage an \$850 million stadium? Just prestige is all they are interested in. Big buildings never develop a people. You need to get people who have the necessary skills and know-how to take our young people through their paces in small effective units throughout the country, so that is where we have to go. And I am still arguing that the \$850 million stadium is a waste of money.

I just want to quickly look at one other thing. I understand we would not have buildings—

Sen. Yuille-Williams: Sorry, my friend, it would be unfair for me not to talk about the stadium costing \$295 million. I know your figures are quite right. It is \$295 million for the stadium itself. I wanted to make that clear.

Sen. R. Augustus: The \$850 million facility in Tarouba which includes a stadium. Sometime ago I read in the newspaper that the Minister of Education said: “Do not blame me.” I do not know who to blame. Maybe she is right, do not blame her. As Minister whenever I look across and see this Minister, I think, what a nice lady she is. I think she is committed. When I talk to people in the Ministry they tell me she listens a lot and when she attends meetings she stays on so maybe it is not her to blame. Maybe, that is not the job for her; and the more I look at it, the more I wonder whether the person who appointed her should not be charged with

domestic violence. Tell me, am I going wrong? [*Interruption*] You see, I am also a good sailor; I am from the North Coast. I am serious about that. The Ministry of Education is one of the most difficult ministries in the country and I am certain that the lady has a lot of ability. First she was put in Project Pride and then in the Ministry of Education. Why is that being done to the Minister? [*Interruption*] I went as a junior Minister in the Ministry of Education, so? [*Interruption*] Now you are getting clear. Mr. Panday was the Prime Minister then, and I was appointed junior Minister so what are you telling me about me and Mr. B. Panday? [*Laughter*]

Madam President, the school building programme, I want when the Minister is replying that she says where it is at this point in time. There are so many schools that should have been built over the last four or five years and I am not too certain that any new school has been built. One or two may have been completed—there is a difference—but I am not too certain that any school was started and finished in this term and there were so many plans on the drawing board when I left the Ministry. In fact, I thought that when the Burgess fellow was brought on board at that fantastic salary that we were really going to have a rush of buildings because he knows about buildings. He knew that Biche could not stand up. When he said Biche could not stand up, “he is a good boy”, so they put him in a big work in the Ministry of Education. Not one building! Any time we ask a question about buildings, designs are on the way, according to Peter Minshall, but apparently now that Peter Minshall has retired from designing he has also retired. I understand that he has not been seen around the Ministry for a while. He has not built—in fact, recently I was reading something—I am not saying that he has retired, I am saying I am not seeing him—where the blame is now laid at the feet of the architects by the Minister, that they are the ones. I read that in the newspaper—that the Minister—if the newspaper did not report it properly I apologize from in front—said that the architects are the ones who are holding back the school building programme. Then the architects issued a release indicating that the design briefs they are getting are not good. I do not know if those briefs were prepared by Burgess. I do not know these terms too much. What were we paying him for? All that money! Why can we not have the schools that we need to have? And somebody has to answer a question for that. How much money he has drawn over the last two or three years, and what has he delivered for that sum of money? And more than that, I am happy to hear that the de-shifting has started albeit rather slowly. A couple schools have been de-shifted. I am hearing five or ten but the Minister would tell me. But something worries me.

De-shifting of a school is not only the physical exercise. You cannot tell me that you have 800 children in two shifts and then you rebuild or add a wing to ensure that those children now work from 8.30 a.m. to 3.00 p.m. and expect to call that de-shifting. There are other things to do. You have to prepare the curriculum. My information is that right now it is the teachers in the de-shifted schools who are sitting on afternoons developing the curriculum for their newly de-shifted schools. I cannot believe it. Tell me if I am wrong, I am hoping I am wrong but I am getting it from the teachers themselves. If you are going to de-shift before you are completed with the physical aspect, you have to prepare the work that the children would have to do; even the staffing has to change. So do not just tell me you de-shift and put it in the newspaper with a nice smiling picture of the goodly lady. That is not good enough for me. I want to hear that our children are exposed to the proper curriculum between these hours. While I am happy to hear the de-shifting is taking place, I am worried that it is not being done properly.

I want to get some information on teacher training. I know we have Dr. Mayers having a teacher development unit and so forth. I know we want to stop in-service training—I do not know if it was stopped already—and we want to go towards pre-service training. In the mean time, what is the transition? I know a couple months ago the Ministry of Education had stopped hiring teachers; I do not know if they started back. If they have started back it is because the planning was not done properly. Finally, deans, heads of divisions, senior teachers were supposed to have come on stream in September but I understand interviews are now taking place.

Madam President, I know I have gone one minute beyond, thank you very much for affording me the opportunity.

Dr. Rolph Balgobin: Madam President, I will make some general comments about the structure of a national budget. In my view, a budget is not a strategic plan, it is really a tactical or an operational expression of strategic intent. Over the years, of course, in the absence of national strategic plans or in the absence of publicly available ones' budgets have sought to articulate aspects of the strategic architecture to make clear to the national community what the Government is intending to do as it drives forward with the national agenda.

As a general comment, my view is that the budget for Trinidad and Tobago in the future would benefit considerably from having score cards, benchmarks and targets. I think this is the only way for us to objectively assess our performance year-on-year. For that matter I think it would also be important for us to move

away eventually from the annual cycle. In no organization of any size, and if we view Trinidad and Tobago as a large organizational system, do you find strategy finding traction within a year; it takes years. My view is that we should have rolling budgetary articulation with a greater degree of specificity of course for the current year, and so I am looking forward to Vision 2020 and this august House and reviewing some aspects of that work. I think several of these considerations are covered there.

Madam President, let me say while there may be things to criticize in the budget I think there are also a number of things to be pleased. I certainly am pleased with the attempt at the simplification of the tax system. I was happy to see a lowering of the income tax band. I like the fact that there is a focus on expenditures in terms of education, health, housing and security.

I want to especially thank the Ministry of Finance for being as open to constructive engagement as has been both inside and outside of this House. It is a credit to the country to take this kind of approach. I propose not to repeat on the comments that have gone before but would, with your grace, speak on three broad issues and those would be tertiary education, special purpose vehicles and competitiveness.

With regard to tertiary education, of course, what is on the table is free tertiary education for all, and let me say this is a wonderful initiative. I do not think that Trinidad and Tobago could lose at all by taking this kind of approach. It is a tremendous initiative by the Government. I remember as a student several years ago engaging the hon. Minister, Dr. Saith, who, at the time, was introducing the Cess which was the Government's initial step at having students pay for tertiary education and it was violently opposed. So it is wonderful to see us going into other directions. We clearly have some versatility. We are able now to get to a point where tertiary education is free. I think that can only accelerate development efforts.

Some things to think about would be: Does the Ministry of Science, Technology and Tertiary Education think through how it is going to operationalise its policy and will we get clarity on the areas of study that are strategically relevant for the Ministry? Because those should be the last to go or to fall in the event that something bad happens and we have to roll back on this policy. But in addition to that, we ought to ensure also that we have strategic clarity as a country on the areas of focus for education as far as the Government of the day is concerned. There does seem to be a challenge that Trinidad and Tobago, through tertiary education, is going to face; that is, on the one hand, there

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is a challenge to expand access and educate enough people, but on the other hand the question of how can we generate sufficient new knowledge to really make Trinidad and Tobago competitive tomorrow?

4.00 p.m.

I would say, if I wanted to produce a publication in the world-class journal of the kind I use for teaching and eventually as source material for textbooks, it would take at least one to three years in the researching and another three to five years sometimes in the publishing. If you crunch these numbers down, universities that do not emphasize research, but emphasize only teaching are, in fact, largely covering material that has been available to students in tertiary systems where they are doing research several years later.

If Trinidad and Tobago emphasizes the expansion of access without a concomitant or related application or emphasis on applied research, we are only going to train our people in yesterday's logic and yesterday's knowledge. So I suggest that the Ministry of Science, Technology and Tertiary Education, through its policy—and it is an excellent policy—emphasize the application of research, not pure research; we do not have the resources to engage in these flights of fancy. We need research that can make a difference to the man-in-the-street or the man-in-the-rice field as the case may be.

I think, Madam President, that this speaks to a point that Sen. King made earlier about the deterioration in manufacturing competitiveness because, really, too many of our manufacturers are exporting cheap energy. We do not have enough new knowledge being generated, enough new ideas translating themselves into innovative products that can give our manufacturers a unique edge. If we take the energy away, the competitiveness will be eroded further. This will be a cause for concern and so we would need to ensure that our tertiary systems produce the kind of original thinkers that can bolster initiatives from sectors like the manufacturing sector.

It is in this regard that I say that it is important for the Ministry of Science, Technology and Tertiary Education, and the Government by extension, to be clear on the strategic importance of its investments now. The world is moving towards a knowledge economy and, in a knowledge economy, the country that is producing and leveraging new knowledge is the country that will win. It is not just a question of getting everybody to have tertiary degrees anymore, it is about having them come through systems that are driving original thought and, in turn, developing these people to research and apply ideas of their own. So I would be

very careful about the extent to which you support franchise programmes. This is not to take away from them at all. There is an expansion of access issues and it is important to have them. Our emphasis for the medium to long term has to be on pushing local and regional institutions to get to the point where they can make a difference through unique knowledge generation.

I would say, if I wanted to run a programme in Great Britain or the United States, that they would not subsidize me; not that I am saying that we should not subsidize them. We have to understand that for franchise programmes, these are essentially economic plays operating in our system and playing on people's predilection or likes or interest in foreign qualifications and so on. As long as we can meet global standards, I think that we can push our local institutions to produce research to help make our country more competitive.

My view is that we should not rush supply. We should build patiently and we need to strengthen linkages in the economy. I think that some of the criticisms of the University of the West Indies are, unfortunately, well deserved in that over the years the linkages with the private sector and with Government have not been as strong as they needed to be. I think that is being worked on now and I certainly welcome the rise of the University of Trinidad and Tobago, which is born out of this kind of logic.

We need to strengthen this more. Universities in countries as small as this should be at the centre of the national debate. If they are not, then something is wrong. So I think we have an opportunity to have universities that are operating in the region take a look at themselves and let us engage them on how we might ensure that their relevance is enhanced or maintained.

I would want to, as a parting comment for tertiary education, suggest that knowledge or education is one of the largest industries in the world today and that, done properly, we can make it an export industry here, much as it is for Boston in the US. It can be a tremendous money spinner. We have excellent transport to the US. English is our first language. These are things that more than half of the world's population would have an interest in. It is something to consider as we go forward on how we think about the development of our local institutions.

With regard to special purpose vehicles, I think I can understand the Government's dilemma. It is clearly a difficult position to be in. Notwithstanding the eloquent contribution of Sen. Augustus, I think it is always awkward to be in a position of responsibility, but not always have the authority to have people do what you want them to do. I think that is not a good deal for a professional, so

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something would need to be done about that. I understand, therefore, the logic behind the special purpose vehicles. However, I would caution this Senate and the national community about expanding government. The only other countries that are doing that are countries like Russia, which is not a national model I would like to follow any time soon. I think that the intentions are noble—and I commend that—but the question is who will run these things.

We have a number of papers that have been set before us today and at the last sitting, and a number of anomalies have been identified by the Auditor General with regard to the management of some of these organizations, departments and so on. We are going to add another 15 of them and it will be of interest to me how we ensure the governance of these entities, built for stronger transparency, because they are reporting to this Parliament and I do not know what happens even after the anomalies are found.

I close here by saying that given some of the anomalies that seem to have been uncovered would not have been acceptable in the private sector at all, to know that we are putting another 15 special purpose vehicles into this kind of broken framework would be something that I know that the Minister in the Ministry of Finance would have thought about. I encourage him to make sure that we do not have a runaway problem on our hands. We would not want to go back to the 1970s.

The third point—and you would be pleased to know that I would be finished by the time there is need for a break—speaks to the topic of competitiveness. As Sen. King pointed out, our ranking on the Global Competitive Index fell for the third consecutive year. Just to explain how these things are structured, the Global Competitive Index has five big sub-indices; three are macro and two are micro. The three macro ones are the macroeconomic sub-index, public institutions and technology and, on the micro side, we look at the sophistication of company operations and strategy and the equality of the national business environment. It is really the macro ones that have been cause for concern. While the macroeconomic performance continues to be strong, the quality of public institutions and the degree of technological sophistication appear not to be developing at the rate that we would like. I know that Sen. Dr. Saith is doing a lot to modernize and improve the public service and we wish those efforts every success, but on the technology side, we continue to be a consumer of technology rather than a core innovator.

If we take 205 countries in the world and we look at how many are developed, there are usually no more than 26 or 28 of them that would fit those criteria, and

the vast majority of those are considered core innovators in that they produce knowledge and technology which the other 170 plus would consume.

So, essential to our emergence as a developed country would be our ability to make the transition from being a consumer of knowledge to a producer of knowledge. So the degree of technological sophistication of the country then would be of concern. I know that the fast forward programme is proceeding apace and I look forward to the day—I do not know if it is 2006 or 2008 when all schools are wired so that our children could get used to the technology that children in developed countries are already accustomed to.

Two big problems remain when we look at competitiveness for Trinidad and Tobago and ask what the big issues are. The two that come up would be bureaucracy and, most importantly, crime. With regard to crime, of course, there is a challenge with the rule of law. Property rights are being impacted and, in particular, intellectual property rights are a cause for concern. I do not know if it was noted with any degree of fanfare, but Rhyners' record shop was closed down recently. I was looking at the interview. The interviewer asked one of the owners of Rhyners why, and he said that, apart from vagrancy, crime and so on, piracy was a problem. Not long after, I looked at several calypso and soca artistes saying that piracy kills them, not just financially, but because they cannot make a representation to an international record company that they have broken some specific barrier or group because they do not have the sales to justify their position.

I see on Independence Square and elsewhere, the police walk right by these pirates. It is not fair. It is a form of crime that we are permitting and tolerating and we should not because the entertainment industry is not separate and apart from the rest of them. They are actually one of the core innovative sectors in our economy. If we do not figure out a way to protect this sector, then there is really going to be a big problem when the other sectors get innovative too. Then all of their ideas will get stolen before we can reap any kind of economic reward or return. It is something for us to look at.

With regard to bureaucracy, I will just come back to it and say, in my view, although it is my view that we should not say these things, the public sector has grown into an animal with dangerous potential. I think sometimes the public at large can confuse the Government with the public sector and I think that sometimes we have to make a distinction. [*Desk thumping*] I think the public sector has the capacity to hold up development efforts and, if there is no line of authority—the philosopher Montesquieu, many years ago, said that in order to

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effect great change, some person or party has to be endowed with great power. If we do not have the power to drive change, we cannot give instructions or expect them to be carried out. If we do not have score cards or benchmarks, how on earth are we going to get anything done? Getting it done by consensus and committees will take a very long time, Madam President. So how we address the bureaucracy would be of interest. I know that there are some very interesting initiatives on the way, but I cannot wait to see more and more outcomes from that.

Madam President, the second issue, which will be the last one I talk about, which affects the competitiveness ranking in Trinidad and Tobago, is, of course, the whipping animal of the day, and that is crime. Most unfortunately, it would appear that our society is getting dangerously close to a point where the sword is mightier than the pen. That means that we are living with a façade, veneer or thin crust of civilization and under all that there is chaos, violence. I think that this can only poison the society.

4.15 p.m.

I drive along our streets and more and more I see houses with burglar proofing. It occurred to me that we live in cages, only that these cages are to keep the animals out. Foreign embassies warn their citizens off our streets. Murder and kidnapping abound. Our international reputation is hurt. Talent does not want to come here; certainly if they have families. Too many of our bright young people want to leave.

In a sense, the society is beginning to feel the strain and some parts of it are falling apart. I make this point because this cannot be the problem or the fault of the police alone. This cannot be the fault of the Government alone and it cannot be the fault of the Opposition alone. I think, as a society, we need to recognize that we have not always done right by our children. We need to accept that we have not always done right by the less fortunate amongst us. I think we need to come to some kind of accommodation or solution to this problem.

I want to commend the political leader of the UNC, Mr. Winston Dookeran, for committing to engage with the Government on addressing crime because I think that it is important. It transcends that space that separates that part of the House from this part.

Madam President, our country has become so inured to violence that there is a tacit assumption of guilt and corruption, when something bad happens. I will walk out on that street and get robbed, stabbed; knives are no longer weapons of choice, so I guess I will be shot and the initial assumption will be that I am

involved in the drug trade or I have some criminal connection. This is where our society has come. When bad things happen, we automatically, just to make sense of it, say that person deserved it. Even if we do not say those words, that is what we are justifying or rationalizing in our own mind. While that may be socially acceptable, it is certainly going to harm investment in the long term, both local and foreign.

I have been on the other side of the fence at Proctor and Gamble where I had to make large investment decisions all the time, in developing societies. I can tell you that crime and personal safety would be two of the things that we look at very, very carefully.

Madam President, in this excellent document, the Appropriation Bill, on pages 6 and 7 we have on the bottom of page 6 a very, very interesting comment being made. I quote:

“Our strategy to control crime reflects a full understanding of the dimensions of the problem.”

We have a list of things that are being done.

Madam President, when this Parliament opened not so long ago, this part of Port of Spain felt like a militarized zone. I have to ask myself the question: If I were made the Minister of National Security or the Police Commissioner tomorrow, and I walked into a system that is clearly falling apart; everything is coming apart at the seams, and everything is jostling for my attention, the first thing I would do is ask: What is the big lever? What is the one thing that I need to do? What is the one problem that I need to take out, eliminate or address, which will then clear the decks enough for me to get on with the other things? In looking at this, I would ask myself, what is the big lever; is it resources? No. Clearly, the Government is—through the Ministry of Finance, in collaboration with the Ministry of National Security—putting whatever resources it can at the issue. What it cannot afford, it is borrowing, in the way of technical expertise from aboard. Maybe it is not resources. Do we need a new Minister? I do not think so. We have two or three incarnations in the Senate at present. Do we need a new commissioner?

Sen. R. Montano: We need a new government.

Sen. Dr. R. Balgobin: I do not know if we need a new commissioner, and whether we need a new government or not, is for the electorate to decide. In my view, we have seen more resources, new Ministers of National Security, and new

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commissioners before and we have seen them quite a bit in the last several years. No, it does not justify it at all. It has made no difference.

Perhaps, one way forward might be to ask: What do we fear, or who do we fear? The first answer that comes to mind is that we fear an organization not in Laventille but, that way, in Mucurapo. We fear an organization that is based out there and that might be a good place to start, because unlike many societies in the world, crime is not faceless in Trinidad and Tobago. To make a start, we do not have to go far. We just have to go right there. Tell the police to go there. Tell the Attorney-General, who has been courageous to date, to continue being courageous and have the DPP be courageous and go there and do something about it. [*Desk thumping*]

Hon. Senators: Go there!

Sen. R. Montano: That is why we need a new government, because they would not go there.

Sen. Dr. R. Balgobin: In my view, money would not do it, marching around the savannah would not do it; riding motor bikes would not do it. As well-intentioned as it; maybe even petitions would not do it.

Sen. R. Montano: Firing the Government would do it.

Sen. Dr. R. Balgobin: What we have to do is stop these people down there, from frightening this country. It is a stain on the national character when every time you hear that these folks are mobilizing, Port of Spain gets jittery and it depopulates. It affects productivity. It affects the mindset and the comfort of a people that live in a beautiful country. Madam President, in my view, that will do it.

I close by saying that I think Trinidad and Tobago has got to a point where I do not think anybody on either side of the House is inherently evil. I do not think that we wake up every morning and go to work wanting to do a bad job or to be dishonest or unscrupulous. What I think we need to do is, as a House and as a country, we need to commit and, perhaps, to say it is better to die standing than to live on our knees, because that is what we are doing now. We need to start taking the opportunity, not just through these investments but through action, to deal with some of these organizations and some of these people that have terrorized this place for so long. I would encourage the Government to take the opportunity to head down there and do something about these people, as a start.

I thank you, Madam President.

The Minister of Education (Sen. The Hon. Hazel Manning): Madam President, I rise to join my other distinguished colleagues, to contribute to this debate on a Bill to provide for the service of Trinidad and Tobago for the financial year ending—*[Interruption]*

Madam President: Sorry. I was just looking at the time and realize that you have just barely five minutes before—I do not think it is sensible to start a contribution at this point. We will take the tea break and we will come back. Should I give you all five minutes?

Hon. Senators: Yes.

Madam President: We will come back at 5.00 p.m. This Senate is now suspended for tea.

4.25 p.m: *Sitting suspended.*

5.00 p.m: *Sitting resumed.*

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

Sen. The Hon. H. Manning: Mr. Vice-President, I rise to join with my other distinguished colleagues, to contribute to this debate on the Bill to provide for the service of Trinidad and Tobago, for the financial year ending September 30, 2006, as this Bill was presented by the hon. Prime Minister and Minister of Finance.

I am really sorry that the Senator on the other side is not present at this point in time. I really would want to assure the Senators on the other side that I can cope. *[Sen. Augustus enters Chamber]* I am glad that he is in. I would like to assure you, hon. Senator, on the other side, through you, Mr. Vice-President, that I can cope. Maybe you have some fears; maybe you have had some problems where you were, when you were there; some fears and trepidation. But have no fear, I am courageous and brave and I can cope. There is no violence.

This Government's Budget Statement for fiscal 2006, is people-centered. It emphasizes that this Government's desire is to address the basic needs of the people Trinidad and Tobago. It emphasizes the will of the Government to support families that make up Trinidad and Tobago and to adopt the values and the attitudes and to enhance daily life in Trinidad and Tobago. Therefore, knowing that, the Ministry of Education has become a top priority. That is well known.

Over the period 2003—2005, the Government has steadily invested in the Ministry of Education to support that priority. Again, in 2005/2006, the Ministry of Education was allocated approximately \$3 billion.

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Mr. Vice-President, it is therefore with a great sense of achievement that I stand here today, to report to the honourable Senate on the transformation that is taking place in the Ministry of Education. When I talk of transformation, I talk mainly about the quality in the educational delivery. Over the last four years our emphasis has been on quality and spotlighting quality in education.

5.05 p.m.

The emphasis on quality is built on an education system that is modern and relevant; that is responsive to changing demands of the environment, especially the global environment; and it is driven by the social and economic needs of the country.

Mr. Vice-President, already, we can boast of an education system of 16 years of continuous schooling, starting at early childhood care from age three for two years, on to primary school for seven years, and on to secondary school for an additional seven years. The Government has added on to that an additional three years, so that at the end of their careers, our students would have approximately 19 years continuous schooling.

As we put this system in place, we are beginning to see the fruits. I want to give you just two examples that stand out for us in the Ministry of Education: one is the decrease in suspensions. That is an indicator to us of the improvement of student discipline and, secondly, the increase in the number of students from government schools and schools in rural areas receiving full certificates and scholarships.

During fiscal year 2005, the Ministry of Education had put its highest priority on the quality issue with a focus on curriculum reform. We have put our emphasis, and we continue to do it, on assessment and accreditation; in discipline and development; and standards for quality assurance.

I want to spend some time on curriculum reform. The focus of the reform of the curriculum is to make it student-centred. We are very clear as to where we are going. The hon. Senator on the other side said that big buildings do not make students but people do. We agree with that and, therefore, our emphasis has been on building the skills, competencies, knowledge and attitudes needed for our citizens to be productive, disciplined and tolerant and, at the same time, to retain a zest for fun and the legacy of respect and caring.

The essential outcome that we expect at the end of a student's career is that we would produce a citizen who is a problem solver, who is a critical thinker, capable of meaningful participation in society. And so during fiscal year

2004/2005, we completed the modernization of the entire secondary school curriculum. The curricula for Form 4 and Form 5 were distributed to schools in this September term, as well as teacher guides for the eight core subject areas. The curricula for Form 1 to Form 3 had already been distributed two or three years ago, and we are now revising the curricula for Form 1 to Form 3. Books and learning materials and other resources have been supplied to students and their schools to support the delivery of this new national curriculum.

I want to respond to Sen. Mary King on a particular statement she made and which was a recurring theme in her contribution, that there are some ministries that are grabbing and others that are not. I want to say to her that the Ministry of Education is making sure that it is not a “grabber”. We are doing that with the introduction of the rationalization of specialized craft programmes by introducing into the system a technical vocational programme.

We are sure that if students’ skills are developed, at the end of the day, these students would become well trained and would be able to enter the world of work and to ensure that there is sustainability in the development of Trinidad and Tobago. With that in mind, we have engaged the Caribbean Examinations Council to put in place a new programme of technical/vocational curriculum.

In fiscal year 2006, the ministry turned its attention to reform the curricula at both the pre-school and the primary school levels. Having completed the secondary school levels, we have turned to the pre-school and the primary school levels to bring them in line in a seamless way with the formation of a seamless approach to education in this country.

Mr. Vice-President, through you, I want to say to Sen. Roy Augustus that in this reform of the curricula, throughout the system, we have also put in place an alternative curriculum for the de-shifting of schools. That document has been out there for about two years now; that document has been used in a number of schools that have already been de-shifted and what I can do is to get—I am going to talk to you after—the schools that you are talking about. We have teams connected to de-shifting schools—and to make sure that the school is doing what it has to do. We have an alternative document and we have teams connected to de-shifting schools. So I am really surprised to hear that the teachers are saying that they do not have a curriculum or a syllabus so that they can carry out a programme that is a little different from what the other schools are doing.

Our emphasis is on changing the curricula throughout the system. We are recognizing that a change in the curricula requires an appropriate change in assessment and in accreditation. The Ministry of Education has put in place a

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number of assessment programmes and accreditation systems to ensure that we are getting the best out of what we are doing.

I want to start with the Caribbean Vocational Qualifications, the (CVQ) as it is now known. The new CVQs really talk to the new technical vocational programmes. They are to be assessed by the CXC at Level 1 for Form 5 and Level 2 for Form 6 starting in the year 2007. These CVQs would have parity with other CXC subjects.

We have the Caribbean Advanced Proficiency Examination (CAPE) which is only two years old. We had our second examination this year and this year's results have shown that students are doing quite well. At the CAPE approximately two schools stood out: the Lakshmi Girls High School and the Holy Faith Convent in Couva, both obtaining over 27 national scholarships in CAPE. This achievement was a first in the history of the schools and a powerful demonstration that CAPE, as expected, has taken its position among examinations. [*Desk thumping*] The Principal of Holy Faith Convent Couva indicated that the resources provided by the Ministry of Education were, among other things, responsible to a large extent for the school's success.

There is another assessment tool that we have in the system and that is the National Certification of Secondary Education (NCSE). This is a new method of assessment, and it provides a comprehensive testimonial to the knowledge, skills and attitudes that students have attained from active and successful participation in the academic vocational and aesthetic streams. These examinations do not only look at the academic part of the programme, but also at the practicum.

We are testing and assessing physical education—the practical part of it—and even English and the presentations that are made—assessing normal laboratories, et cetera, but this is really a hands-on assessment that looks not only at the academic, but the ability of the student and how skilful the student is.

The NCSE Level 1 is assessed at Form 3 and the NCSE Level 2 is assessed at Form 5. Level 1 was piloted in June 2005 and the full implementation of this examination would take place in June 2006.

Another very important assessment tool that we have in place is the Continuous Assessment Programme that we call CAP. This is in progress. During fiscal year 2005, the Ministry of Education provided the 482 primary schools with clerical officers to support principals and to facilitate record management, and soon we would be computerizing the whole Continuous Assessment Programme.

I also want to mention in this examination of our assessment tools, the Secondary Entrance Assessment (SEA). Over the past four years, we have been supporting that examination and ensuring where students did not do well by putting more support in place and that has also borne fruit. The number of students scoring 30 per cent or less, that number has fallen. It now stands at 8.4 per cent for the year 2005. This figure is down by 7.4 per cent where it stood at 16 per cent in the year 2002.

There is also the Caribbean Centre of Excellence for teacher training. The participation in the Caribbean Centre of Excellence for teacher training is an initiative in place to improve the reading skills of students from Infant Year 2 to Standard 2. Master teachers and whole school training of the staffroom is taking place and, slowly, we are seeing a change in the primary school system as more and more schools are engaged in reading programmes.

A very important assessment for us is the Progress in International Reading Literacy Survey which is an international benchmark. In fiscal year 2005, we have been preparing to ensure that our primary schools participate in the Progress International Reading Literacy Survey (PIRLS) and this examination will take place in 2006. Officers were sent abroad to train and a pilot test was conducted for students of Standards 2 and 4. Participation in this global survey will take place in fiscal year 2006. This constitutes a major breakthrough for international benchmarking of our students' performances. We are going to measure our students with those around the world to see if we are really doing very well in examinations and really doing very well in how we are training our students.

Quality assurance is really very important for us at the Ministry of Education. During fiscal year 2005, for the first time in the history of Trinidad and Tobago and even the Caribbean, Trinidad and Tobago hosted the Meeting of Ministers of Education of the Organization of American States. Our school supervisors; our curriculum officers; our planning unit and a number of members of staff of the Ministry of Education were exposed to discussions on quality education in the region. As the region prepares for the Summit of the Americas next month, and as we continue to discuss and exchange with our counterparts in the region, we know that we are on the right track. We are doing better than some; we are not doing as well as others, but we know that we are on the right track as we carry out this initiative, and standards have become very important to us.

5.20 p.m.

Our prioritization of the curriculum has led to focus on quality output and quality outcome of our schools and our students. As we heighten our attention on

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quality, we know that we must have the right mix of policies; of systems; of structures, to ensure effectiveness; to ensure efficiency and to ensure that there is value for money, because we intend to ensure that our students achieve.

For 2005, we completed a quality plan for education that sets out the national standards for education in Trinidad and Tobago. This Green Paper would be circulated for public consultation in this fiscal year 2006. We would like to invite all Members of Parliament to comment on the national standards when the Green Paper is sent to you.

Standards for schools; that too, is really very important to us. In fiscal year 2005 Cabinet appointed a committee under the leadership of the Permanent Secretary, in the Ministry of Education, Angela Jack, to draft standards for the operations of all public and private schools. The final draft was submitted and again, a Green Paper would be circulated for public consultation.

The standards would look at the following processes: The registration of students in the private and public schools; student admission; the suitability of the physical structure that students and teachers find themselves in; safety and health of students; record keeping; curriculum and method of instruction; discipline of staff and students; staffing issues and payment of fees.

In recognition of the role that non-governmental and community agencies, such as denominational boards and Servol play in the provision of early childhood care, the Ministry of Education held several focus group meetings and consultations with them, culminating in a national consultation during fiscal year 2005. Approximately 1,500 participants took part in that national consultation.

The Green Paper setting standards to govern early childhood care and education has been revised and converted into a draft White Paper, and that White Paper would be laid in Parliament during this session for discussions and debate before we set out to reform the Education Act.

Mr. Vice-President, quality education demands quality teaching and quality teachers. During fiscal year 2005, a working committee was established to address the development of a professional teaching service. Members from the other place have said that I have failed to keep promises, but you see these detractors have failed to understand that the issue of the 21st Century can no longer be about quantity, without seriously addressing quality.

I promised that there must be an end to our children and our future generations facing teachers who are not equipped for the job; who are not equipped academically and psychologically. To this end, the Ministry of Education has

established a Teacher Professional Development Unit for teacher training, which has completed research on the issue and produced a Working Paper for Teacher Education and Teacher Professional Development. That document went to Cabinet and they approved that a working committee be set up. A working committee has been set up and Cabinet appointed a Chairman, Prof. Ken Julien to report on the professionalization of the teaching service.

The two teachers' colleges are in the process of being transferred to the tertiary level. Hopefully, this would be our last year of teacher training at Valsayn and Corinth Teachers' Colleges as it used to be. Recommendations are being considered for pre-service teacher training and teacher development. New strategies for recruitment, certification and licensing of teachers would be put on board.

Our stakeholders are now being engaged in the transformation of the teachers' training facilities. Our Performance Management and Appraisal Process (PMAP) negotiations are almost completed. The terms and conditions of teachers have improved in the following areas: sabbatical leave; paternity leave; no pay study leave. Salaries have increased, making our teachers among the better paid, not only in the Caribbean, but also in the hemisphere. Heads and Deans; a new teaching service commission has been put in place. This had stalled our interviews for some time, but the new service commission is now in place and interviews are ongoing slowly but surely. We are going to ensure that we get things on board as quickly as we can.

One of the steps towards realization of Vision 2020 is the increase of numbers of citizens that access tertiary education. This Government has given a mandate of up to 60 per cent, and therefore, the Ministry of Education has to support this mandate. During fiscal year 2005 the Ministry developed an implementation plan for the expansion of the upper secondary school level and the strengthening of a number of supports for increased students' performance.

Between 2001 and 2005, there was an increase of A'level places by 16 per cent. This increase really began in earnest in 2002 when Cabinet approved the purchase of over 500 places from private schools. By 2004, over 993 places were purchased. By fiscal year 2006, the Ministry of Education expects to increase the purchase of sixth form places to 1,300. The construction and expansion of new school buildings will facilitate the expansion of sixth form by over 163 per cent.

Mr. Vice-President, our aim in the Ministry of Education is to ensure that as we deepen the quality initiatives that we have set as a target, that within a decade

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80 per cent of our students must graduate from secondary schools with full certificates, to become productive and democratic citizens.

We feel confident that we are making a difference when we note that the first group of students placed in secondary schools as part of the policy of universal secondary education five years ago, that group wrote CXC this year. Seven thousand, six hundred and seventeen out of 15,639 students who wrote the exam got full passes; as compared with 6,544 out of 12,700 who wrote exams in the year 1999 to 2000.

The performance of our students in the international arena speaks volumes for our secondary system. Twenty per cent of the students in the top 250 came from Trinidad and Tobago. We captured places in the following areas: Math, Geography, Chemistry, in further Math, History, Sociology, Economics, Spanish, Literature, English, Business Studies and French. While we celebrate the achievement of the 20 per cent in the Cambridge world, we have dedicated ourselves to the improvement of the performance of the remaining 80 per cent of our students.

I am sure that you have seen the ads that we have been placing in the newspapers. We have been very open, very transparent and very accountable, as we move to ensure that 80 per cent of our graduates—move to support our students; to ensure that 80 per cent of our graduates from school receive full certification by the year 2010. Quality support has been provided to aid our student learning. We provided support in technology; we have provided psycho-social support through the Students Support Services Division. We have created peaceful classrooms through the School Intervention Strategies Unit and the peace programmes, and we have introduced school safety officers in schools. We have had parent education to inform and support parents as to what they should be doing. We have had conflict resolution workshops; peer mediation workshops; anger and stress management workshops. We have established homework centres in collaboration with the National Parent Teachers Association. We have provided school meals; school transportation and text books. We have also put in place an alternative curriculum for schools that are being de-shifted. Information and communication technology is being integrated into the primary and secondary school curriculum. Three hundred and forty schools have been surveyed to determine their level of readiness for receipt of the computers.

Sen. Seetahal: Thank you very much, Minister, I appreciate it. Through you, Mr. Vice-President, I just wanted to ask the Minister—I have been listening to the programmes that you have and I think they are all commendable: the conflict

resolution, anger management for students; but would you be able to tell us something about the results of these programmes, because I have been hearing—and I am sure you have—about the stabbing of students at school, and about one student dying and that kind of thing—whether we have had any concrete results from all of these programmes or in particular the ones dealing with students. If you could let us know, I would appreciate it.

Sen. The Hon. H. Manning: Thank you very much. I do not know if you were here when I talked about the fact that there is a 50 per cent reduction in suspension notices. I talked about the fact that safety officers being placed in the school system, has assisted considerably in the reduction of indiscipline in the school. I would go on to talk about more programmes that we have in the school system that have been very helpful.

Maybe I could go back to talk about the technologies that were introduced in the schools; that approximately 340 primary schools have been prepared to receive the computers that are going into the schools; approximately 15 schools would be delivered on a phased basis during the course of this academic year; over 5,000 computers would be installed during fiscal year 2006. The contracts have already been signed to supply the hardware, the software and to train teachers. We are establishing a school net programme in a partnership between the Ministry of Education and the Ministry of Public Administration and Information.

We have also provided psycho-social support, and maybe through you, Mr. Vice-President, to Sen. Seetahal, this is another programme that we have in the system that has really been helping in the reduction of indiscipline. The psycho-social support, we have been working hand in hand with the Ministry of Health, so that policies, strategies and procedures are being put in place to identify, assess and treat students who have problems.

5.35 p.m.

Support is also being put in places for parents through various health centres where we also have a health programme in place. The Ministry of Health and the Ministry of Education work very closely to identify, to diagnose and to support. At the primary school level a total analysis is being done to identify strengths and weaknesses of students. The necessary interventions again, are also put in place and the same is also happening at the secondary school level where there is continuous identification of problems, so that again we can assess and support. Where personal, social and career guidance is concerned we intend to establish assessment centres for our secondary school students.

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During fiscal year 2005 this Student Support Services Division, again, through you, Mr. Vice-President, and to the hon. Members on the other side—I am going to give some statistics that will show exactly what has happened over the last year when this programme was put in place. In the 58 of the 70 selected schools that were provided with support, 1,300 students have been referred for learning and behavioural problems. Fourteen cases are receiving attention from school psychologists; 2,000 students received guidance sessions, academic and personal and social guidance programmes, 550 parents received parent education in learning and developmental issues.

At the secondary level the Student Support Services Division continues to give students support services at 40 selected schools. Eight thousand students received academic, personal, social and career guidance; 425 students were referred to individual counselling; 1,500 parents participated in parenting education and 13 students participated in out of school suspension programme. This service was provided at 40 secondary schools with 40 assigned guidance officers; 24,168 students received guidance sessions in career, personal, social and academic guidance per quarter; 2,516 parents participated in parent education per quarter.

In order to effectively deliver the support required, 67 members of staff of the Student Support Services Division received training during fiscal 2005; training in life skills, training in psychology and training in managing dyslexia and autism. It is a pity that the Member from the other side who made a plug for autism is not here. I would have really liked Sen. Mark to know that the Ministry of Education has begun training the staff of the Student Support Services Division to identify and to treat special-needs students including those with autism.

The division received its full complement of 118 members of staff for special and diagnostic prescriptive services which consist of diagnostic specialists, school social workers, school psychologists, guidance officers, counsellors and special education teachers. The division also provides equipment and materials for guidance officers, special education teachers and co-ordinates the Ministry's drug abuse and HIV/AIDS programme.

During fiscal year 2005 Student Support Services Division completed and implemented a policy on drug abuse, on prevention and smoke free environment; completed a strategic plan for HIV/AIDS; collaborated with the curriculum division on the implementation of health and family life programme; completed an abstinence sensitization and awareness workshop for teachers in 50 secondary schools; distributed abstinence booklets and videos and CDs to at least 60

secondary schools. Abstinence clubs were formed in at least 30 secondary schools and an abstinence rally was held for secondary school students; approximately 5,000 secondary schools students attended at Queen's Park Oval.

During fiscal year 2005 Student Support Services Division adopted an integrated multi-disciplinary team approach for the delivery of the following services in schools: guidance and counselling; diagnostic and prescriptive services; social and special education services. With additional staff and resources the work of the Student Support Services Division has added much value to the reform effort, Mr. Vice-President. During fiscal year 2005 the Ministry of Education through the peace programme strengthened its partnership with NGOs and the Ministry of National Security to improve school discipline. One hundred and sixty three School Safety Officers were hired, they were trained and they were deployed to 82 Government secondary schools in Trinidad and Tobago—82 in Trinidad and nine in Tobago.

Suspension notices to students were reduced by 50 per cent during the academic year 2004 to 2005. Out of school suspension projects were established with three centres to which students on suspension reported, and which guidance officers and school social workers were given special education and training to facilitate their return to the classroom. A number of businesses supported this programme by actually having on-the-job training for some of these young students. Two hundred and forty students have benefited from this project during the last year. Pre-carnival workshops were held in 148 secondary schools of which 11,000 students benefited.

Training workshops in mediation and conflict resolution were completed for students and teachers in 40 secondary schools with the assistance of non-governmental organizations; 750 teachers and 10 secondary schools were trained in anger and stress management. These various projects will continue in fiscal year 2006. We provided quality support for vulnerable groups, Mr. Vice-President. The definition of special education includes the gifted in our society, as well as the vulnerable among us with special education needs. With respect to the gifted the Ministry intends to develop a policy which caters for the education of these children. With respect to the differently-abled the Ministry's policy is aimed at the gradual integration of special education services in mainstream education.

Cabinet has recently approved the payment of fees to schools of special needs students. The Government's aim is to establish what we are calling an inclusive education programme where special needs students would be supported in the normal school operations. As we said before, we have already approached the IDB

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for funding to support this programme. In order to facilitate this process during fiscal year 2005 the Ministry of Education has begun the upgrade of the physical environment in 10 of the existing government special schools. We have already begun providing instructional materials to these schools, such as Braille machines to students who are visually impaired, and we have begun the preparation of students for mainstreaming into schools which are located nearby.

During fiscal year 2005 site visits were conducted to inform the preparation of the architect user's brief for 10 schools listed below:

The Wharton Patrick School;
The School for Special Education, Pointe-a-Pierre;
School for the Blind, Santa Cruz;
School for the Deaf, Cascade;
Lady Hochoy Centre, Penal;
The Audrey Jeffers School for the Deaf, Marabella;
The Princess Elizabeth School;
The Lady Hochoy Centre, Cocorite;
The Lady Hochoy Centre, Gasparillo; and
The Lady Hochoy Centre, Heights of Guanapo.

The design process for these schools—

Mr. Vice-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. The Hon. Dr. L. Saith*]

Question put and agreed to.

Sen. The Hon. H. Manning: Thank you very much. The design process for these schools commenced in September 2005 and will continue in fiscal year 2006.

Quality support for students and their families. The Ministry of Education has been over the last fiscal year providing quality support, and would continue to provide quality support with school meals, school books, school transport and book grants.

School meals: Mr. Vice-President, this year we have provided 132,044 meals daily for 813 schools at a cost of approximately \$150 million. This is a move from 80,000 daily meals in the year 2001. In fiscal year 2006 we are aiming to provide 153,000 meals daily at a cost of \$206 million. [*Desk thumping*] The school books loan programme is another support being given to students and their families to alleviate the tremendous difficulties faced by parents and guardians in providing the necessary resources for their children of school age.

The Ministry of Education provided the following and will continue to provide—for fiscal year 2004 primary school children received four text books, this year they received eight. [*Desk thumping*]

Students in Forms 1 to 3 have been supplied with eight text books. Students in Form 4 enjoy even greater benefits under the text book rental programme, that has replaced the book grant of \$1,000. Form 4 students are provided with eight text books, one for each subject area being pursued at the examination level. This is really very important to us, Mr. Vice-President, because Form 4 students begin preparing for the exams at CXC level and therefore what we sought to do was provide all the text books, including the technical/vocational areas. The syllabi and self-taught materials were also provided. Remedial resources are provided to assist secondary students with literacy and numeracy skills and competencies where necessary.

The cost of providing text books in fiscal year 2004 was \$49 million approximately, and that has moved up to \$269 million in 2006. Inclusive in this expenditure is the cost for replacement of books.

School transportation has really been very important, especially in rural areas. For fiscal year 2004 to 2005 we have provided PTSC buses and over 250 maxi-taxis provided transport to school children.

5.50 p.m.

Over 4.5 million seats were provided during that period, at an approximate cost of \$34 million. For fiscal year 2006, we intend to provide, approximately, \$50 million worth of seats for transportation.

I assure this honourable Senate, our teachers are telling us that the books and the other resources we are putting into the system and providing for our children are making a difference. This year, we noted the success spreading far and wide, with many government schools earning even better results at all levels: the Secondary Entrance Examination (SEA), Caribbean Examination Council (CXC) and A' levels.

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Mr. Vice-President, I want to answer the school building programme that Senators on the other side keep talking about.

Sen. Joseph: Not “Members”; one Member.

Sen. The Hon. H. Manning: Mr. Vice-President, early childhood care (ECC) centres were built under the World Bank's Fourth Basic Education Programme. Another Minister from another place has been saying to the House that they built 100 ECC centres. [*Interruption*] A former Minister. They never constructed 100 ECC centres. The objective of the World Bank was to construct 100 ECC centres; 50 new ones and 50 refurbished ones. They built 38 new ECC centres and upgraded 18.

The defects of 75 per cent of the centres built by those on the other side were as follows: Payment was made for substandard work; for example, many of the ceiling tiles have already fallen out in some of these centres. Those were brand new centres. No geotechnical studies were carried out. As we were closing out the World Bank programme, this is what we picked up, that no geotechnical studies were carried out before the construction of the centres. The foundations in many of the centres are, therefore, unsatisfactory, with settlement cracks, poor lighting and ventilation. Some centres have no electricity at all; we had to run to get T&TEC to put in electricity. They were begging us. Do you know what they told them? That they must pay for an electric pole; these people were not making any money, but they had to pay to bring electricity to the centres. Water, electricity, telephones were not supplied to some of the ECC centres. There was a lack of site drainage. Schools were not constructed for earthquake standards.

Sen. Montano: Performance!

Sen. The Hon. H. Manning: Floor finishes in some centres were raw concrete; there was no security. There was no child-sized toilets and face basins in many of these centres. [*Laughter*] These are centres for children three to five years.

Hon. Senator: Performance!

Sen. The Hon. H. Manning: The centres were not constructed to resist hurricanes. There is a centre somewhere in New Grant called the "Basdeo Panday ECC Centre", which was so poorly constructed that the roofs were not properly tied. Every time the wind blows, we get very concerned. [*Laughter*] [*Crosstalk*]

Cracks on the walls due to differential settlement; inadequate reinforcement and poor workmanship; poor painting in some centres; insufficient tanks for water storage for little children three to five years; picture them; no provision for handicapped and physically challenged students; a lack of covered walkways. I could go on and on and on.

Hon. Senators: Go ahead.

Sen. The Hon. H. Manning: I am sure my time would be up, but I want to show you something, Mr. Vice-President. They built 38 centres and when I count here, you see all this map that you are seeing here, all the centres are in this area; almost 40 per cent of the centres are in the Caroni area on the West Coast area near the gulf. [*Minister shows map*] And they get up here and talk to us about construction.

They need to start reading their newspapers, because this advertisement here [*Minister shows newspaper*] that talks about the "Education Facilities Company Limited, Invitation for Prequalification of Contractors", that is just a start. This is the beginning of a programme that is not going to end. [*Desk thumping*] We have architects who have designed proper centres. They took long, but they have designed proper centres, because they took their time to do their designs. They did not rush and do anything; they took their time. Therefore, with our eyes closed, we can now start to put these centres in place. [*Crosstalk*]

As this finishes, the deadline is October, mobilization will start in November and construction will start, I am sure, before the end of the year. These are 43 here; as we roll out this, you will see primary schools coming, looking just like this; you will see secondary schools coming, looking just like this; you will see the de-shifting programme in place, as we put new buildings in place with the equipment, et cetera; we have only just begun. [*Desk thumping*] [*Laughter*] [*Crosstalk*] Slow and steady; "dey" not rushing us.

Hon. Senator: After four years, you have only just begun?

Sen. The Hon. H. Manning: That is okay; the construction has only just begun. We were doing the quality issues all the time; we were ensuring that quality was being put in place. We know we are doing well where quality is concerned, because look at the exam results. "Yuh doh need a big building." I listened to "dat real good"; you do not need a big building. We were doing it without the building. You can imagine what is going to happen now that we are going to put buildings in place. [*Desk thumping*]

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I want to go back to early childhood centres to give you some details. It is a well-established fact that quality early childhood care and education is the bedrock to any quality education system. We intend to build approximately 600 between now and the end of the year 2010. We believe that quality education, inclusive of the needs of all our learners, has been the priority and we have done well. We have more to do. We are targeting and moving forward. Programmes and projects outlined show the seamlessness and well thought out system. We believe that the demands of the 21st Century require us to hold to the task of a comprehensive programme to revolutionize and modernize the education system in Trinidad and Tobago.

We believe that we live in unusual times and unusual times require unusual responses. Changes at the global level have far-reaching effects on all of us, but more so, on the young and generations to come. Therefore, we are not compromising quality. We believe that there should be no compromise on student and teacher safety or that we should sacrifice quality for quantity. We have held steady course despite the many taunts from persons who simply choose to ignore so much of what is going right. The results have spoken for themselves. I rest my case; the best is yet to come and that is a promise.

Thank you.

Sen. Dr. Eastlyn Mc Kenzie: Mr. Vice-President, I begin by congratulating Sen. Augustus, because he certainly, through his contribution, put a pep in the step of the hon. Minister of Education. [*Laughter*]

Let me begin by congratulating the technical staff of the various ministries who contributed to the putting together, if I may call it that, of the documents we have before us. I know that they would have worked hard and long to ensure that the Minister puts over what he had to say to us and give him the sort of information that he would have needed. So on behalf of all of us, I thank the technical people in the various ministries and divisions.

I also thank the hon. Minister for inviting people to give ideas for the formation of the budget. I remember being invited. I also remember different organizations, to which I am connected, also being invited to give their input to the discussions, before the formulation of the budget. How much of that has been used, I cannot say, because, obviously, you are not there when the others are making their contributions, but I do know that, in many instances, a positive response was received. On behalf of the Tobago Council for Handicapped Children, I want to say how much we appreciate the increase in the allocation

given to the special education school in Tobago, in particular, and for all that is happening and we hope will continue to happen.

Mr. Vice-President, I also observe, looking around our Chamber, that we have a new Marshal, Mr. Brian Caesar. On behalf of all of us, I say welcome him. He comes in at a time when we are here for long hours, but on behalf of all of us, especially those of us on the Independent Benches, I say welcome to him and I hope he has a very challenging experience working with us. [*Desk thumping*]

I have just a few areas that I would like to touch on. I would like to say to all the speakers before me, thanks for the contributions they have made. I am sure most of us would have learned something new from every contribution made, regardless of which side we sit on.

I want to go along with different areas of the budget and to make comments. I know that we do not have a vote. I know that regardless of what we say, the Government will not change its figures, but I am hoping that when they come with the variation of appropriation, some of the things we would have said could influence a change of heart and a change of direction and a change of focus. So this is the reason I am going to say what I have to, otherwise I probably would not have said anything.

I congratulate the Government on the plans it has for the early childhood centres, especially the need for registration and regulations. There is a special need to monitor them constantly; it is not a one-off and one-on thing; you need to monitor them. You need to have the teachers and helpers trained. I hope that the Ministry of Education would note the importance of these early childhood centres. I keep saying that if we nurture these young children well and follow them up through the primary and secondary schools as we ought to, we will make the work of the Minister of National Security less burdensome.

6.05 p.m.

It is no use talking about crime and we want to cut off the tree at the top. While you do that, you have to ensure that we do not feed the cancer and I am saying that we cannot deal with crime by only trying to prevent or curtail what is happening, we also have to try to stop the flow of criminals into the system.

So it seems to me that if we continue in the way we are going and leaving out important things in our education and parenting, et cetera, we are going to be breeding criminals to put them into the system, and we need to look at that.

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I hope the question of deshifting will be urgent because I think that has a sort of negative impact on not only what is happening in our society socially, but also in the world of work. You cannot tell me that children who have gone to school for how many years from 12 o'clock know how to get up at 8 o'clock to get to a job. They are accustomed sleeping until 10 o'clock, get up, get ready, probably without a meal and rush off to half-day school. So I think the quicker we start to deshift—thank God for us in Tobago we never had a shift system. So I am hoping that the hon. Minister will try to speed up the deshifting of the schools. I join with Sen. Augustus in this.

Mr. Vice-President, I also look at the absenteeism problem in schools and I am not only talking about absenteeism among teachers which, to a certain extent the ministry is responsible for at times because it takes teachers away from their classrooms and schools for courses, training, and all sorts of things and the children are left without teachers.

In some instances, the teachers are taken out—they do Dip. Ed. and all sorts of courses and even though they are present at school, their minds are doing their assignment. Give them scholarships and know that there is no teacher in the class and, therefore he/she needs to be replaced. Or put some other system in place to ensure those children are supervised, but what is the use having a teacher coming to school who is not in the class, or even if the teacher is in the class, the children are given workbooks and the teacher is doing his or her assignment. We have to look at that, I am not satisfied with that at all.

I think we have to note absentee children also. There are children in our schools, students in classes who are absent for a long period—two to three weeks—and it seems as though nobody notices. In our days as children, we had truant officers who, when the children were not at school somebody went to the home to find out what was wrong, or why this child is not at school. Sometimes it is a legitimate excuse, the child is ill, the child is hospitalized or something is wrong but now we have no trace on this. There are no tracer studies on the drop outs. Nobody is tracing the children who have dropped out in Form 3 or Form 4. Where do they go? What happens to them? I think we need to deal seriously with that.

Mr. Vice-President, I want to look at the sport facilities and I agree totally that we should have our community facilities; our little playgrounds, pavilions, et cetera. But if you pass by one of these in the day, they are empty. Nobody is playing, or even if there are young people who have finished their work playing, there is no supervision and I think it is the supervision that breeds a certain

amount of discipline and structure rather than just bumping ball and playing around.

I think that is something we need to do and there are older people in the village—and when I say old, I do not mean decrepit but active people—who no longer play competitive sport and they will be willing to go in and show these young people a thing or two and keep structure, organization, and discipline intact and give them some of their expertise and knowledge.

Apart from that, Mr. Vice-President, I think that the sporting body can use some of these same sporting organizations to maintain and keep their grounds up to mark. You hear them saying: “Nobody ain't cut de field.” “Nobody ain't do this.” “De basketball ring down.” “De pole net gone;” this, that and the other, and you have the very people in the communities who are using the facilities. Why are we not instilling in them a sense of volunteerism, upkeep and so on? These are little things I think we can do.

Mr. Vice-President, I want to touch on health. I know everybody has heard about what is happening in Tobago and the hospital. I need not say more, but I want to stress the need for the roving nurse we had long ago. I am sure, Mr. Vice-President, you had a nurse who came to your primary school and feel up your stomach and so on, and knew that you had worms. Now it is extended, they give lectures on how to eat and what to eat to stop the children from being so obese and they also give them literature to take home and instill that their parents must help them.

The biggest targets the advertising companies have is for children. They tell you to eat “Sunshine Cornflakes” and when you go to the supermarket with them you can show them the cheapest one or whatever you want, they want “Sunshine Cornflakes” because the advertisement on TV has gotten to their brains. It is the same thing. Children believe in teachers and so on.

If a nurse visits, they will say: “The nurse come to school yuh know Mammy, and she say we must eat bananas and oranges, and dey say corn curls will kill us.” You cannot get them to eat that again. So I am saying that we need to do preventative medicine, preventative health in schools and let the nurses and health care providers go to the schools and educate our children.

Mr. Vice-President, when you come to talk about Tobago, I know that it is attended to, but I need to stress it because probably when the hon. Minister is looking to give more money and we ask for more, he would not blink an eyelid before giving us.

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Do you know that a simple blood test cannot be done in Tobago? We have to pay umpteen dollars to have it sent to Trinidad and wait for the result to be sent back to Tobago because piece of the machinery is not working. For heavens sake, please, I hope this will be rectified. Do you know what is bothering? Some of the private laboratories to which these referrals are sent feel so guilty that they are actually complaining and saying: “All yuh fix the thing nah.” They do not want the job, they want to know that poor people can access this type of facility. So please, I am asking.

Mr. Vice-President, I want to ask that we continue to use and increase the use of NGOs, there are some that are excellent. I want to ask the Minister to sort this out because no way can our Government or any government have all the facilities and resources within its service to function and do the work that some of these NGOs do. I can tell you from my personal experience.

We are talking about discipline in schools, let the Scout Association put a scout troop in the school. We have the Girl Guides, Brownies, Red Cross, St. John’s, Cadets—these are NGOs—and I am saying fund them more and help us to sort out the community problems that we have by ensuring that our children are trained from early.

Mr. Vice-President, sometimes I wish for some weeks they will put every Member of Government to live in Tobago especially some who sit—and I am sure some of you who have been to Tobago will realize that you are talking about something totally different at times. I want to refer to two instances.

The Agricultural Development Bank (ADB) has a rule of not funding certain projects because there are too many of them in Trinidad. You know there is a request to set up a poultry processing plant by private persons in Tobago and the ADB says its rule is not to fund those types of things in the country. “What country yuh talking ’bout?” You are talking about Tobago that does not have one, and these people are only asking for the permission and funding to cater for 60 per cent. Leave the little people who do it at home to continue to supply 40 per cent of the market, and the ADB says that is the rule, and it discriminates against Tobago. Look at it please. Ensure that agriculture has a link between the School Feeding Programme and the agricultural programme.

Another of the discriminatory practices I want to talk about and I have no qualms of conscience in saying this. I remember some years ago National Petroleum (NP) had a freeze on service stations in the country. Do you know there was a freeze on setting up service stations in Tobago, and it has less than it should have? There is none from Palatuvier to Scarborough, there is one in

Charlotteville for the fishermen, and one in Roxborough for the whole of Windward and they say there is a freeze. Because there are too many in Trinidad does not mean that it must apply to Tobago. So you have to ensure when you are making rules, you think of the special circumstances of Tobago, and this is another point.

The third point of discrimination I want to talk—about and this is directed to the Ministry of Education—is the Government funds janitors in schools. If you are a janitor working in a Government school, when you retire you get pension and gratuity. If you are a janitor in an assisted school when you retire, it is thank you very much, go home. I am told that those in the Government schools are paid by the Government and those who are in the assisted schools, the Government gives the money to the school board who pays them. “So whe de money coming from?” Not the Consolidated Fund? You ever hear more wrong side reasoning? So it is something that has to be looked at because if this is the case, then pay me straight; just as how you pay my assisted teachers straight, then pay me straight if I am going to suffer because the board is handling it. The board is helping you. What trouble is this?

Mr. Vice-President, I now look at tourism and I know the hon. Minister will talk about the number and this and that and the other, so I am not going into his territory. He is good to Tobago and I really cannot complain. But in the Prime Minister’s budget statement on page 61 he talks about transportation and on page 62 he talks about air transport.

Now, he is talking about air and sea transport and the only thing he talks about in air transport is BWIA. He totally dismisses the link between Trinidad and Tobago in one country. If San Fernando is cut off from Port of Spain you will hear talk. A village is marooned; you hear the hullabaloo all over the place. Tobago is cut off from Trinidad by air—nothing, the Prime Minister says absolutely nothing about that and when he comes to talk about Tobago this is what he says on page 73.

“Recognising the paramount need at all times to ensure that the people of Tobago know that their support has not been misplaced, the air bridge must be made more reliable.”

That is all that is in the budget about the air bridge and we are cut off, cannot get to Tobago and cannot get from Tobago to Trinidad and we do not have a choice.

If you want to go to San Fernando you can go by helicopter, you can go by boat, you can drive, walk, and you can do all sorts of things. You want to tell us

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the only way we must get to Tobago is by sea? So if I vomiting all the way I must still go by sea? I prefer to go by air. Give me my choice and, therefore, the air bridge must be made an essential service.

I want to read to you Mr. Vice-President from *Contact* by the Chamber of Industry and Commerce, Vol. 5, No. 3, 2005 on page 21. It says:

“In December 1938, the Tobago Chamber of Commerce submitted a memorandum to the Royal Commission as it relates to communication between both islands. It noted ‘The most important factor affecting the island of Tobago as a whole is communication and although representations have been made at frequent intervals to Government on the various aspects of this matter, the deficiency remains and the situation is now serious and merits immediate action.’”

Sixty-seven years ago. “Me ain’t even born yet.”

“Now, 67 years later, the situation remains virtually the same. ...the population on the island of Tobago at that time was 27,000.”

6.20 p.m.

I do not want to say anymore; I might say the wrong thing. But what I am saying is, this must be made an essential service. I do not care how or by whom. The same way you subsidize transport all over the country, if we have to subsidize transport by air between Trinidad and Tobago, so be it. [*Desk thumping*]

I have said a little about crime but I want to make two points today. There is a pattern; there is a system, a practice where you go to the station and report a matter and they say you are in the wrong place; you should have gone to the next station. So where is the technology? Could they not take the information and do the communication between this and that? Do they not have cell phones and all sorts of communication? They just say: “Report to another station.” Who is going there?

The next point is that I think we talk too much of the strategies. Can you imagine that I sat yesterday and listened to people saying that today is “bomb day” so, therefore, they are going to put security? Well, if I were a terrorist I would not bomb today—[*Laughter*]—when I know your forces come out here today because they think it is “bomb day” and tomorrow “allyuh” gone somewhere else; and Friday “allyuh” gone somewhere else. That is a thing you keeping secret. Oh God, is talk “allyuh” like to talk?

They do not have enough bulletproof vests, so they tell everybody: “We bulletproof vest defective and we do not have enough.” All I have to do as a bandit, instead of shooting by his chest, “ah shooting de head”: Bow! And “buss he head”. He “ain’t”

have no bulletproof vest. Why are we talking so much? I think we need to know what to say and when to talk: You could say: "Okay, something is happening but I cannot release the details." What is wrong with that? If I had any say I would make constituencies responsible for policing in their constituencies. Decentralize much of the police work and have constituency stations and have a centralized system. That is just my wild idea; I never policed anything.

I had the biggest laugh in my life when I heard that people were mistaking the bringing in of Scotland Yard and the FBI to Trinidad and Tobago as a favour to the Government. I said: "But what madness is this?" The people are coming to protect their British interests and investment and the United States' interest and investment. If you think they are coming to stop crime in the outskirts, think again. They have their own interests here and, therefore, you have to be careful in what areas you use them.

I will give you a story that happened some years ago. At one time years ago, story has it—I do not know if it is rumour or if it was true—they decided to bring some people from England to teach them how to catch Trinidad pickpockets. So the policemen say: "Chief, we have pickpockets here who could give the police a lesson in how to catch pickpockets." But no; foreign people; big money; bring them. The young "fellas and them" say: "All right, no problem." "Dem" boys in the station set up the pickpockets. They say: "You see he, he is the consultant, watch he face. Pick him. Do not take anything from he purse; pick him and bring his wallet to the station." Before the man miss "he" pocketbook, it was in the station with every cent intact. When he "feel in he" pocket and he "ain't" have none, when he reach in the station they say: "Here is your pocketbook, Sir." A pickpocket pick "he". You understand? I am just telling you, be careful about what you are boasting.

I want to ask the Minister of Community Development, Culture and Gender Affairs to look at the way the new order would affect the work of your community development officers. In our time, as a community development officer, groups and village councils focused on physical amenities. You did not have lights; you make a proposal; you did not have water, roads, and so on. That is different. Now our officers take a socio-domestic kind of focus. We must not see on television or hear and read in the newspapers that there is a family with six children and none of them are going to school, or that they are hungry. If we have good community organizations, that is what they should be looking at now. Their focus should be the disadvantaged, the under-privileged, the abused, and so on.

PROCEDURAL MOTION

The Minister of Public Administration and Information (Sen. The Hon. Dr. Lenny Saith): Mr. Vice-President, I beg to move that we sit until the completion of the contribution of Sen. Dr. Mc Kenzie and Sen. Chin Lee, who will follow.

Question put and agreed to.

**APPROPRIATION BILL
(BUDGET)**

Sen. Dr. E. Mc Kenzie: Thank you very much, Mr. Vice-President. I look at the income tax reprieve and I know that the greatest, I should say, impact this would have would be the simplification of the tax calculations for the revenue officers. I know some will lose, some will gain. It is a pity that some pensioners will lose, those who would have been claiming their \$40,000. They may have a child allowance; a mortgage allowance; their credit union gain, and they would lose some of them, with the \$40,000, over \$60,000 and they would not have had to pay probably on about \$10,000 or \$12,000. But as I said, some will lose and some will gain

I am almost through. I want to ask the Minister of Local Government and the Minister of Works and Transport to look at preventative maintenance, where you do not wait until things deteriorate then you start to fix; that you have routine, periodic maintenance and then you would leave room for the emergencies. But sometimes I think we wait until the worst happens.

I want to talk about planning. I note the number of structures that will go up all over the place, not only in Trinidad but in Tobago also. It seems as though we have something about bringing everything in Port of Spain. I am no expert or any technical person, but I am bothered about the whole traffic gridlock that we have and everything is coming into Port of Spain and its environs; all the Government offices, the hotels, the waterfront projects, everything, and simply to get from Independence Square to here is a real problem. It is real traffic trouble. It is waste of time, energy, a grind of patience, stress and anger. People get so mad; they get so wicked.

The training component in URP and CEPEP, I think we should bring them under supervision. I think the URP should be a feeder programme for skills in the construction and other industries. In other words, if you are saying I must work for part of the day and get training for part of the time, when a contractor says: "I want 100 masons", URP must be able to give them 100 masons on permanent employment, and you bring in another set of people to train. So you must be the

feeder group for the construction industry or whatever industry it is.

I know in Tobago, as you know, under the URP we have a section where they produce furniture and they supply to the schools. These young men and women go to work in this big furniture shop with all the equipment and machinery and they produce furniture for schools. I am sure you know that, Minister. Those in agriculture could do that for the school feeding programme. So whatever you put them to do, they must be like a feeder group for the others. But if we continue to make them work half-day and get training on a permanent basis, they will never want to give a full day's work for a full day's pay. I say train them and let them go. But many of them will tell you: "I do not want to work with this contractor; I prefer to work with the Government." Because they go on the road and work for four hours; they get paid for the whole day and they go home. So I think that you need to look at that.

Finally, I want to ask the Minister of Finance and all his Ministers, you only set policy; you say how much allocation we have for what and what and your hands, feet and mind are your public servants. I think very often those in charge, whether it is your Ministers, do not tell the permanent secretaries, or whoever, how much money we have; what are our plans; these are our time lines—according to Sen. Robin Montano, your benchmarks—and what you hope to achieve. Bring them into the whole scenario and let them know this is our task, that you are the people who are there to help ensure that this is done to this standard within this time with these resources.

Many times I do not believe that this is done. I feel people just say: "Well, you know, we have \$1 million to spend here to do this." "All yuh do this." I think you need to bring them with you into this thing and say: "Listen, this is what our division hopes to do. What are your ideas; what are your plans; what do you think the setbacks would be?"

I want to congratulate the Minister also for the money he has given to The Central Administrative Services, Tobago (CAST) to continue the music programme that was started years ago under the former Minister, Morgan Job. I think it is a very good move and I congratulate the Minister of Community Development, Culture and Gender Affairs for ensuring that this programme is continued. I just tried to give some ideas, some pointers and warnings and I hope I have put some feeling into how we, from Tobago, feel about certain things. I hope that I do not have to say the same things again, because it will tell me that nobody takes you on when you talk so we could come here next time and listen to you all

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talk and do not say anything. I hope that I would be able to see some sort of action taking place on, if not all, some of the points that I have made.

I thank you very much, Mr. Vice President, for allowing me to speak. [*Desk thumping*]

The Minister of Tourism (Sen. the Hon. Howard Chin Lee): Mr. Vice President, today I rise to make my contribution to the 2005/2006 budget debate and in doing so I intend to give a quick overview of tourism worldwide as well as what has been happening with tourism in the Caribbean. I would also like to report on the successes of tourism in Trinidad and in Tobago and speak about the new company that has been recently formed called the Tourism Development Company, its mandate, its objectives and what we hope to accomplish in the years to come.

6.35 p.m.

Before doing that I take this opportunity to welcome some of the many stakeholders here today who are certainly showing interest in what the Government has to offer and support their kindly Minister.

The tourism industry worldwide is growing at a phenomenal rate. The business corporations; the cruise ship industry; airline industry and hotel accommodation are all changing at a tremendous pace. I have often said in this august Chamber that if we are not part of that change, we would not succeed in this industry. That is one of the reasons we formed the new Tourism Development Company (TDC).

Let me give the Government's vision for the Strategic Tourism Development Plan for 2020. That Vision 2020 says that by the year 2020, tourism would be a significant economic sector contributing approximately 90,000 direct and indirect jobs to the economy driven by a uniquely differentiated and internationally competitive product. This vision and the Strategic Tourism Development Plan is to create linkages with other sectors of the economy, meaning that tourism involves the manufacturing sector—and as Sen. Dr. Mc Kenzie stated—the transportation sector, fisheries and agriculture. If all these are not put into one synergistic way we would not truly understand the concept of tourism.

I will speak about the generation of employment in tourism and how many persons are employed directly and indirectly. Recently, a study was done by the World Travel and Tourism Council (WTTC) which was completed about a month ago. I will like to report on that particular project and some of the figures released are higher than we thought. Based on the TSC and the WTTC report which I will

circulate in this Chamber shortly, the economic impact in 2005 in Trinidad and Tobago's travel and tourism is expected to generate TT \$16.481 billion and US \$2.616 of economic activity. A total demand on industries' direct impact includes direct employment of 33,771 jobs, that is 5.8 per cent of the total population; as well as a gross domestic product of \$4.2 billion. These are very large figures.

For Tobago, it is even more important when 15,000 persons are employed in that sector, over 50 per cent of the population dependent on tourism. For those reasons we must pay particular attention to the trends that are taking place in the industry.

Part of the developmental plan is to accelerate the country's economic diversification; in other words to move away from our dependency on oil and gas. The Ministry of Tourism has accepted that challenge in making Trinidad and Tobago a major tourism player in the Caribbean. We believe that like the oil, gas and manufacturing, tourism can make a tremendous contribution to the socioeconomic development of this country.

Globally, the tourism and travel industry is the largest and fastest growing industry in the world today. It generates about 10 per cent of the world's GDP and employs about 200 million persons throughout the world. Globally, we are also witnessing the conglomeration of corporations with companies such as TUI and Neckermann that are now controlling the European corporations. We have a cruise ship industry that is also amalgamating itself into the big three; the Carnival cruise lines; the Royal Caribbean and the Norwegian cruise lines. They are buying out their competitors. In the airline industry we have the growth of the "no frills" carriers. They are now eating away at the major carriers.

The continuation of the Internet and the impact that it is having on tourism is becoming even more critical. Booking engines, company such as hotels.com and other booking agents are now controlling how travel is done in the region. I heard someone in that industry say that they could unplug one of our Caribbean islands if they wished. It just shows the power of some of these booking engines. If we are not part of this process we would be left behind in the industry and for that reason we have formed the TDC with the technical expertise and persons who have the knowledge that can advance tourism forward in Trinidad and Tobago.

In the United Kingdom, Spain and France, tourism is one of the largest sectors in the economy. In the United States it is considered one among the three largest sectors.

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The world tourism arrivals are projected to grow by 4.5 per cent annually in the medium-term. In the Caribbean this industry is certainly the major economic activity of our region. Near to 35 per cent of all persons who are employed are in the tourism sector. The Caribbean tourism industry has been highly resilient. It was one of the first regions to recover from the global slump after September 11. Despite the devastating 2004 hurricanes, tourism arrivals still rose significantly by 7 per cent in 2004 compared with 2003. That is close to 22 million tourists who visited the Caribbean. The region also received nearly 20 million cruise ship passengers in 2004. It is expected that this year with the growth of the cruise ship industry that passenger visitors would surpass the land base visit.

In Trinidad and Tobago, based on the WTTC report tourism contributed a total of \$4.2 billion, nearly 4.8 per cent of the total GDP and generated approximately 33,771 jobs. In Trinidad and Tobago, despite what Sen. Mark said that there has been a slump, a decrease and that we are 1 per cent of 1 per cent of GDP, all ridiculous figures. I wish he were here because I wanted to set the record straight as to what the figures are in terms of the growth that we have had within the last three years. To give an idea of the total arrivals, in 2003, we welcomed a record of 409,069 visitors; by 2004, that number increased to 442,555. In Tobago we have also seen tremendous successes. In 2001, the total number of arrivals was 49,411; in 2004, those arrivals grew to 85,769. It is expected that by the end of this year 2005, that figure would exceed the hundred thousand mark and that would be the highest number in the history of Tobago.

I have a small bar chart which shows the arrival figures in Trinidad and Tobago. If you notice in 2001, whilst the UNC was in power we had the lowest number of arrivals and after they came out of power it started climbing. This must be some sort of trend. If you look at the arrival figures in Tobago, you would also see a great exponential growth from 2001, 2002 and 2004, the highest in its history. This did not happen by chance. I will explain to this august Chamber how this happened.

I will like to make certain mention of our hon. Prime Minister who in his wisdom recognized that there was a serious problem with airlift coming to Tobago. No airline in its right mind would fly to an island if it feels that it cannot fill the plane. Business and commercial activity in the airline business is based on the number of seats you can sell. When no one was willing to fly, the then Airlift Committee chaired by the Prime Minister took a decision to guarantee the number of seats coming to Tobago. When the plane flew empty the Government of Trinidad and Tobago was willing to guarantee, let us say 70 per cent occupancy on that plane. In doing that

he ensured that there was airlift coming into the island. Within the first year of guaranteeing those flights, the number of persons using the plane turned out to be higher than the number he guaranteed. It ended up where because of the guarantee the country was benefiting not only by arrivals, but also the surplus account provided for by the Airlift Committee.

I would read a letter that was recently written to the hon. Prime Minister, Mr. Patrick Manning, and signed by the Secretary of Tourism in Tobago, Mr. Neil Wilson, where he speaks of the airlift and the successes that they have had within the last year. It is written to both the hon. Prime Minister and the Chief Secretary of Tobago. It is dated July 01, 2005. It says:

“Dear Prime Minister,

I attach a copy of draft synopsis of the status of the Tourism Industry in Tobago in 2004 as prepared by Oxford Economic Forecasting for TIDCO.

It indicates that the Total Tourism Demand was \$859M and that the island’s Tourism contribution to its GDP was \$688M or 46%. It also shows that Tourism employs 15,000 persons or 57% of the island’s work force.”

That has now surpassed the number of persons employed in the civil service. It is now the largest employer of persons in Tobago. It continues:

“You will no doubt recall, Prime Minister that at the time the Standing Committee on Tourism was set up in 2002, under your chairmanship, the number of persons employed in the tourism industry in Tobago was estimated at 7,000. Two years later, in 2004, it has more than doubled-surpassing the public sector as the largest employer on the island.

One of the major objectives of this Three Year Tourism Rolling Plan was to achieve an employment target in Tobago of 15,000, after three years and 70,000 in Trinidad, Tobago has accomplished its target in two years.”

They have met their mandate in two years.

6.50 p.m.

“The other goal was to achieve a 75 % hotel occupancy rate in three years.

The third year is not yet completed but so far for 2005 it is estimated that an average occupancy level of close to 70 % has been attained. When you established the Standing Committee, the average hotel occupancy was 17 per %.”

Mr. Vice-President, we have moved from 17 per cent occupancy to 70 per cent occupancy. [*Desk thumping*]

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“In 2002, it was estimated that tourism contributed \$414 million or 27% of the island's GDP, an increase of 66.1%.

During the last two years, we were very proactive in the United Kingdom and Europe and for several months last year, Trinidad and Tobago had a representative in the UK. We will have to continue our focus on the North American market in order to minimize our dependency on the United Kingdom for business.

Domestic tourism is booming due largely to the operation of the fast ferry between Trinidad and Tobago, and for the first time in decades there has been sufficient available capacity between both islands by air and sea combined, to justify advertising and promote Tobago in the Trinidad market.”

This is being done.

“The result is that the usually slow off-peak months are generating higher occupancies, particularly, at the smaller properties.

Prime Minister, I think we have done very well. Even in the face of the negative advisories that have been published by the British Government last year and recently, warning its citizens that there is a prevalence of major crimes on the island, we in Tobago cannot thank you enough for your intervention in 2002 and for your support of the tourism three-year rolling plan that has been singularly responsible for the amazing turnaround of the island's tourism industry.

Yourself faithfully,

Mr. Wilson”

It is obvious, Mr. Vice-President, that because of the actions of this Government we have seen such great improvements in this industry. [*Desk thumping*]

Mr. Vice-President, apart from the increases we have experienced in terms of arrivals, we have, however, also seen a decrease in the cruise ship arrivals. I would just give an explanation as to why that is so and what we are doing about ensuring that that particular industry will and can turn around.

In 2000, there were 100,000 cruise ship arrivals to Trinidad and Tobago; in 2001 that dropped to 80,000; in 2002, it dropped to 60,000; in 2003, it dropped to 60,000 and 2004, it is roughly the same figure. We have seen a decrease in the cruise ship arrivals over the last five years. I know that some people may attribute that decrease to areas such as crime or they may have other reasons.

Mr. Vice-President, let me give you one of the main reasons we feel that there has been a decrease in this particular industry. After September 11, 2001 a lot of cruise ships decided to use other homeports, apart from Puerto Rico and Miami: they used homeports out of New Orleans; they were originating their ships out of Mobile Alabama they were originating their tours out of Houston and Tampa and because of the variety of ports they selected more regions in the north-west of the Caribbean to ply their five-day and seven-day stopovers.

What took place within the last five years is that the northern Caribbean saw a tremendous increase in the amount of arrivals: Cayman Islands, Turks and Caicos, Jamaica, whilst the southern Caribbean: Curacao, Aruba, Trinidad and Tobago and Grenada saw somewhat of a drop. However, another reason as well, is that a lot of the new ships being developed are much larger and they are referred to as voyager-class vessels. These ships require a depth; they require a certain amount of dredging at ports and if there are not enough dredged ports for these very large voyager vessels to arrive, then they will not come to our shores. That is one of our drawbacks in Trinidad; we do not have depth to come into Port of Spain to deal with these larger vessels. We are in the process, however, of ensuring that we can deal with these vessels by dredging the Port.

Also, Mr. Vice-President, there is a great level of interest for cruise ships to home port in Trinidad. Recently, at the FCCA Conference we met with certain executives and they have indicated an interest in looking at Trinidad and Tobago as a home port. That process is being developed and I will talk about that in our next budget.

In Trinidad the source market is very different from Tobago. People travelling to Tobago arrive mainly from the United Kingdom, Germany and new markets that we have developed in Holland and even as far as Austria, whilst in Trinidad our arrivals are mainly from the United States and the Caribbean. Having different markets from different source markets to both islands will certainly require a different level of marketing.

Mr. Vice-President, let me give you an idea of the percentages. Right here in Trinidad the largest market to our country is from the United States, they make up 42 per cent of the total pie. The second largest market are people from the Caribbean, 27 per cent, many come here to shop. The third largest market is Canada, which is 12 per cent. Although it is 12 per cent the makeup is mainly of VFRs—visiting friends and relatives. The next two markets are South America and the United Kingdom.

In Tobago, however, it is a totally different makeup. The largest markets that are now coming to Tobago, and the reason for the success that Sen. Dr. Mc

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Kenzie and Mr. Wilson speaks of, is because of the increase in the United Kingdom. They are now taking up 67 per cent of the entire market heading to Tobago. The reasons for that are stronger marketing, better airlifts through Virgin Atlantic, British Airways and through the other charter flights, as well as the strength of the Euro and the pound against the dollar. It is now cheaper for them to come to Tobago than to go elsewhere and that is why the United Kingdom is such an important market for Tobago.

Recently, we appointed a new representative in Tobago, the TDC, to deal, specifically, with that market. That representative will talk with the airlines to ensure that they have what is needed. Recently, we allocated from the TDC, £100,000 for British Airways and we also gave Virgin Atlantic £100,000. So when you see ads in England with Virgin Atlantic speaking of Tobago it is our marketing money that is working in conjunction with the airline. That is what we consider smart marketing; being able to form a corporation with the airline, the travel, the hotels and the marketing, and working together to ensure that all the money spent will redound to more arrivals to the island.

Mr. Vice-President, the second largest market in Tobago is the German market. They now comprise 20 per cent of the total market and that is actually a drop. They were once a much more significant cut of the total pie in Tobago; they were up to 35 and 40 per cent but because of the recent downturn in their economy and high unemployment, we have also seen a decrease in the number of Germans.

United States arrivals to Tobago is only 3 per cent, however, that number is increasing and part of the focus and marketing of the new TDC would be to focus and concentrate and see how we could increase the number of arrivals we get from the United States to Tobago. We have recently appointed a representative in the United States called MCI and they will seek our interest to ensure there is airlift, marketing and as well, all of that redound to greater increase in arrivals.

7.05 p.m.

The other two markets, Canada and the Caribbean are much smaller. High arrivals in Tobago and in Trinidad mean higher occupancy levels. As I said earlier in the year 2004, Trinidad and Tobago experienced some of the highest occupancy levels in the history of Trinidad and Tobago. We had in Trinidad an average of 80 per cent occupancy and in Tobago an average of 85 per cent occupancy and during peak periods there was full occupancy.

Mr. Vice-President, to give an idea on who is now flying and travelling to Tobago, I have a list of all the airlines, and I will go over them very briefly. There is Excel Airways that is now flying from the United Kingdom to Tobago; three weekly flights. Virgin Atlantic flying from the United Kingdom to Tobago; one weekly flight. British Airways from the United Kingdom to Tobago; two weekly flights. Condor, which is flying directly from Germany to Tobago has two weekly flights. There is an airline called Martinair that is flying from Holland to Tobago, that is, one weekly flight. They have connections in Denmark, Norway and Sweden. Also there is a direct flight from Austria to Tobago, Lauda Air which flies once weekly. Added to that there is Travel Span which flies weekly from New York to Tobago, and BWEE has started a flight recently from Washington, New York and Miami into Tobago. The total jet and capacity now is at 4,494.

Talks are continuing to see how we can increase or maintain these airlifts to ensure that flow of traffic of people coming into the island. I have often said if those airlines decide to pull out it does not matter how good your product is, you will have no tourism on the island. So we have to ensure and maintain the relationship with these airlines and ensure that they are financially happy and at the same time we are also happy with our arrivals to this shore.

We deal with American Airlines. They have a daily flight from Miami to Trinidad; American Eagle from Puerto Rico to Trinidad; Air Canada three weekly flights; Caribbean Star, daily; Liat; Rutaca; Suriname Airways, Universal Airways, Avion Airlines, Travel Span, Zoom. Also, Continental flies out of Texas straight into Port of Spain and then two weekly flights from Aeropostal which is out of Margarita into Port of Spain. All of these are continuing. In fact, we have interests from other airlines wanting to come both into Trinidad and to Tobago.

I spoke earlier about the marketing representatives that we have. We have representatives because it is no use in having representatives in markets that cannot feed into Trinidad and Tobago. The reason I spoke about where these people are coming from, it is important to note that we should have representatives in those destinations. Right now the Tourism Development Company has representatives in Germany. There is a gentleman called Biki Kouran who deals with all of our German interests and he also handles the eastern European countries. There is also a new representative in the United Kingdom, a lady by the name of Nova Alexander and she has been doing wonders for Tobago and wonders for our country. She also represents the Netherlands and Scandinavia. She would also be representing us when we go to the World Travel Market in London which is the largest Travel and Tourism Fair in the world and that would be held on November 11, 2005. Trinidad and

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Tobago would have one of the best booths it ever had. It would be bringing up its music, people and this year 60 members from the private sector are going to join us in England to market and promote Trinidad and Tobago.

Also, there is a representative in South America called Indiana Monteverde and we now have a new representative in the United States, a company called MCI International and someone called Michelle Courtier and they are representing our North American interest. I say this only to show that the TDC whose function is to market Trinidad and Tobago has to use these ambassadors abroad to ensure that all money that is being spent, as I said, redound to arrivals and economic benefit to Trinidad and Tobago.

In 2004 we participated in the Annual WTM which was held in London and ITB in Germany which is the Berlin Festival. At the Berlin Festival we signed some deals with the airlines and the Airlift Committee was headed by Mr. Wilson and we finally agreed with Lauda to add those flights to the route. Also at ITB in 2005 agreements were also signed with Condor Airlines for the continuation of service to Tobago and new contracts were also established with tour operators and agreements were signed with new marketing representatives in the United Kingdom.

In London we took one of our world's famous cricketers, he was also an ambassador, Brian Lara. He was at the booth and he created a lot of hype and a lot of interest in the Trinidad and Tobago booth. And we were very pleased to have him there last year. Also, as part of our marketing efforts this year, the TDC in conjunction with the Ministry of Tourism established relationships with international networks such as BET and MTV where Carnival 2004 was filmed and broadcasted to over 85 million people around the world. We also contracted a company called Quality Communications Production (QCP), a European production house. They were contracted to produce a mini television documentary on Trinidad and Tobago and this was done in seven different languages and shown on major television stations in 78 countries across Europe. As part of the marketing effort we also tied the deal with Travel Channel, CNN and BBC, all of which we are using as platforms to broadcast our content in Trinidad and Tobago.

I have often said you can have the best message in the world but if you have no one to broadcast it your message is not heard. So we have been building relationships with many of these international platforms so that when we produce content we can now broadcast that to the rest of the world, and we have been doing that very successfully in the last year.

Sen. Dr. Balgobin talked about the music industry. He spoke of piracy, and the intellectual property that exists in this country. He was right when he said that this can be a major export, our music, our talents. He spoke about persons who are pirating music at the street corner but probably what he would have liked to have spoken more about is the Internet and the true pirates on the Internet today.

Today the Internet is being used to transfer not only data; it is also being used to transfer video, data and sound. So that the piracy on the Internet is far worse an enemy than the piracy you see on the sides of Port of Spain. And if that is not dealt with in terms of protecting our own intellectual property, I think we may have a far greater problem with respect to the Internet than anticipated. Part of the TDC's plan would be to have one of the most sophisticated websites and when I use the word websites I speak of streaming videos, videos on demand, streaming music with all the copyrights of course, the ability to view properties using a 360 degree view of a property. There are websites today where you can check out hotels, walk into a room, click and have a 360 degree view of that property. You can also look at that property, how close it is to the beach and have a look at the beach as well; all of this is developing on the Internet. Part of our plan as we move forward is to use that technology in promoting and marketing Trinidad and Tobago more efficiently and effectively.

One of our greatest products which we refer to as the greatest show on earth, Carnival, has also seen some increase there. In 2004 there were some 40,455 visitors to Trinidad and in 2005 we saw a record high of some 45,000 persons visiting Trinidad for Carnival. I think that this is partly due to the awareness and the fact that so many people are now tuning in to what this Trinidad Carnival has to offer.

Do you know that our Carnival is exported to almost 40 countries around the world, and that is because we have a unique brand and blend but our problem is we have not been able to package it and market it as our own, Trinidad and Tobago's Carnival. And that is what TDC, together with these platforms I spoke about—it is for people around the world when they hear Carnival they would think of Trinidad and Tobago. When they hear of the steel pan they would think of Trinidad and Tobago. We must not allow any other island or country to take it as theirs, and to do that we would certainly have to maintain the branding, maintain what content we have and how we broadcast that to the rest of the world. As I said, with the BET we filmed a one-hour show on Carnival 2004. We repeated that in 2005 and that was seen by 89 million persons across the United States. I remember talking to a hotelier and they were telling me that a guest at their hotel, when they asked why are they in Trinidad, they said they saw Carnival on television. They said it seems so exciting that they wanted to be a part of it.

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Mr. Vice-President, I lived in New Orleans for five years. I went to university there and I experienced Mardi Gras. What I can say is that Mardi Gras is an internationally known product. But what I can also say is it has nothing on Trinidad and Tobago's Carnival. We have so much here.

We have so much music, culture, so many beautiful people and that, I think, if packaged properly can become the premier Carnival around the world. And, we are certainly making moves to ensure that that brand is maintained. Also, the MTV networks recently did a series of shows in Tobago and it was called the top rated Reality MTV television show, the Real World/Road Rules Challenge, "The Gauntlet II". This would start featuring this month and next month and it would be broadcasted to over 70 million households in the United States reaching 71 per cent of the nation's population, and would also broadcast to over 342 million homes in 140 countries.

All of those countries would not only see the show but would see Tobago—the show was filmed in Tobago—but would see the beauty of Tobago as they use the B-film footage to accompany those programmes. We were very fortunate they had chosen Tobago, and I think that was because of the relationship we have been developing with Viacom that when they were thinking of making the next film, they were looking at Puerto Rico, St. Vincent and Tobago, and we managed to have let them come to Tobago to film that event. We are very proud and pleased that they chose Tobago to film this reality show. This particular show as I said would be aired in October 2005. The other countries that this show was filmed: Mexico; they filmed the last ones in Chile, Argentina, New Zealand, Fiji, Tahiti, Australia and in Europe. So we are amongst good company. Added to that, we have also managed this year together with Tidco and the TDC to have this particular document prepared and I will ask the Clerk to distribute a copy to all Members of the Senate. This will really give you an indication as to where we are today and where we see tourism in the near future. It gives you a scientific approach to tourism.

I have often said if you do not know where you cannot know where you are going. So you have to set your course where you want to be and where you are with statistics and with figures, and that is why we have done this study. In fact, the study was quite surprising and Members of the Senate would read it on their own in their spare time tonight and then any comments on that, they can just call me and tell me how you feel about it. This study was also timely as annual statistics for allowing us better planning and to do better marketing both in Trinidad and Tobago.

This year, we also dealt with the legislation. We amended the Tourism Development Act which basically improves the incentives for persons wanting to invest in this industry. In Trinidad and Tobago there is a total stock of some 6,000 rooms, 3,500 rooms in Tobago, and about 3,000 in Trinidad, but in order for us to achieve that 2020 status we would need another 4,000 rooms within the next five years. And for that we have increased and improved our incentives in the Tourism Development Act and we managed to amend that and it would be proclaimed very shortly. Within the recent year we had the opening of the Marriott International Hotel which has 119 rooms as well as a number of villa-type accommodations built in Tobago. There will be the expanding of the number of rooms in the next couple of years.

Mr. Vice-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. [*Hon. Dr. L. Saith*]

Question put and agreed to.

Sen. The Hon. H. Chin Lee: As I was saying we had the opening of the Marriott Hotel, we are speaking about a number of multinational chains that are showing interest in investing in Trinidad and Tobago, and we propose to attract major hotel brands to Trinidad and Tobago that would bring with them their own advertising, their own marketing networks and their own destination profile enhancement.

Also added to the stock, what we can look forward to in the coming year or two is the new Hyatt Hotel which would be built on the waterfront. That hotel would be about 425 rooms and a brand new conference centre. That has already started and has roughly 50,000 square feet of covered space. What would that mean for tourism in Trinidad and Tobago? Having a conference centre of that magnitude, having a conference centre of that size would basically transform our business and tourism conferencing here in Trinidad. In Orlando those convention centres are subsidized by the government.

I remember attending a conference in Orlando, and when there is a convention that is taking place in town, all the hotels are full. You cannot even get a hotel near to the convention centre. All taxis and tour operators are busy. Seldom can you even get a taxi. I have been to a conference in Chicago as well. The taxis are fully occupied. You go to restaurants, all are full. You cannot even get a booking in the restaurants. Airlines bringing people into Chicago are all fully occupied. The amount of

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business that can generate out of having one convention of that magnitude in Trinidad would be endless. That is why the Government saw it necessary and in its wisdom to build a conference centre and for us to go and market conference tourism. We could promote the next FCCA conference which was held in Barbados. We can have it right here in Trinidad because we now have the capacity. We can have health conferences up to 500 to 1,000 persons participating. We could have a lawn mowers' convention. We could have all different kinds of conventions right here in Trinidad and Tobago, and part of the TDC's mandate would be to meet with conference planners. I am sure that we could have a high occupancy level or high turnover of conferences, and if and when we do, it would redound to even higher occupancies, it would redound to our restaurants doing well, it would redound to BWIA, our national carrier, it would also redound to the taxi drivers, tour operators, everyone benefiting from that success.

I have a picture of the hotel in black and white. It is the new Hyatt Convention Centre that is being constructed. There are also prospects for other hotels at Invaders Bay, the Millennium Park, resort hotels in Tobago, and upgrades are currently on the way for the Hilton Hotel to be refurbished.

7.20 p.m.

Also, as I said, to further stimulate the private sector, we recently amended the Tourism Development Act. Just to show you the confidence that the Chamber of Commerce, the private sector, now has in tourism, recently, their *Contact* magazine, the first publication for the year, was dedicated exclusively to issues of tourism.

I just want to quote the President of the Chamber of Commerce on tourism. He says:

For the first time I think as a Chamber we see us poised to really take advantage of the growth in tourism and I think for the first time we get the sense that we can actually begin to take advantage of tourism and the benefits that it can bring to a nation like Trinidad and Tobago.

That is showing confidence in the industry and in this Government. Also, the President of the Trinidad Hotel Restaurant and Tourism Association says:

We are pinning our predictions on investors taking advantage of the incentives in the just amended TDA to expand existing business or embark on new projects.

All of those are positive comments about the tourism industry where it is today and the hope they have for the future.

I know my time is running out, Mr. Vice-President, but I would also like to speak quickly of two of our other successes this year. Recently we had the Tourism Park, which was held at the Centre of Excellence. Last year, when it was held, we had approximately 25,000 persons participating. The aim of the Park is to build awareness among the population of all facets of the domestic tourism product in an exciting and highly interactive way. As I said, there were 20,000 persons visiting and this year, the Tourism Park attracted 70,731 persons. We are very proud of that fact. We did not think it would be such a success.

Let me read some comments written by some of the persons who participated, mainly children. Out of that 70,000, 33,596 were children. Of the children there was someone from Arima who said that very valuable information was given. Another person seven years old, Fiona Bonaire, said that it was beautiful, interesting, educational and nice. She liked Papa Bois and the animals and the bouncy castle. Also, someone from New Jersey said that it was fascinating. Someone out of San Juan, a 15-year-old, said that it was very interesting and a fun way to learn. Someone from San Juan, again, said that it was nice to know about history that he never learnt about. Another person, Indra Mahabirsingh from Tunapuna said: "It was very interesting. Do not give me the snakes. I like the wildlife forestry display and the plants are very nice." All of these created and built awareness of our tourism product and we intend to have it again next year and to draw even more people to this particular event.

This year also, Mr. Vice-President, we had one of our most successful culinary festivals. It was referred to as "Taste T&T: Taste of the Caribbean" and that is just a follow-up on the successes that our culinary team has had throughout the Caribbean. Do you know, Senators, that in 2003 and 2004, our culinary team won the Top Chef gold and silver medals? Did you know that? [*Desk thumping*] Team of the year 2004! That was not under the UNC, that was under the PNM.

In 2005, we took this culinary festival. It was held at the Hasley Crawford Stadium. It was Taste T&T and they called it a Festival of Flavours. It highlighted all of our gourmet cuisine. It was attached to the entertainment and cultural shows that we had. We had themes in Italian. We had Creole Fusion, Chinese; we had all different kinds of food amalgamated in one event, participated in by over 10,000 persons, and which attracted a very large crowd. Well, give me a round of applause since you like it so much. [*Desk thumping*]

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Mr. Vice-President, how much more time do I have? Five minutes? Apart from that, the Ministry of Tourism has been working on revamping the lifeguard services. This year, we reclassified the lifeguards to higher grades. We purchased three new jet skis, a boat for Maracas/Mayaro/Manzanilla. We purchased two ATVs for Las Cuevas and Mayaro. We brought down some Australians to train our teams in using jet skis for life saving. We also had additional diving and medical equipment and ambulances. We also constructed lifeguard towers on our north coast beaches and all of that is being pursued and also a number of lifeguard quarters are being renovated. Can you imagine we did all that in one year?

Mr. Vice-President, I just want to say that our next achievement is the Tourism Development Company. That company is now up and running. That will be the implementing arm of the Ministry of Tourism. It is fully staffed and I am also pleased to say that we have a director of tourism on board. We wanted to get the best in the Caribbean. We chose a guy who was the former Deputy Director of Tourism in the Bahamas and in Curaçao. He has now joined us in Trinidad and Tobago to assist in developing our tourism product. We are very pleased and very fortunate to have him here in Trinidad and Tobago. We are using the best available technology and personnel to improve the product of our country.

Mr. Vice-President, that entity will see about improving our product, in other words, we will revamp the Maracas, Las Cuevas and Manzanilla beach facilities. That is what you can look forward to this year.

Part of our mandate will be to market tourism in Trinidad and Tobago. We have been given a much larger budget this year. Last year we had a budget of \$46 million for TIDCO. This year we have a budget of \$77 million just for promoting and marketing Trinidad and Tobago. So you can look forward to a lot of great things in that industry.

Mr. Vice-President, in closing—I know my time is running out—I just want to say that we are on track. We have put the foundation in place. We now have the Tourism Development Company, which will be the implementation arm of the Ministry of Tourism. We have developed relationships with our partners. We have built relationships with the airline industry. We have made contacts and ensured that our partners are on board because they are the drivers of this entity and if they are not on board, we are going nowhere. So the partnership between the Ministry, the THA, the TDC and the private sector is what will redound to further successes in the Ministry of Tourism and in the tourism industry.

With those words, I thank you.

Adjournment

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ADJOURNMENT

The Minister of Public Administration and information (Sen. The Hon. Dr. Lenny Saith): Mr. Vice-President, I beg to move that the Senate be now adjourned to Wednesday, October 12, 2005 at 10.00 a.m., at which time we will continue the debate on the budget.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.30 p.m.