

*Leave of Absence**Tuesday, June 06, 2006***SENATE***Tuesday, June 06, 2006*

The Senate met at 1.30 p.m.

PRAYERS[MADAM PRESIDENT *in the Chair*]**LEAVE OF ABSENCE**

Madam President: Hon. Senators, I have granted leave of absence from today's sitting of the Senate to Sen. The Hon. Knowlson Gift, Sen. The Hon. Satish Ramroop and Sen. Ato Boldon, who are out of the country.

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 Professor GEORGE MAXWELL RICHARDS, T.C., C.M.T., PhD, President and Commander-in-Chief of the Republic of Trinidad and Tobago.

/s/ G. Richards
President.

TO: MRS. JOAN HACKSHAW-MARSLIN

WHEREAS Senator Satish Ramroop 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, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, JOAN HACKSHAW-MARSLIN, to be temporarily a member of the Senate, with effect from 6th June, 2006 and continuing during the absence from Trinidad and Tobago of the said Senator Satish Ramroop.

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 5th day of June, 2006.”

Senators' Appointment
[MADAM PRESIDENT]

Tuesday, June 06, 2006

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: MRS. MAGNA WILLIAMS-SMITH

WHEREAS Senator Knowlson Gift 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, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, MAGNA WILLIAMS-SMITH, to be temporarily a member of the Senate, with effect from 6th June, 2006 and continuing during the absence from Trinidad and Tobago of the said Senator Knowlson Gift.

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 1st day of June, 2006.”

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards
President.

TO: MR. WAYNE MUNRO

WHEREAS Senator Ato Boldon 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, acting in accordance with the advice of the Leader of the Opposition, in exercise of the power vested in me by section 44 of the Constitution of the Republic of

Senators' Appointment

Tuesday, June 06, 2006

Trinidad and Tobago, do hereby appoint you, WAYNE MUNRO, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Ato Boldon.

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 6th day of June, 2006."

OATH OF ALLEGIANCE

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

Joan Hackshaw-Marslin, Magna Williams-Smith, Wayne Munro.

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) BILL

Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act, 2006, brought from the House of Representatives. [*The Minister in the Ministry of Finance*]; read the first time.

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

Question put and agreed to.

PAPERS LAID

1. The administrative report of the Tunapuna/Piarco Regional Corporation for the period October 01, 2004 to September 30, 2005. [*The Minister of Local Government (Sen. The Hon. Rennie Dumas)*]
2. The annual administrative report of the Siparia Regional Corporation for the period October 2004 to September 2005. [*Sen. The Hon. R. Dumas*]
3. Draft White Paper on Local Government Reform, 2006. [*Sen. The Hon. R. Dumas*]
4. The report of the Sangre Grande Regional Corporation for the period October 2004 to September 2005. [*Sen. The Hon. R. Dumas*]

**PUBLIC ACCOUNTS COMMITTEE
(Second Report)**

Presentation

Sen. Carolyn Seepersad-Bachan: Madam President, I beg to lay on the Table the second report of the Public Accounts Committee in accordance with the provisions of Standing Order 51(2).

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) BILL

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

That a Bill to supplement and vary the appropriation of the sum the issue of which was authorized by the Appropriation Act 2006, be now read a second time.

Madam President, this Bill provides for the supplementation of the 2006 appropriation in the sum of \$3,941,310,143 and for the variation of the 2006 appropriation in the sum of \$67,375,000.

The total increase in the heads of expenditure being proposed is \$4,008,685,143 and the total decrease of \$67,375,000, which, in effect, represents a net increase of \$3,941,310,143 which is currently being sought by way of the Finance (Supplementation and Variation of Appropriation) Bill, 2006.

Madam President, the details of these proposed changes were circulated to all Senators. By circular dated March 22, 2005, the process of the budget cycle began and in our system this cycle is made up of a presentation in September or October when the Minister of Finance reads the Budget, and a refinement or a review during the mid term. On completion of this mid-year review exercise on this supplementation our discussions on the requirement for our next budget 2006/2007 will commence. This review today reflects the requirement that is contained in the Central Tenders Board Act and is consistent with our responsibility under the Exchequer and Audit Act which requires that before projects are considered for approval or expenditure committed, funds must have been approved by the Parliament. This does not mean that the moneys would actually be spent, as we have seen in the results of the last year.

Last year we closed the year with a surplus of some \$2.1 billion; that is allocation versus actual, and then we allocated a further \$2.593 billion to the Interim Stabilization Fund after providing some \$500 million for the Infrastructure Development Fund. Again, Madam President, because of the system under which we operate we are back today with a similar mid-term exercise.

I now wish, on behalf of the Government, to explain in some detail those proposals for which excesses of \$250 million are being sought.

Under Head 18—Ministry of Finance, an allocation of approximately \$2,262,367,269 is being requested. The use to which these resources will be allocated is as follows:

\$750 million for infrastructure works;

\$600 million for savings;

\$283 million for T&TEC; and

\$630 million for BWIA.

An appropriation in the sum of \$750 million is being recommended for transfer to the Infrastructure Development Fund Account, in order to continue much needed infrastructure development works. The Infrastructure Development Fund, the IDF, was established by Legal Notice No. 347, dated December 29, 1997 under section 43(2) of the Exchequer and Audit Act, Chap 69:01 to finance wholly or partially certain capital projects under the Government's Capital Investment Programme.

In the 2006 Budget, requests from ministries for projects approximated some \$13 billion and the Government funded an amount of \$2.3 billion which was transferred to the fund. Due to the increase in the rate of implementation of some projects, there will be a requirement for additional funding which is being supported.

Madam President, based on recent computations of oil revenues projected by the Budget Division of the Ministry of Finance for the 2006 fiscal year, the surplus oil revenue over the estimated price, based on a US \$35 per barrel oil price is approximately \$2,694.1 billion.

In accordance with our commitment to the principles of saving for a rainy day by transferring 60 per cent of the surplus oil revenue into the Interim Revenue Stabilization Fund, a sum of \$1,616,470.179 will be required to be transferred to that fund.

However, because of Government's strong commitment to the fund, we propose instead to transfer \$2,462,810,771 into the fund for fiscal 2006. This amount represents over 91 per cent of surplus oil revenues for fiscal 2006. In the year 2006 estimates, we intended to transfer only \$1.826.8 billion. However, as our position has improved so too is our allocation to the fund. Consequently, a supplementary appropriation in the sum of \$600 million is being sought in order to facilitate the transfer to the Interim Revenue Stabilization Fund. The sum of \$2,462,810,771 will be transferred at the end of the 2006 fiscal year.

Madam President, based on our system of reporting, this amount of savings is, in fact, classified as expenditure because it has to be appropriated. I need to make that point because those who decide to talk about the Government's spending programme—includes in its spending programme an amount, the equivalent of \$8 billion at the end of this fiscal year. In other words, the balance on the fund at the end of this fiscal year when we close the accounts will be TT \$7.947 billion.

Madam President, a sum of \$282,367,269 is being recommended to assist T&TEC in servicing its 2005/2006 debt obligations in relation to two bonds and one loan. These are a \$220 million FINCOR Bond, negotiated in 1991; a \$500 million RBTT Bond negotiated in 2001; and a \$431 million NGC medium term loan. In addition, supplementary funding in the amount of \$630 million is required to meet equity injection in the recapitalization of BWIA.

Under Head 40—Ministry of Energy and Energy Industries, under the Petroleum and Subsidy Act, Chap. 62:02, a petroleum products subsidy is payable to marketing companies. This subsidy arises when the price that the marketing companies pay to purchase these products is more than the price at the pumps.

The citizens of our country enjoy a price for petroleum products calculated on a price of oil that does not reflect the cost of purchasing product for petrol and, therefore, the Government is liable for the difference. At the review, we calculated an increase of \$630,147,000 as required for the National Petroleum Marketing Company to meet a shortfall in subsidy payments to Petrotrin. This shortfall occurred because, among other things, the oil price assumptions used in the estimation of subsidy payments was substantially lower than actual prices for the first half of the year, as well as that projected for the rest of the fiscal year.

Under Head 39—Ministry of Public Utilities and the Environment, an additional sum of \$308,064.000 is required to assist the Water and Sewerage Authority to meet operating deficit, inclusive of loan obligations, and to support its Water Sector Improvement Programme. A further sum of \$15,664.000 is required to support projects under the Development Programme, the principal of which is \$6 million to undertake priority pipeline projects, and another \$6 million for the drilling and equipping of new wells.

Under Head 43—Ministry of Works and Transport, an increase of \$321,696,474 million is being recommended. These funds are intended to continue Government's programme to deal with our transportation challenges; our inter-island transport system; our country's competitiveness; critical drainage works to alleviate flooding, and payments to contractors.

The details are as follows:

- \$30 million is being allocated to meet the cost of Phase III of the Mass Transit System Study which forms part of the Overall National Transportation Study;
- \$86.1 million is being allocated to charter/hire the cargo vessel *MV Malta Express* for the inter-island route from International Shipping Partners of Miami and to dry-dock the *Panorama*;
- \$12.3 million is to contribute towards the Civil Aviation Authority Pension Plan;
- \$24.1 million to assist the Port Authority of Trinidad and Tobago to acquire two gantry cranes for which tenders have been invited and to meet the cost of the engagement of a management operator for the Port of Port of Spain;
- \$15.9 million is being allocated to expand the National Transportation Study to include the implementation of a rail system;
- \$10.4 million to fast-track critical drainage works before the wet season commences;
- \$39.2 million to meet payments to the contractors and the supervisory consultant on the Diego Martin Highway Extension; and
- payments to contractors and supervisory consultants on the Churchill Roosevelt Highway Improvement Works; and payments for utility relocations, as well as payments to the consultants for feasibility studies and designs for new trunk roads.

Madam President, I would now like to address the two major heads of expenditure for which the allocations that were proposed some time ago will not be utilized during this period.

In the case of the Ministry of Health, the principal reasons for the allocations not being utilized were:

- (i) the allocations provided under the Human Resource Strategy to facilitate the planned transfer of public service staff to the Regional Health Authorities would not be utilized because the exercise is not expected to be completed in this fiscal year; and
- (ii) funds were allocated under both the Consolidated Fund and the Infrastructure Development Fund for the construction of some district health facilities and as a result of this duplication, an amount of \$25 million has now become available.

With regard to the Ministry of the Attorney General, the other Ministry in which there were funds allocated that will not be utilized, the savings or the unutilized amount materialized as a result of the timely completion by the Arbitral Tribunal on the matter relating to the delimitation of the maritime boundary/fishing dispute between Trinidad and Tobago and Barbados.

The Parliament should note that \$371.6 million of the supplementary resources provided for in this Bill are earmarked for the Public Sector Investment Programme (PSIP). This need emanated from a mid-year review of the PSIP that was undertaken by the Ministry of Planning and Development, in collaboration with other ministries and departments.

In summary, therefore, the Bill before this Senate is seeking supplementary resources primarily for the following deserving national needs:

- (a) \$600 million for deposit into the Interim Revenue Stabilization Fund bringing the total projected deposit into the fund for fiscal 2006 to approximately \$2.5 billion;
- (b) \$630 million to meet subsidies on petroleum products.
- (c) \$750 million for deposits in the Infrastructure Development Fund to meet future infrastructural developmental needs;
- (d) \$630 for Government equity in the recapitalization of BWIA;
- (e) \$371 for capital works under the Public Sector Investment Programme;
- (f) \$282.4 million to assist T&TEC in servicing its debt obligation;
- (g) \$292.4 million to assist WASA to meet its operating deficits; and
- (h) \$86 million to provide sea cargo services between Trinidad and Tobago.

Madam President, primarily those are the decisions that we must make as they relate to funding for additional programmes.

2.00 p.m.

I wish to assure this honourable Senate that the supplementary financing or funding proposal will not impair Government's fiscal position. The first package presented at the time of the delivery of the 2006/2007 Budget, in September 2005, forecasted a surplus of \$9.8 million. When the supplementary resources proposed in this Bill are taken into consideration, along with the estimated increases in Government revenue, an improved fiscal surplus of \$102 million is projected. These proposals are consistent with our approach to containing expenditure within an expenditure planning price and saving the surplus revenue for price shocks and future savings.

Madam President, we cannot come to the Parliament and complete our proposal without focusing a little on the economy. The review of the domestic economy indicates that, insofar as economic growth is concerned, the Trinidad and Tobago economy continues to register strong economic growth. Real GDP expanded by 7.02 per cent in 2005 and, as a result of strong growth in the energy sector and moderate expansion in the non-energy sector, energy sector output expanded by 10.9 per cent; reflecting not only as some would say soaring energy prices, but also increased production. Additionally, the non-energy sector grew by 4.0 per cent, reflecting strong growth in construction, 8.1 per cent and manufacturing, 8.6 per cent. Additionally, the unemployment rate fell to 8.0 per cent in 2005, from 8.4 per cent in 2004. The largest employment gains in 2005 were recorded in construction, 11,100 jobs; community, social and personal services, 3,200 jobs and the distribution sector, 2,300 jobs. The manufacturing and agricultural sectors lost 3,200 jobs and 1,000 jobs respectively.

One of the concerns that have arisen in recent times is a challenge that the Government recognizes and it is in the face of a growing economy; the issue of inflation. At the end of 2005, headline inflation was approximately 7 per cent, compared with 5.6 per cent the previous year. The latest data for the end of April 2006, showed that inflation remains at roughly the same level, 7 per cent. Food prices are the main drivers of inflation, but there have been also sizeable increases in rents, construction materials, pharmaceuticals, leisure and entertainment, respectively.

In most developing countries, it is not unusual to see high inflation, given the very rapid rate of economic growth that we are currently experiencing. In small developing countries like ours, where spare capacity is quickly utilized, some increases in inflation in conditions of very rapid growth, averaging 7 per cent or 8 per cent over the last three years, are virtually inevitable. The challenge that we face is to ensure that inflation does not get out of control. In order to control that, we must understand what it is.

The causes of inflation in our current situation are as follows: an increase in demand, agricultural supply bottlenecks and, believe it or not, mark-ups. There is an increase in demand, coming both from the private and public sectors; the private sector as a result of higher incomes and buoyant consumption and the public sector, reflecting the increase in Government's expenditure in essential infrastructural projects, including the decision to close the housing deficit. You would recall that we found ourselves in a situation in which 30,000 of our citizens did not have adequate housing and the Government took a decision to deal with this issue.

The second issue that we have identified is the agricultural supply bottlenecks. Agricultural output has been sluggish for several reasons such as floods and competition from higher paying jobs and agricultural imports from regional sources are not filling the gaps.

The third reason we see is something called mark-ups, because in conditions of strong demand, both wholesalers and retailers can increase or maintain mark-ups more easily, because there is the ability to do so within the system.

What are the steps that we are taking to ensure that this does not continue unchecked? Firstly, we intend to dampen demand by tighter monetary policy; one of the consequences of which would be higher interest rates to cut consumption and increase saving, respectively. We are already seeing the effects of that in the last quarter.

The second thing that we are going to be doing is to closely monitor expenditure to identify any need for rephasing, to ease pressure on, for example, the price of construction materials. In a sense, we are also looking at supply side considerations to deal with some of the demand issues. The Government has been taking steps to achieve a resurgence in domestic agriculture. We are examining the feasibility, at this time, of arranging bulk imports of certain commodities, with a view to keeping prices down.

I should advise that other neighbouring countries are also experiencing a rising inflation, as a result of higher energy prices and increasing demand, resulting from construction and activities related to next year's World Cup Cricket. Thus, inflation in Barbados has risen to 7 per cent at the end of March 2006. In Guyana, it is currently at 8.2 per cent and in Jamaica, end of year inflation was at 11.2 per cent. I make these observations simply for us to understand that, in an economy that is driven as it is today, by higher prices for the petroleum product, there will be instances where your economy is going to be under pressure from these particular activities.

You may have noticed that the Ministry of Legal and Consumer Affairs has taken an initiative and has sought to publish the prices of selected commodities at various outlets, which is intended to alert the population to the fact that there are choices available, while the Government continues to look at the issue of dealing with those who are unable, at this time, to deal with some of these pressures.

If inflation is not to get out of control, both the private and public sectors would need to work on the productivity issues. While the Government has, fundamentally, no difficulty with providing better wages for its employees, this has to be with a commensurate amount of productivity because if we do not, it could lead to higher prices, leaving those on fixed incomes worse, rather than better.

I thought that it was important that we put on the record our efforts, our understanding and our commitment to dealing with these matters. This is a Bill that requires our support, because we are part of the process and in carrying out our responsibility, under the Constitution, we are required to deliberate on this matter.

With those few comments, I beg to move.

Question proposed.

Sen. Wade Mark: Thank you very much, Madam President. An economy should always function, if it has any kind of credibility, in the interest of the majority and not in the interest of the minority. The Trinidad and Tobago economy has functioned over the last few years, not in the interest of the majority of citizens of this republic but, in the interest of a minority, and public policy is largely responsible for this development. The Bill before us seeks to supplement and vary the appropriation provided for in the Appropriation Act and to authorize the utilization of any sums accruing from a reduction of expenditure under certain heads. It is both a supplementation and a variation.

The fiscal and monetary mismanagement of the economy, by the ruling regime of the PNM, is clearly anchored on reckless spending, poor administration, the inability of the regime to control inflation and what we are seeing emerging as a very disturbing trend, an increased level of capital flight. If this trend continues, this country's foreign exchange reserves will be negatively affected and, as such, would impact in a very negative way, on large sections of the population.

We have to be careful that our economy does not collapse under the weight of excessive spending, inflation, foreign exchange crises and what is emerging as capital flight, as enunciated by the Governor of the Central Bank in his 2006 report on monetary matters.

There is no doubt that there is a complete lack of prudence and sound management of the economic resources of our country. It is a straight case of have money, will spend. That is the motto of this regime. That is a recipe for economic chaos and confusion.

Sen. Dr. Saith: Have money, will “tief”.

Sen. W. Mark: We know about “tiefing” taking place in your administration. We need a forensic enquiry into all expenditures undertaken by this regime, particularly since coming into power.

We have been warned by the International Monetary Fund. I want to report an article from the *Sunday Guardian* of August 14, 2005 which stated that the International Monetary Fund has warned that Trinidad and Tobago's rainy day

Finance Supplementation Bill
[SEN. MARK]

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savings are in danger of being completely depleted by 2020 if the high levels of public spending by the Patrick Manning regime continues. It further warned that Trinidad and Tobago would not be able to fall back on its energy sector revenues for a bail-out, since oil revenues were limited and the gas reserves under extraction rates would run out in 2025. These warnings were specifically in reference to the \$3 billion increase from \$27 billion in the 2004/2005 Budget, announced by the Government.

It has been a practice, on the part of the administration, to increase its Finance (Supplementation and Variation of Appropriation) Bill. They did it in 2004/2005 to the tune of \$3 billion, when the budget was \$27 billion and they have come today too with this Bill which became an Act; that was \$34 billion. They have now sought to increase that amount by \$4 billion. Here we have the International Monetary Fund warning this Government about its appetite for excessive and chronic spending in an economy in which the physical resources and absorptive capacity have virtually been exhausted, yet the Government continues to pump into this economy, billions of dollars and we have the consequential effect of that approach. Not only has the International Monetary Fund warned this regime about its pattern of expenditure, but the Governor of the Central Bank has also warned this regime. In his 2006 April Monetary Policy Report, the Governor of the Central Bank is at pains to point out the level of fiscal injections into this economy and the impact of same on the stability of this economy and society.

The Government is largely responsible for what is developing to be an almost uncontrollable level of inflation in Trinidad and Tobago. The Government's fiscal policy is responsible for increasing levels of prime interest rates at the level of the financial institutions today. May I remind you that in March 2005, the Central Bank rate of interest, which is called the repo rate, stood at 5.25 per cent? At the end of May 2006, it went up to 7 per cent and it will continue to increase once this Government continues with its squandermania and reckless approach to public expenditure. Interest rates automatically would increase. The cost of doing business would automatically increase and that will have a negative impact on the cost of living, the poor and oppressed and the dispossessed in the society.

Madam President, we have a Government that is going along doing things without a clear understanding of the impact of its action on the population. I would like to draw to your attention, an article written in yesterday's *Guardian* entitled "Arima business group slams T&TEC rate hike". At the end of the day, the question that must be posed is: In whose interest is the \$4 billion? Is it in the interest of the poor, the working people of this land, or is it in the interest of big business?

The Government recognizes, as the Minister has admitted, that the cost of living, particularly as it relates to food prices, seems to be totally out of control. What you could have purchased with \$100, under this UNC administration between 1995—2001, you can no longer purchase. You cannot purchase half of what you used to buy with \$100. Under this PNM regime, the poor have become poorer and the rich have become richer. That is the legacy of this regime. As I refer to this article, the Arima Business Association was making reference to the Regulated Industries Commission decision and the Government's approval. The Government approved the rate hike for poor people between 9 per cent and 14 per cent; compounded, it would come to 70 per cent over the period in question. I quote:

“We again warn the powers-that-be that together with high inflation levels, escalating food prices, rising bank interest rates, increasing construction prices, severe shortages in labour and the increasing foreign exchange rates, this spells disaster for the spending public.”

The Government has allowed food prices to go out of control. Agriculture has collapsed under this administration, since they took a deliberate, political decision, under this regime, to close down Caroni (1975) Limited. Agriculture is dead in this country. We have now become a net importer of sugar when, under the UNC, we were producing sugar to satisfy local consumption. We are now importing sugar under the PNM.

The Regulated Industries Commission only has control over T&TEC. They do not have control over NGC, InnCogen, now called Trinity Company, or PowerGen. All they are analyzing is T&TEC. What is causing the rates or operating cost to increase at T&TEC's level? The regime, when they sold out T&TEC to Power Gen in 1994, had an agreement in which every year T&TEC must pay a 4 per cent annual increase for natural gas supplies from the National Gas Company and that has been in existence. We have to pay 4 per cent natural gas supplies every year, via NGC. When we talk about the conversion of electricity to Power Gen from T&TEC, the rate is approximately 66 per cent. The RIC has no control over these companies. We understand that the RIC could not have conducted a proper assessment of the operations of T&TEC which, as we have seen in this report, has been granted approximately \$300 million to deal with loans and bonds. They hired a group of private consultants to tell them how efficient T&TEC is operating. Do you know who the group of consultants that the RIC employed was? It was a group called KennyJ; owned by Ken Julian and his wife. They are the ones who recommended in their report to the RIC, why T&TEC is not operating efficiently. I would like—

Madam President: Senator!

Sen. Dr. Saith: Could you quote from the RIC report where that is stated, please?

Sen. W. Mark: I do not have the report here.

Sen. Dr. Saith: Well, do not make the statement.

Sen. W. Mark: No. You cannot tell me not to make the statement. I have been informed.

Madam President: Please, gentlemen!

Sen. W. Mark: I have been informed. If I am wrong, tell me I am wrong. Tell me who did the consultancy.

Madam President: Continue.

Sen. W. Mark: Thank you very much. I have been informed.

Madam President: Wait. Please sit, Senator.

Sen. Dr. Saith: On a point of order. He is making a statement saying that the RIC has recommended and said this. I am asking him to quote the RIC report and if he does not have the report, then the statement should be withdrawn.

Sen. W. Mark: I have been informed that that took place. It is either you want to correct me or you do not.

Madam President: The point of order is that your information is wrong.

Sen. W. Mark: He did not say so.

Madam President: What is he saying? What is the point of order?

Sen. Dr. Saith: The Senator said that in a report of the RIC, this has been mentioned. I have asked whether he would tell me what they said and to quote the report. If he is now saying that it is not in the report and that he is advised, that is a different matter.

Sen. W. Mark: I have been advised.

Sen. Dr. Saith: Good.

Madam President: Therefore, you did not see it in the report?

Sen. W. Mark: No, I have been advised. I have not seen the report. I have been advised that it is in the report. I would like the Minister to make a copy of that report available to the Parliament. I have not seen that report. That report is a secret document. Give us a copy of the report and we would see who the consultants were.

The point I am making is that poor people are under brutality, as a result of the rate hike and public policies being pursued by this Government. Poor people are under brutality by this regime, because they cannot make two ends meet. What we are concerned about is the inability, incompetence, mismanagement and squandermaina that this Government has embarked upon and is wreaking havoc in the lives of poor people in this nation. This Government, you would recall, said that it cared and it is about poor people and the working people. Where is the evidence of that? People are under severe emotional and psychological stress in this land, under this regime. Almost 60—70 per cent of the people admitted in a poll that they fear that they may be murdered, either in their homes or on the streets of this country. This is the legacy of the PNM.

We are very concerned about a Government having gotten approval for \$34 billion that comes back for \$4 billion more and have not been able to properly provide the population with as much as a regular supply of pipe-borne water. People are burning tyres in Laventille because they cannot get water. They do not have proper roads. What is the sense of us approving an additional \$4 billion and poor people are starving in this country; what is the purpose of that? The people are calling out for justice in this land and the Prime Minister is not hearing or listening. Those who do not hear or refuse to hear, at an appropriate time, shall feel. I am talking about the ballot box. Inflation, under the PNM between the years 1973—1983, stood at 14 per cent. Now we are in another boom period and are at 7.2 per cent at the end of 2005. All indications are that inflationary pressures are going to mount in this country.

I am shocked and surprised that in a monetary report issued by the Governor of the Central Bank of our republic, on page 8, it is stated where the Governor spoke about capital flight. He goes on to tell you that capital flight is related to socio-political uncertainties. People are leaving the country and taking their money with them because they do not believe that the PNM regime can provide them with the kind of comfort and confidence. There is no confidence and security in the country. People are leaving the country and are taking their billions of dollars with them. That is why the Governor could tell us that in the first four months of 2005, he sold to the commercial banks US \$110 million. The same period for this year, it went up to \$438 million. The rate we are going at—every time we earn a dollar, we seem to be spending that dollar. We are burning our foreign exchange as soon as we earn it. That is the state of affairs under this regime.

You would recall that poor people waited with anxiety when we were told that in the 2005/2006 Budget, on page 85, under "Food Subsidy" of the Minister of Finance statement that he was going to reduce or remove duties on selected food imports from Caricom. It is almost three months before the end of the fiscal year and the removal and reduction of duties have not materialized.

They also fooled the people. They said that they are going to introduce a smart card to target 60,000 families. They said food, on a defined list of items for \$300 would be catered for families of three or fewer persons; \$400 for families of four to five persons and \$500 for families with six and/or more persons. This was promised by the Minister of Finance in his 2005/2006 Budget Statement. This is now the month of June and where is the smart card for poor people? Where is the smart card for the 60,000 families that was promised by the hon. Minister of Finance?

What we have is a situation where the extra spending of \$4 billion will make no difference. It will bring no ease and it will generate no comfort, as it relates to crime. Imagine this is a country; unique. We have now become, after Jamaica, the murder capital of the world. That is where we are today. There are more murders than the days that have passed so far; more than 170 murders in 160 days. That is the record of the PNM. There have been 92 kidnappings so far. Of course, the Minister holds a news conference to say that there were only two kidnappings for ransom. This man should resign! People are dying in this country. They are raped, murdered and robbed and there are all kinds of discomfort and a Minister takes time off to issue a press release to say that there were only two kidnappings for ransom. That is a boast for him; it is a big thing for him.

I want to draw to your attention and I would like the Minister to explain to us, where is the legislation for the Revenue Heritage and Stabilization Fund? We have been promised this thing since 2002. We do not have the legislation. All we hear from our good friend, Sen. The Hon. Conrad Enill, is if he had the power, he would have brought it already. Let Patrick give you the power and bring the legislation to the Parliament! The Government has the money in the Central Bank. I understand it is denominated in TT dollars. Let the Minister correct me if I am wrong; the money is not being invested according to my reports. [*Interruption*] No, he will speak at the end of my contribution. I would like the Minister of Finance to tell this country when the Government is going to introduce the Revenue Heritage and Stabilization Fund Bill so we can properly invest our earnings. The rate at which we are earning dollars from oil, if the Government was seriously saving, we might have gone from \$8 billion to \$10 billion, but the Government chooses instead to spend the excess revenue.

I would like also to indicate that the Government has done nothing to deal with maintenance. There is no provision in the budget, particularly under the PSIP, to allocate a particular percentage of revenues towards refurbishment and maintenance of our capital stock. We need a Ministry of Maintenance where we can put all the CEPEP and URP workers. Give them security of tenure and stop the four-hours per day work. That is what a UNC government will do. We will create a Ministry of Maintenance to deal with all government capital stock, so that we can have a maintenance programme on a year-round basis.

We are also concerned about the Infrastructure Development Fund. I would like to draw your attention to Head 18 on page 5 of the report. I also want to take you to the Auditor General's Report which was also tabled in this Parliament a few weeks ago. The Auditor General reported on page 69 of her report that the balance as at the end of September 2005, for the Infrastructure Development Fund, stood at \$536 million.

The Government has now come back in this particular supplementation and do you know what they have done? They have now demanded another \$750 million. Do you know what we have in that fund now? We have \$1.3 billion. What is that \$1.3 billion for? I have looked through the documents and I cannot see the projects that the Government is going to invest the \$1.3 billion in. Is it a slush fund? Are you establishing a slush fund for election purposes? This Parliament needs accountability. We demand transparency and probity in terms of Government's spending. How can you take \$1.4 billion and you have not provided to the Parliament and the country the list of projects that will be utilized under the Infrastructure Development Fund? They can do whatever they want with the moneys because there is no accountability. These are things when Transparency International reads, they will increase our index of corruption.

When we were there, it was 31; since the PNM has gone into power, it has gone to 59; I am sure this year we are at 65. There is more corruption under the PNM over the last four years, than the six years that we were in power. If we do a proper forensic analysis of the expenditure of the PNM, many of them would go to jail. They are manipulating the judicial process. What goes around comes around. The same way they are hounding and jailing people, when the time comes and they have to account, I hope they are able to account.

Sen. Enill: Normally, I would not interrupt the Senator, because his theatrics do not do any damage, but there is one statement that is incorrect. The Infrastructure Development Fund, the projects were in fact submitted in the 2006

Budget in the PSIP document. That is not the yellow one; that is the nicely coloured one. Those projects were there, the Ministries were there and the numbers were there, so it is not correct to say that the Parliament has not been made aware of which projects there are. *[Interruption]* That is not the book; it is the other one.

Sen. W. Mark: Thank you very much. Although they made that available to the public, they did not spend a cent, according to the Auditor General's Report. At the end of 2005, you had \$536 million in that fund. What has happened now is that the Government has now requested \$750 million. Where are those projects? Where did you identify those projects this round? Where is it in the documents that I can point to? *[Interruption]* I am not prepared to give way, because I will be on my feet for two hours. Allow me to speak my full time.

We are concerned with public administration. What has Sen. The Hon. Dr. Lenny Saith done since he has become Minister of Public Administration and Information? Do you know what has happened? This Government has created 15 or less special purposes state vehicles to duplicate the responsibilities of the Public Service of Trinidad and Tobago. There is a wastage of resources. Why do you not fix the public service and pay the public service properly? Why do you not want to recruit people whom you can keep? Is it because you need to pay them properly? Do you know what they are doing instead? These special purposes vehicles that they are creating, they are taking public officers and seconding them into these organizations and paying them twice the money that they are getting in the public service; contract employment.

There is a crisis in the public service today. I have seen nothing from this Minister of Public Administration and Information. What I have seen is demoralization in the public service. Every Monday morning the Prime Minister is in court clothes because he is victimizing, discriminating or denying somebody their right to promotion. I would like to ask the hon. Minister of Public Administration and Information to do something about public administration. We need to improve the level of efficiency within the public service and with the Ministry of Public Administration and Information in this country.

What is the Government's policy with respect to WASA? The Government has deliberately closed down Caroni (1975) Limited; evil and wicked people in the PNM. WASA has more debt than Caroni (1975) Limited, but WASA is still floating. Why? WASA is important for water. If you see where WASA was in 2001, and where it is today. The deficit has grown under the PNM maladministration for the last couple of years. I will leave BWIA for the Minister of Works and Transport in the next administration of the UNC.

I raise the question about rate hikes. Once there are rate hikes like T&TEC, there is a consequential increase in all other services and goods in the country. There will be a wage price spiral in a short while. Petrotrin workers have walked off the job because the Government is offering them 8 per cent. The Governor said that we require policy responses, fiscal restraint, tightened monetary policy and wage containment. The Governor has told you not to give public officers more than 5 per cent and if you go more than 5 per cent, they are in trouble.

Sen. Enill: Point of order. The Governor has told me no such thing and, therefore, the Senator should not be making accusations against the Governor.

Sen. W. Mark : All right, I withdraw.

Madam President: Thank you.

Sen. Enill: Very good.

Sen. W. Mark: He has not given them any instructions, what he has said in this document is: Please, Minister, exercise wage and salary containment.

Sen. Enill: Without productivity.

Sen. W. Mark: Without productivity. I like that. Here we have an admission from the Minister himself.

I would like to ask you, as a mother; we are fathers and mothers here. *[Interruption]* That is for Martin, not me. Martin Joseph is Tommy Joseph's cousin. May I suggest something?

Would you believe that two young children were brutally murdered in this country, Sean Luke and Emily Annamunthodo. This Government has been in power for five years. In this year's budget one of the Government's priorities was to focus on the family. One would have thought that this Government would have brought some measure and put some allocation into the \$4 billion that we have been asked to approve, to bring into effect the Children's Authority Act. What has the PNM done to save the children of this nation? I call on the Minister of Finance to take immediate measures to have the Children's Authority Act promulgated and I call on the Minister of Finance to allocate moneys so that future Sean Lukes and Emily Annamunthodos could be saved! We need the Children's Authority Act to save our children from criminal elements posing as seniors, fathers and mothers in this country. I thought that the Minister of Finance would have taken time off in this \$4 billion that it is seeking to approve today and put \$30 million towards the establishment of the Children's Authority Act. I am disappointed that the Government has not done that.

Madam President, you were here when we spent hours—The PNM ran a campaign against us on the Police Service Reform Bills. Would you believe that we passed those Bills in January of this year and as we speak today, those Bills have not been promulgated? The PNM regime blamed the UNC for crime. They said that we were holding back legislation and that we would not give them the special majority. We gave them the special majority. The three Bills were passed here and the PNM has done nothing to bring those Police Service Reform Bills into law after almost six months. Is the Government serious about fighting crime, or is it just a smokescreen and a public relations gimmick to fool the people and to say the UNC is responsible for crime? We have done our part and the ball is now in their court. The masses are waiting to deliver a verdict at the appropriate time.

I would like to draw to your attention that there has been a reduction, as you would see, on page 27, amounting to \$4 million under Head 47, Ministry of Foreign Affairs. Sen. The Hon. D. Montano, my good friend, is acting Minister of Foreign Affairs. I know he normally acts when Sen. The Hon. Knowlson Gift is not in the country. I was shocked and horrified when I read in the newspapers—I want to pass this to Sen. The Hon. D. Montano and to you, Madam President. This is the *Newsday* of June 02, 2006. The headline is "A Meeting of Great Minds", in San Diego, California. Do you know when I looked through this carefully what I saw? I saw the High Commissioner of India, a "fella" called Manideo Persad. His face is here. He is going to San Diego, California. We have a diplomatic insurance salesman. Minister of Foreign Affairs, this is a very serious matter. How can we have a High Commissioner in India selling insurance policies to the tune that he was mentioned as a top weekly producer on March 17, 2006, when he captured \$360,000 out of a sale of \$3 million and earned profits of \$70,000? Could you tell me what is going on here? This is a most serious matter. We call on the Minister of Foreign Affairs to launch an investigation into the activities of the High Commissioner of Trinidad to India, a "fella" called High Commissioner, His Excellency Manideo Persad. Madam President, I would pass it to you. Let Madam President see this thing for herself. I could not believe it.

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. T. Gopeesingh*]

Question put and agreed to.

Sen. W. Mark: Madam President, Guardian Life has a motto: "Looking after Life." I believe the High Commissioner of India, Manideo Persad, seems to be enjoying life and Guardian Life is looking after his life.

I worked at the Ministry of Foreign Affairs for a number of years; I know how that Ministry functions. I can teach my colleague some things about the Ministry of Foreign Affairs. You would know if you are an ambassador, under the Vienna Convention on Diplomatic and Consular Matters, no High Commissioner is supposed to be engaged in trade and commerce. That is illegal. That is why he is highly paid. That is why, under our Salaries Review Commission, he is given a free car, he has a free chauffeur, a free maid, cook and butler. The man has free housing, free medical, free telephone service, salaries, entertainment allowance and special allowance for incidental expenses. He is entitled to three first-class passages annually, warm clothing; all these things are given to you as a High Commissioner, so that you will not go and trade privately. How can this man be representing us in India and he is selling insurance in Port of Spain? He cannot be in two countries at the same time. Is he a travelling diplomat?

I want to know if the Prime Minister, who approved this man's position to be High Commissioner, has approved his going to California to enjoy life with Guardian Life. I was shocked when I read this thing. I said that I had to bring this matter to your attention. I believe that this matter is so serious that it calls for an investigation. I think that the Government has a duty to investigate this matter. I think the High Commissioner to India should be immediately recalled. I think he should be removed from office immediately. I think the Integrity Commission should investigate this High Commissioner, because the Integrity Commission must be able to determine how much money he made selling insurance in this country and whether he has declared that money to the Integrity Commission. I also believe that the Board of Inland Revenue should come into this picture. This is corruption in the PNM and nobody on the PNM Benches could tell me that they did not know this man has been selling insurance since he became High Commissioner in India.

3.00 p.m.

He has been selling insurance consciously, but it is either the PNM is sleeping or the PNM is condoning. All I ask in the interest of the people of this country is for the hon. Acting Prime Minister—today he is not acting Prime Minister—Dr. Lenny Saith and the Government of Trinidad and Tobago to launch an investigation into the activities of this gentleman. I call on him to do so. I have never witnessed such horror in my life.

Madam President, as I am on foreign affairs, I want to ask the Minister of Foreign Affairs, why is it after locating a most expensive bungalow in South Africa, our High Commissioner, Donna Carter is still living in a hotel after one year? Why is Donna Carter, the High Commissioner to South Africa still living in a hotel when she has a bungalow, which we are paying for, in South Africa?

We need to know these things. You know what is hurtful? These things are happening and poor people are dying. You see what happened in Oropouche; a blind 74 year old grandmother living in an old wooden house, no lights, no running water, she cannot see, and somebody—I do not know if it is Government or private—

Hon. Senator: Private.

Sen. W. Mark: Private; it is heartless, heartless; after 25 years. So we are very concerned. We call on the Prime Minister, and the Minister of Public Administration to deal with this matter as quickly as possible. We do not want a High Commissioner to be a diplomatic salesman; that is not his function. So Madam President, I thought I should raise this matter, bring it to your attention, so that the Government can take immediate action on this gentleman, who does not understand his function, or maybe he is ignorant of his role and he needs to be recalled. Not only recalled, I think the Fraud Squad should investigate him as well.

We would like to advise this Government that they are on a very dangerous road. I would like to advise that since the Government came into office, under the Human Development Index, UNDP under the UNC we were ranked No. 49, under the PNM we went to 50th in 2002; under the PNM we went to 54th in 2003; in 2005, we are now 57th. I do not know what the result would be at the end of 2006.

In terms of Growth and Competitiveness Index we were 38th under the UNC in 2001; under the PNM in 2002, we went to 42nd; 2003 we went to 49th; 2004 we went to 51st; and 2005, we are now 60th in the world.

Under the rank on Corruption Perception Index, under the UNC we were 31st; in 2002 under the PNM we went to 33rd; in 2003 we went to 43rd; in 2004 we went to 51st, and at the end of 2005, we went to 59th.

Madam President, this is not a good record for this Government, and we call on this regime to take steps to deal with the crisis of our people.

I would like to call on the Acting Minister of Foreign Affairs as well, to deal with what can only be described as a very serious situation. And I think that giving us explanations that are not really solid in the context of the transparency, is not going to hold water. I read from page 118 of the Auditor General's Report, under Passports, the Consulate General, New York:

"The Passport Register was not properly maintained in that:

- Seventeen hundred (1,700) passports were not seen to be entered in the Register."

This is what the Auditor General is saying in a report; 1,700 passports were not seen to be entered in the register.

- “• Four hundred (400) passports recorded as issued to the Consulate by the Immigration Division of the Ministry of National Security were not recorded in the Register.”

So 1,700 not registered, 400 not registered and 200 passports that were entered in the register without the date of receipt being recorded. What we have here is a situation where the Auditor General is saying that passports were issued to the Consulate General of Trinidad and Tobago in New York amounting to 2,300 and there was no proper accountability for those 2,300 passports.

I call on the Acting Foreign Affairs Minister to make a comprehensive statement in the Parliament today on these 2,300 Trinidad and Tobago passports that are missing or cannot be accounted for. Not missing, Madam President, cannot be properly accounted for. I would like the hon. Minister to address that in his contribution, because I am sure he will speak today.

Sen. Dr. Saith: Read the papers.

Sen. W. Mark: No, that is unsatisfactory; I want a proper explanation. The people are demanding, hon. Sen. Saith, that they need a proper explanation for those 2,300 passports that are probably not properly accounted for.

Madam President, we call on the Government to exercise restraint. Four billion dollars is a lot of money and we do not believe that the Government has the capacity to spend that money between now and the end of September. Already the Governor of the Central Bank has said that half of the capital budget for the Public Sector Investment Programme was not spent at the end of April, but you come back now for \$371 million.

This Government is on a reckless spending spree. They are on a trip where they are engaged in squandermania. When we return to office we will be faced with many challenges, because the rate at which they are running down the Treasury and engaging in reckless expenditure, we would have a lot of work to do. Call the election fast. We want to go to the polls, and let the masses determine whether they want the UNC or they want the PNM to run the country.

Madam President, I am clearly winding down. I am clear that a verdict will be delivered. The people are waiting for the PNM. Why do you think they postponed the local elections? They are afraid of the masses; but you could run, as Valley said, but you cannot hide. You have to face them either this year or next year. Whenever you face the masses and the UNC represents the masses, Chin Lee you might need a seat on this side.

Thank you, very much.

Sen. Mary King: Thank you, Madam President. We are here today to consider the request of Government to increase their 2005/2006 Budget by some 12½ per cent, an additional \$4 billion, thereby reaching \$38 billion for this year. Before I get into the details of the comments, I want to make a statement on a public statement that has been made very recently by one of the Government Ministers. He made two statements; the first is that the best time to spend government's earnings is when it is collected. The second statement is that the only way to acknowledge the receipt of fiscal earnings by way of taxes is to allocate them to funds or allocate them to various ministries for spending, otherwise the earnings are lost. That cannot be this Government's philosophy. Those are certainly two very dangerous statements which I believe the Government themselves should come out and make a statement.

If we were to look at the collection of taxes, there are two kinds of taxes that accrue to the Government in Trinidad and Tobago. We have the local taxes and we have the US dollar taxes or earnings from the rents that we collect. All that the first does is increase the liquidity in the system. TT dollar taxes increase the liquidity in the system and so long as we keep a record of the liquidity at that point in time, the first could in effect be destroyed.

The second kind of taxes obviously has a dual purpose, for they increase our foreign reserves, and therefore they allow us to be able to import our goods and services. In doing the importing of goods and services, this would also allow us to reduce the liquidity somewhat in the country. As our reserves grow, they are part of our foreign assets and they also increase the limit of TT dollars that can be created by the State, and this is stated very clearly in the Central Bank Act. So from this perspective, both public statements of the Minister demonstrate very severe unfamiliarity with fiscal and monetary policy of the country, and it really frightened me to hear those statements.

However, if we are to consider the deficit spending, the impact of the present deficit financing of Government on inflation, on the absorption capacity of the economy, et cetera, it is clear that simply having more US dollar tax receipts cannot be a reason to just increase the deficit financing, and in so doing push the liquidity to such high levels.

To get back to the budget. At the end of October last year in this Senate in my own contribution on the budget, which was at that stage \$34 billion for the coming year, you may recall that I discussed the structure of our economy; I called it a diseased economy. I took the time to analyze the performance of the economy to date and considered the indicators that went beyond the inconclusive, looking deeply into the growth of the GDP, the per capita income and the increasing foreign reserves.

You may recall that I defined the onset of this disease as a distortion of the economy that restricts sustainable economic growth. It was demonstrated that the disease produces a rent using private sector outside of the natural resources sector. A private sector which is involved in non-tradable activity and a public service sector that is also involved in non-tradable activity such as construction, food imports, foreign consultancy agents, foreign products, foreign services with the concurrent decline in the onshore sector or the onshore income from our productive activities.

The main ones—and they have been mentioned today by the Minister—we have actually declined to the extent in the past year that we have lost 3,000 jobs in manufacturing and agriculture. All these figures are to be found in the Review of the Economy, the budget statement and the Minister's statement, today. So they are not pie in the sky statements or figures.

Our colleagues on the other side will tell us that, oh no, this is not our fault, since our economy, our GDP is growing, our foreign reserves are growing, our unemployment rate is falling and we have the ability to do anything that we want, including subsidizing anything that we desire.

If we look at our ability to do all of these things, it has really nothing to do with what we have done as a nation. It depends on large foreign investments that continue to damage the environment, particularly with the emission of green house gases, and now we have the smelter plants which obviously, are going to have a greater impact. I am hoping that our expert in sustainable development, who is concerned with the economy, will perhaps make a statement on her view of the proposed smelters. I would really look forward to that.

Also, the growth that we are seeing depends, of course, on high oil and high gas prices. If indeed we could have the good fortune for these conditions to continue forever, then I would say play on, do play on. But our resources are limited and the prices are volatile. The price of gas in North America today is down to \$6, considerably less than it was just a couple months ago. There is a massive scramble in the United States and Europe to do research into alternative energy resources. So we are sitting apparently ignorant of the facts of the volatility of the gas sector, not to mention the depleting resource that it is.

We have also been warned by the IMF that we may have to start dipping into our savings by the year 2008; that is not very far away. So the challenge is, how do we do like Botswana, Australia and the other countries which have beaten the Dutch disease and develop an onshore and sustainable economy?

Madam President, the wild spending of the Government using the backing of our US dollar earnings to the hilt in its deficit spending, is driving the spiralling inflation; it is destroying the wealth of our citizens and it is putting pressure on the foreign exchange reserves.

We now have the Central Bank coming out and openly stating these things for a fact. The Central Bank has raised its voice recently on many occasions, condemning the profligate spending, as it strives to reduce Government's generated liquidity in the country by its open-market operations, and it tries to restrict inflation by increasing continuously the repo rates. From August 2004 it has risen by 50 per cent; it was 5 per cent, it is now 7.5 per cent, and as a direct result, the increases of the interest rates of both deposits and lending rates of the commercial banks will have to rise.

What have we got before us today in the documents we are perusing and discussing? We have a request from almost every Ministry—one notably absent, which I would discuss a little later—to increase its spending, which of course will increase the liquidity in the country; it would push inflationary pressures since none of this spending is about the creation of income-generating institutions or the creation of income-generating companies, that would create the bases of any sustainable economy.

We have questioned before the impact of the repo rates and increases in commercial bank rates on checking inflation. With such high liquidity, it really is not working, so we have to do a lot more than that. Money is a commodity in the local market, so by increasing the price of the money, that is increasing the interest rates, we are also in ourselves, by that action, adding to inflation. There may be a positive impact in that, yes, the interest rates for deposits may also rise and therefore investment in Trinidad and Tobago may be more attractive and we would remove some of the demand for foreign exchange; some of the demand for the foreign portfolio investment and so perhaps there could be an ease in pressure on the exchange rate.

Madam President, we are seeing our Central Bank fighting our economic fires while the Executive continues to pour gasoline into the economy. I really feel that the Government has abdicated its responsibility for economic onshore development; it seems to have gone out the window. The Minister and our colleagues will tell us that we are indeed saving money for a rainy day, because we are putting some funds—an additional \$600 million, I believe—into the Revenue Stabilization Fund, bringing that deposit to a general total of \$2.5 billion for this year, 2006. I already discussed this fund in the Senate and it was mentioned here today that this fund is in TT dollars.

When I discussed this fund in my budget contribution I asked if this fund is in TT dollars because if it is, we have done nothing. I was informed that the fund is part of our reserves and therefore is invested abroad, and I think we need to have a firm statement from the Government side as to whether this fund is in TT dollars or in US dollars and therefore protected and invested for future usage. We could get up in the morning and invent or create TT \$2.5 billion, what would that buy us? We have to be very serious about the investment of the Revenue Stabilization Fund and in which money it is actually denominated.

Madam President, those reserves only fund imports for some seven months. We saw what happened in the late 1980s, when the oil price dropped and what the then Prime Minister, Mr. Chambers did, and very soon the fund was gone. If that fund is in TT dollars we are really a set of jokers, because seven months of imports would not be there. The fund in itself is no life raft and if the Central Bank were to do what is the Friedman's principle and invest all its reserves that it has now, without touching any of it, it could possibly release \$700 million every year into the economy so long as the market maintains the prices of oil and the productivity that we now have. That is unlikely, in fact, to be able to look into the future and say that we certainly would have this price of oil and we certainly would have this amount of gas or oil.

So even if things remain the same and it were invested as it is today with no changes in the future, then we could continue to pour \$700 million into the economy. But given what has been happening this last year, it has now been estimated by the Central Bank that by the end of this fiscal year they would have had to pour US \$1 billion into the economy. We really have to ensure that the Government spending is grossly reduced or we would not be saving enough foreign exchange.

We will also possibly be told by the Government that we are pouring money into education, into the University of Trinidad and Tobago (UTT), into all kinds of training. But surely our export of nationals is also increasing in step with that training, because we are not providing the opportunities for developing the knowledge-based innovative industries or the entrepreneurs so that we can retain and employ these trained people. We also note that the focus of the UTT is on the energy sector and we must also note that the energy sector only employs 3 per cent of our people.

We have noted the collapse, and some have said the destruction, of our local agriculture, and we have noted our manufacturing, or better still, our assembly industry—because we are really doing very little manufacturing from scratch—is becoming more uncompetitive even with all the subsidies that are given by the

energy high prices that we have. We do appreciate that money is being spent on the social services, but one has to question the efficiency with which this money is being spent, especially if we look at the sector such as our health care; we have questions there.

We see money is going to be spent on WASA and BWIA with no equivalent improvement in service and viability. We have no idea what this Water Improvement Sector Plan is about; what are they actually doing. We have no idea what is the new thrust for BWIA. We have allocated \$630 million today, but for what? What part of the US \$250 million is that US \$100 million going to do for us or for BWIA?

We also note the Government's concern for the high prices of electricity and its intention to subsidize these and its continued large subsidy for gasoline. All of these subsidies are only possible whilst we have high energy prices and as the good times continue to roll. So as long as we have reserves and high energy prices, we feel that we can continue to subsidize. It is certainly not the most efficient use of the money that we have today. Both of these, the high prices and the reserves will come to an end and we cannot sustain the economy where we are, our way of life today—and remember we already have 40 per cent living below the poverty line, which is a critical situation for a rich country like Trinidad and Tobago to be in.

When we look around the world at other countries which started off like we did; resource based, basic commodity driven, we could look at some like Ireland that used to export its people because the country was so poor. It has now become the country in the EU with the highest domestic product per capita; it is US \$37,700, the highest in Europe. It is now attracting young knowledgeable workers from the rest of the world, and yes, the docks in Dublin have cranes like we have on our docks. However, in their case they are building in response to the demands of a burgeoning economy, based on the knowledge of its workers. In our case the Government is building using the proceeds from the energy sector in its deficit funding. Our building boom is a very temporary driver of economic growth, whilst in Ireland its building boom is as a result of its economic growth driven by government policies and new innovative thinking, new knowledge-based workers.

So let us look at the two countries and see in which of those two countries would growth really be sustainable. We can also look at Iceland and Singapore. We have looked at many models when we were developing our Vision 2020 Report; the report which is probably now gathering dust on shelves. I am sure the planners in that report must have pointed us in some kinds of different directions to where we are going.

We could question every ministry on this additional expenditure; the additional requirements as listed in the documents. Every single ministry is convinced that they need this money and they may even be able to convince all of us that they need this money. But the money is generally for items which are non-productive; they do not produce any revenue earning capacity.

3.30 p.m.

And if we go through the list, we can see that many of the ministries require computers, computer hardware, computer software, interconnection, networking, all of these things, IT artifacts, Madam President. I wonder if this is not the opportunity for the Government to develop a local IT industry instead of simply buying every item from abroad. It really needs some focus because we can be doing a lot with the expertise that we are pouring out of our universities year after year. And why is it that we are not trying to develop the new platform which other countries are benefiting grossly from?

Madam President, no one wishes to pay higher prices for anything: for electricity, for gasoline, for food, whatever. Our Government sees that subsidy can keep the prices to the consumers down for electricity and gasoline and some are even calling on subsidies for food. But nothing is free and someone has to pay; resources have to be allocated from somewhere. I have just returned from the United Kingdom where prices are very, very high. Prices are high, but also their salaries and wages are high and yet they have little inflation. So surely, we have to build an economic system in which our people are more and more productive, more innovative, creating things that the world is willing to pay high prices for and from which we can pay also high salaries.

Subsidizing prices in a low productive resource-based economy is unsustainable and will collapse with the reduction in energy price or a depletion of our reserves. This is the last stage of the chronic Dutch disease with which we are plagued, and this is the diagnosis of our present situation. It is not that we have not complained before. I think in every budget presentation that this Government and the former regime have presented, there did not seem to be the interest in, or maybe they do not understand, the creation of a sustainable onshore economy. I am sure we could use our present windfall to jump-start such an effort, but we need to have a government with the vision, government with financial planners and I am beginning to really believe that governments have a five-year vision; the electoral process dictates the pace.

We are continuing the model of the large process plants, large basic commodity plant approach to development in which we import everything, foreign investment, turn key technology, and we continue to provide operational maintenance and some management skills, hoping, as we did in the first 50 years, that our private sector will again import some of the new technology and go downstream of these plants. That has not happened. The latest plants to be coming on stream are smelters, UAN solutions and ethylene. We wonder which part of the downstream the private sector would pick up. Comparing us to other countries, the fastest growing and the most successful models for economic development, depends on the exploitation of people's knowledge by continuous innovation to achieve and maintain global competitiveness and we have heard again today, that we are continuously falling on the competitive index.

Madam President, the constraint of our energy sector development is that its competitiveness depends on cheap natural resources and not on any indigenousness knowledge or any innovation which would fetch high prices on the world market. These countries that I have already mentioned have all realized this. They have all recognized this and they have developed highly successful sustainable development models while we still depend on rents from the most volatile basic resource commodities, oil and gas. I often wonder whether we would need an economic disaster, like a depletion of our reserves, to shake us all up, to wake up our economic planners.

Madam President, before I go into the details of the actual budget presentation, I want to interject here that I do congratulate the Government on their recent signing of the UN Convention Against Corruption. We now want the Government to ratify it and implement the anti-corruption agency which goes with it and which would ensure that there are laws that we have agreed to with other countries and that we would ensure that they are monitored.

Also, we have had a Green Paper on procurement out for public comment for many months. Since then, we have had a White Paper which apparently has been adopted as Government's policy and it is time that the White Paper came before this Parliament as a Bill, in order to be able to effectively control the procurement processes of all the infrastructural development that we see here in this document because without it, we could be in a very frightening position. We want the Procurement Bill brought back to the Parliament and let us get some real systems in place, if we are serious about controlling corruption. And I think on that point, the first major item under the Ministry of Finance heading is an Infrastructure Development Fund addition of \$750 million.

Madam President, we do not know how this fund is controlled. Do we just put money in and when an agency needs it, we take it out? Do we have to come back to Parliament to get approval for these major projects to take money out of the Infrastructure Development Fund? I am not sure and I would like the Minister to tell us how this fund is actually controlled and what is its value today? We have put \$750 million in, we are not sure of its value. Sen. Mark mentioned \$1.2 billion and if that is the case, why is \$750 going in; how are we spending it and how are we controlling it? I am really concerned about that.

We also have a note that Cabinet has agreed to the sum of \$282 million to assist T&TEC in servicing its debt. The RIC has just agreed to an increase in electricity rates which I am sure would come to pass and we need to know how long does T&TEC need to have this kind of support for its loan portfolio. When would T&TEC be in a position to be competitive, that is to be sustainable? Is there a time when we will review the PowerGen and the Inncogen agreements, because part of the losses of T&TEC has got to do with the fact that we have lost the power to generate and there were particular agreements of take or pay? We need to have a review of those two agreements and I think an opportunity is open at least for one of them, let us deal with it, let us do it; the timing may be just right.

There is an item on the same page 6, on the *National Strategic Development Framework, Vision 2020*, \$8 million. Additional funding is required for the operationalization of the plan that involves the procurement of advertising and media services, the printing of Vision 2020 documents, engaging consultancy services and rental and accommodation. I cannot see how this is operationalization of the Vision 2020 document. This looks like some public relations exercise is going to happen. We need a lot of advertising, a lot of documents, but how is that operationalizing the Vision 2020? That is, to me, not very clear and I am just asking for clarification. The document itself, and I am just noting here, we have on the bottom of page 6, some real English and grammatical errors, we are buying air-condition ducts. It is air-conditioning ducts and I think for a document that is coming to Parliament, we should really have more concern about its accuracy and its grammar, to say the least.

Madam President, National Security: we have a recurrent expenditure of \$142 million, supplementary funding to meet increased expenditure, as a result of officers working extended hours due to manpower constraints. The Minister is here, and perhaps he would be able to tell us when are we going to have the police service operate like the health service where we have three shifts and you work certain hours and this overtime cost goes down greatly. This is something that is happening all over the world, why are we so different?

Hon. Senator: Yes.

Sen. M. King: So I really think that this overtime issue is something that has to be given some thought. On the same page, we have an “expanded trust for a number...”, the word is “thrust”. So I think these corrections should be made and as such should not come back in further documents to this Parliament.

Also, on the same page 7, we have the police now: “Arrears for the period February 2005 to December 2005”, \$2.5 million for telephones. This is June 2006, this should have been in the 2005/2006 Budget because that does not relate. This is a variation for things that you need to change, but why was that not brought into the 2005/2006 Budget? And the item below is exactly the same. Coast Guard, \$1 million arrears for the period January 2005 to December 2005. So really, I am asking, are we really planning or just spending by “vaps” or whatever?

We are also spending an additional \$9.7 million because we have now got joint police/army patrols, narcotics eradication exercises and so on. This \$9.7 million appears to be for meals. Were we not feeding the regiment before? How come we need another \$9.7 million because they are on joint patrols? It does not make any sense to me, and so I would like some clarifications please.

Also, an additional \$41 million for the Special Anti-crime Unit—there are four items for \$41 million—UK Detective Programme; Parascript Handwriting System; Infrastructural Works at Operational Facility at Camp Cumuto; and Maintenance and Operation of the Airship. This \$41 million seems to be a very high price for these kinds of items. The costs in this document appear to be a lot higher than costs that we know as international players on the market. Why are these prices so high, they cannot be market prices abroad? So I need to have a breakdown. Where are we buying these things from? That money was spent already; I do not have to repeat it.

The ministry is also installing “propos”, I wonder if they mean the word propellers? I do not know what a “propos” is; I know what a malapropism is and I know what a propeller is, but that I do not know—I really feel this document is really a disgrace.

Another item from early 2005, which I am sure could have been brought into the budget is “Transformation of the Police Service,” another \$4 million. “This project entails increasing the leadership and management capabilities of the police service”. Bringing it in—where are we now, June 2006—to me does not seem to be good planning and good management. We could go on with comments like that, why now?

There is a project, however, that we do not seem to know anything about which is on page 13 and I believe the Minister is here, so maybe the Minister of Public Administration and Information could tell us about it, this \$2.02 million added to the \$5 million in the PSIP, the National Information, Communication Technology Plan and they are talking about a Phase 2. We just do not know enough about this project. How many more phases are there to come and what would be the total cost of all the phases? I really do not have any information on that, which I would like to have.

We have a development programme on page 20, \$165 million, and we are talking about a National Transportation Study of \$15.8 million. You are saying additional funds are required to expand the National Transportation Study to include the implementation of a monorail system. So this is telling us that for the study for the monorail system we are going to spend \$15.87 million.

Hon. Senator: Just the study?

Sen. M. King: Just the study. So we need to know what is the total cost of this plan; who is actually doing this plan. And is it that we really do not know how we are developing our transportation plan and if we suddenly think of something else, then we would come back for another \$15 or \$20 million? Is it that cost is immaterial so let us spend it? I think we need to have a little more documentation and explanation on some of these planning processes.

The ministry that I fear is not here and I feel really should be here to have some increases in its funding, and I am in shock that it is not here, is that we should be looking at an increase in funding for the Ministry of Social Services.

We have been through some very, very drastic accidents, murders that could possibly have been avoided or lots of the violence or the deaths may not have happened had we perhaps got the social workers, the community-based social workers on the ground. Madam President, you as a doctor know and I know as an old nurse—and you were in the system in Ireland—that this would never have been allowed, that you do not have these people in the communities so that you can be proactive and not be reactive. And I feel that we need to be serious about the social services delivery and that we could afford! We have money that we can afford to spend on the social services sector.

We should be able to identify children at risk. If we have no one on the ground we cannot do that and if we are serious about developing our communities and developing our families—and we say that we are—Madam President, we need to seriously get some people in there. The Minister is not here in this Senate but, I really feel he needs help and he should be given it.

We have a decrease in our spending for the Ministry of Health. I am a little shocked. We have been planning since God knows when—I think it is five years since we did the study—to move the PSA workers over to the RHAs. We have been told this year we still cannot move them and therefore we can spend \$55 million somewhere else. I would like perhaps the Minister to tell us today, what is the plan for the movement of the PSA workers over to the RHAs and anyone who has been in management would know you cannot have efficient management when you have such division of labour; two sets of bosses; two sets of people; one pulling against the other. Madam President, this needs real, real urgent attention.

I think I would not overstay my time. I thank you very much for the opportunity [*Desk thumping*].

The Minister of Local Government (Sen. The Hon. Rennie Dumas): Madam President, thank you for the opportunity to join this debate. As usual, we always have a little problem, the Opposition depends on drama and on shouting, and of course, that little piece of character assassination which we well know about. And then, we have the advice that comes from the other side and I found that turn of phrase very interesting coming from the Independent Senator when she said, "those on the other side". I am hoping that I am not on any other side to the Independent Senators and that we can treat with the matter without treating with the sides so that we can get the best advice as it is raised.

I want to start by being very clear that in the matter that was raised of the High Commissioner to India, Maniedeo Persad, the Government is clear that Mr. Persad is not an insurance agent at this time and has not been practising sales of insurance as High Commissioner.

Sen. Mark: How come? I have evidence you know.

Sen. The Hon. R. Dumas: Let me speak please. [*Crosstalk*] You are shouting Senator. The Government is quite clear that Mr. Persad, as owner of a consultancy firm that deals with events management, tours to India and insurance, maintains as all citizens, his right to be an owner of a firm, but he is not practising. I am sure that the picture is an error because Mr. Persad was never in that place and as you know that is a composite picture made up for an advertisement. It is for advertisement. We want to make sure that the Government states clearly that we are convinced that Mr. Persad has not been and is not now an insurance salesman while he is High Commissioner to India.

Sen. Mark: Who conducted that investigation?

Sen. The Hon. R. Dumas: You would conduct your own investigation in your own inimitable style, Sen. Mark. Right.

Sen. Mark: Corruption!

Sen. The Hon. R. Dumas: We just want to suggest that the character assassination we can do without—because we are trying to change the ethos and we want to engage in new politics, that is what you say. That is how you go to the population. [*Crosstalk*]

Madam President, I want to take the opportunity to deal with the question—

Madam President: Please sit down a moment, Mr. Minister. Sen. Mark, you spoke for one hour with very little interruption and I would very much appreciate if you would maintain some quiet at this end, please.

Sen. Mark: Yes, Madam President.

Madam President: Thank you, please continue.

Sen. The Hon. R. Dumas: Madam President, I just want to say thanks to my teachers for that little motto we had in school, “Character training for service”. I want to say thanks to Winford Carrington and others. But I want to draw attention to two things. We had two seats in the back, one for when you misbehaved; a one-man jail. The problem we would have is where we would put the Leader of the Opposition; is it the one for misbehaviour or the one for not doing his homework?

Sen. Mark: Corruption!

Sen. The Hon. R. Dumas: Because the fact is, that he misbehaves while he continues to present time after time a failed thesis that says, “calamity faces this country”, when in fact, every other movement, every other analysis, tells you just different. You see—I know he is your Leader, but do not follow him. Behave in a way that we can treat with it. [*Interruption*]

Sen. Mark: They are covering up.

Sen. The Hon. R. Dumas: I am sure everybody knows the volume of my voice and I am sure they want me to finish properly; let us try.

Madam President, it is a failed thesis being peddled by the other side. That thesis is one that would like this country to be on a downslope or to lead to an explosion which they hope by some miracle, would then leave enough for them to manage. We are quite clear that there are issues in terms of development. When the Independent Senator treats with the issue of what is the structure of our economy; what are the things that we should change; how we should be moving to global competitiveness and so on, those are the discussions with which the Government is very well engaged. Their issues—you want to behave you know.

Madam President, by any measure, this is a young economy. By any measure, this is an economy which this Government has taken on a different path than at any time before. Therefore, we are quite clear that the activities that we are engaged in, including those that we brought in this Supplementation and Variation of Appropriation Bill are addressed. The children that we have in these schools that we are talking about and the expenditure on library services for example, in education, are going to take some time to grow up. The university that we have started recently is going to take some time to produce the people who are going to do the things that the goodly Senator from the Independent Bench has advised us that we should do. They would lead the process of changing the structure of this economy; of leading the thought processes which would lead to the entrepreneurial change to the activity levels that we all expect.

The money that we are saving from this \$3.9 billion is going to be spent by people better trained than we were when we started; wiser than we are now, and of course with more opportunity, strength and confidence than we have today. That is where we are. [*Desk thumping*]

When we come to you, Madam President, and we say to you, that in this presentation, whether we are looking at building roads; we are building IT systems; we are building systems for supporting the education thrust we have; or we are putting some of the money away, we are saying we are joining the future that we have been developing in education to the opportunity for future that is built into the savings.

4.00 p.m.

Of course, Madam President, in this period we could only act with the best information we have and the best use and structure that we could put to the opportunities that present themselves. The present structure of the economy and the place in which this economy finds itself now, in terms of the international economy, we cannot just abandon it. You cannot turn your back on opportunity.

It brings me to the one dissent I have with the Independent Senator. The one difference I have with her is that sometimes she clouts us too hard. She does not pay us any credit for the things we are trying to do. She does not acknowledge that some of the good things happening could continue to happen because we are always treating with the issues face up. There are economies that nobody wants to invest in and to which nobody comes, where opportunities are draining away and in which the benefits of increased prices and high oil and gas prices are wasted

away. But in this economy, we see savings; we see an improvement in the productive infrastructure; we see change in the pattern of social spending and we see address to the issue of poverty. We can list programme after programme in which there are real programmes benefiting real people.

So even as we acknowledge the long-term issues of building an economy, which has a large percentage of trading activity, which earns in the international economy the kind of benefit that would sustain us over the long-term, both in terms of the overall economy and the particular and individual sectors and subsectors, I am sure that if she looks carefully at what we are doing, without the fear and feeling that we cannot match the other people who spend their time in the development process and in turn create that kind of economy and development process, then I am sure she would agree that Trinidad and Tobago will benefit from all that we are doing now. That is what we are asking; and that is what we all join ourselves to.

Sen. Mark: You are fighting; they have you as a night watchman.

Sen. The Hon. R. Dumas: I know that the Leader of Business for the Opposition knows another time when the number 18 in the document, "Ministry of Finance Increase," would not have existed. [*Laughter*] There was another time when this \$2.2 billion going to the Ministry of Finance, of which more than half consists of the same Infrastructure Development Fund and the Stabilization Fund would not have existed. Other people would have found other things do with that money in various ways.

Sen. Mark: You are talking about the airport? [*Crosstalk*]

Madam President: Are you all holding a conversation?

Sen. The Hon. R. Dumas: Madam President, I am not speaking to him; I protect myself. [*Laughter*]

As was pointed out by the Minister of Finance, this money, which is not a negligible amount, is an important saving put away on the long-term. Where the money is used for long-term projects that the Senator said he does not see, those projects are significant and spending for them is going to be long-term. The projects under the Infrastructure Development Fund are exactly for that; they are multi-period projects for which you have timely application for funding and those projects were identified in the budget presentation.

I thank the Independent Senator for reminding us that when we came with the original budget presentation, the argument was that the funds allocated and appropriated would have been used for the long run benefit of the family and, of course, for the members of the various communities across the country.

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

Tuesday, June 06, 2006

Madam President, any examination of the expenditure patterns of this Government would show that in every community, in every area of the country, no matter who the representatives were, this Government has a proposed and an active project and, I am also certain, a number of projects coming to a close that would benefit the population. Contrary to the cries, it is the population that benefits from the expenditure.

Someone said that we must suppress expenditure. I put that question to a group that came to me from Champs Fleurs today. They told us that on the street where they live there is a ravine which has deteriorated and a landslip coming down at the back of their houses to take the houses away. I asked them, "We are being told that we should suppress the expenditure, how do we address your problems?" [*Interruption*]

Behave yourselves; we could get into that, you know. [*Crosstalk*]

I suggest to you that the expenditure is in the service of the citizens of Trinidad and Tobago. There is no item here that was spent on people outside of this country that was not spent for the benefit of the people of Trinidad and Tobago.

Sen. Dr. Kernahan: Gang leaders.

Sen. The Hon. R. Dumas: Certainly, I want to know if the Senators opposite want to suggest that the \$86 million to be spent by the Ministry of Works and Transport for the inter-island ferry should not be spent. Should we leave it out?

Sen. Dr. Kernahan: You are missing the point.

Sen. The Hon. R. Dumas: The money for the mass transit system, does the Opposition not want us to spend that money; the same Opposition that brought a petition from South Trinidad about the difficulties in the transport system? [*Crosstalk*] Why the protests?

Madam President: Hon. Senators.

Sen. Seepersad-Bachan: We are not against you for spending. Tell us how you spent it.

Madam President: Would you please give the Minister a chance to speak; you all would have your turns.

Sen. Mark: Address the Chair.

Sen. The Hon. R. Dumas: It is the only person I address.

Madam President, the mass transit system being built would benefit generations of commuters in Trinidad and Tobago; generations of productive business people; generations of families; people from every corner of Trinidad and Tobago. This is what we are suggesting that we spend the money on. Is this not productive activity? If we do not do this, you would come with your pet peeve and ask, "Why are you not doing this?"

Every single one of the Senators has a pet peeve that they bring to the Government. Everyone has a pet project of which they say to us, "We want you to bring it this week." Somebody said to bring the idea of legislation. Sen. Mark said to bring something else.

Sen. Mark: All I ask you is to leave office. [*Laughter*]

Sen. The Hon. Rennie Dumas: If Sen. Mark was coming to office to provide service to the people of Trinidad and Tobago, I would willingly leave office. My fear is that Sen. Mark only wants to see the letters "UNC" over the Government; that is the reason he said that he wants office.

Hon. Senator: Power.

Sen. The Hon. R. Dumas: When he said a while ago, "We will be coming to power to displace you," he did not mention the words "service" or "benefit" to the population of Trinidad and Tobago. [*Desk thumping*] [*Crosstalk*]

Sen. Seepersad-Bachan: We walk the talk.

Sen. The Hon. R. Dumas: If he was coming with a team as united and focused on service to the people, as this team of which I am a member; then maybe; maybe. [*Desk thumping*]

Sen. Mark: Wait until elections.

Sen. The Hon. R. Dumas: When I see cut up, cut down and mamaguying of the fellow Senator, the former Minister of Works—[*Interruption*] but he cut him up on Monday. Yesterday, in speaking about them, they chopped him in half. Today you come to lift him up before the rest of the country; that is the kind of bad behaviour why we cannot allow you to cross to this wall. [*Desk thumping*] [*Crosstalk*]

Sen. Mark: He is being irrelevant; Standing Order 35(1), irrelevance. [*Laughter*]

Sen. The Hon. R. Dumas: Madam President, I cannot be irrelevant.

A budget like this requires a coherent, united team. It needs coherence in terms of the programme that you have put together.

Madam President: Sen. Mark, there you go again.

Sen. The Hon. R. Dumas: It requires the capacity to have leadership, fellowship and mobilization of the national population. If this cannot happen and there is no prospect of it happening, that is why we have no—*[Interruption]*

Sen. Seepersad-Bachan: Twenty minutes of filibustering.

Sen. Dr. Kernahan: How much do you have again?

Sen. Seepersad-Bachan: You cannot make the 20 minutes. You fight too hard for those 20 minutes.

Sen. The Hon. R. Dumas: Madam President, let us look at the reality. *[Crosstalk]* I would try my best not to respond to the misbehaviour.

I want to draw your attention to what he did not tell you. Nobody spoke about the investment flows coming into the country.

Sen. Mark: What about the outflows?

Sen. The Hon. R. Dumas: Nobody told us that there is a significant flow of foreign capital into Trinidad and Tobago and there is also significant investment by the local business community. The only way we could have had a growth rate of 4 per cent in manufacturing last year, was because of significant investment in the non-oil sector in this country. The only reason that we could have such investment is the confidence that the business community in Trinidad and Tobago has in the activities of the State and in the continued and increasing demand that we can expect from the general population.

It was not so long ago that I heard Sen. Mark and the UNC, over the last week, coming up with a philosophy that they have invented; the concept of democratic socialist interventionist. Is that what you said you were?

Sen. Mark: I said that I was a revolutionary democrat.

Sen. The Hon. R. Dumas: A revolutionary democrat and interventionist on behalf of the business community?

Sen. Mark: I was representing their interests.

Sen. The Hon. R. Dumas: Today, the Leader of Business for the Opposition said, "We are here to represent the poor people of this country." In the next breath, he told us that his interventions were on behalf of the private sector, over the last week. I am suggesting that the only thing consistent in the UNC is the confusion in philosophy, the bad behaviour and the continued attempt to mislead the people of this country. It is all they have; but let us go on, Madam President.

Hon. Senator: Focus on the Bill.

Sen. Enill: "Allyuh is something else." [*Crosstalk*]

Sen. The Hon. R. Dumas: We have this concept which says that we should be careful how by changing the repo rate we destroy the wealth of citizens, how we reduce the capacity—[*Interruption*] [*Crosstalk*]

Madam President: Mr. Minister and Senator, I would have to put the two of you out if you continue like this.

Sen. The Hon. R. Dumas: Madam President, I suggest to you that manipulation of the money price is not a new instrument in Trinidad and Tobago.

Sen. Seepersad-Bachan: Manipulation of what?

Sen. The Hon. R. Dumas: I would charge for education, you know. I am a practiced and licensed teacher.

Sen. Seepersad-Bachan: You teach anything and everything and you understand nothing. [*Crosstalk*]

Sen. The Hon. R. Dumas: It is an instrument that we have used to protect ourselves in times when we thought that we would want to change the access of people to money, in a positive direction as well, and when we want to change the impact of the use of money on the general demand in the economy. When we treat with that, there is nobody with the experience of the PNM. There is no other group that has the capacity to treat with that matter, because every person on the other side that ever had access to this instrument, the way they have used it has brought no credit to the country.

The political leader of the UNC—[*Interruption*]

Sen. Mark: "What you getting involved in our business for?"

Hon. Senator: He is a public figure.

Sen. The Hon. R. Dumas: Madam President—

Hon. Senator: "De cabal; we cyar even call de man name." [*Crosstalk*]

Madam President: Quiet, please!

Sen. Abdul-Hamid: "Yuh banish de man from existence; yuh doh want de man to exist. Wade, he cyar exist again?"

Sen. The Hon. R. Dumas: I suggest to you, that having listened to the political leader of the UNC, having listened to the Leader of Business for the Opposition in the Lower House and having listened to the Leader of Business for the UNC in the Upper House, I have three different responses to these proposals.

Sen. Mark: Which proposals?

Sen. The Hon. R. Dumas: They cannot agree on what they should criticize in these proposals, what they are supposed to support or the piece they do not support they should tell us about.

Sen. Seepersad-Bachan: Fiscal irresponsibility. [*Crosstalk*]

Sen. The Hon. R. Dumas: I suggest that they have a global strategy: Make noise and hope that the noise distracts us from our pathway. I want to assure you, that is not going to happen.

Sen. Mark: "I hear he have a lot of projects in Nariva."

Sen. Enill: East and west.

Sen. Mark: Hazel is La Brea.

Sen. The Hon. R. Dumas: The Leader of Opposition Business called into question the extent to which the Government is following its philosophy of caring for individuals in the economy and in the country.

Sen. Mark: The poor and the vulnerable .

Sen. The Hon. R. Dumas: Less than three minutes after he suggested that we were spending too much, he said that he would create a Ministry of Maintenance. The words I noted well were the ones where he said that he would ensure that he employed all the workers in the Unemployment Relief Programme (URP) and CEPEP. [*Interruption*] You would what?

Sen. Mark: We want to give them full employment.

Sen. The Hon. R. Dumas: You are backing away again. That is the problem I am having. He got up here and promised that he is going to look at the 75,000 people in the URP to increase their wages and make them permanent. That is what he said. I know he does not know the number of persons in the URP. He does not know that there are 75,000 of them nor does he care. He wants their vote on election day and then he will dump them. That is the reality.

I suggest to you that you are talking about a Ministry of Madness. The Senator proposed a Ministry of Madness. That is not the way we would treat with it. We would exercise a prudent philosophy that gives a safety net to those people. I want to remind you that for those same CEPEP workers I stood here and was lambasted for ensuring that the programme even existed.

Sen. Enill: By him.

Sen. The Hon. R. Dumas: You promised to wipe them out. You promised to ensure that the programme would not survive the year. At that time you were making one of your predictions that the UNC would be in government by the end of that year.

Sen. Mark: "Stretch, you replacing Eudine?" I understand that he is fighting Tobago East in the next election.

Sen. The Hon. R. Dumas: "A worthy candidate, yuh doh find?" [*Laughter*]

Sen. Mark: "I hear you take over Eudine seat."

Sen. The Hon. R. Dumas: The Ministry of Public Utilities and the Environment, we were challenged as to what exactly was happening with water.

Sen. Mark: And Danny would be floating on the high seas. [*Laughter*]

Sen. The Hon. R. Dumas: The programme the Senator referred to in Nariva, Biche and Mayaro would continue. [*Crosstalk*]

Sen. Mark: "I hear dey close down the URP office because you did not pay rent."

Sen. The Hon. R. Dumas: Any attempt to disrupt those programmes by a conspiracy between representative Partap and any activists of the UNC, which is a failed party—[*Interruption*]

Sen. Mark: He would lose his deposit if he went to Toco/Manzanilla.

Sen. The Hon. R. Dumas: The programmes we are providing in places like Biche, Cumuto and so on, that were never provided for under the UNC, when the representative there was the Minister, those programmes are continuing now. Thousands of people in that whole eastern seaboard are coming into those programmes, enjoying it, being able to treat with their families, change their present systems of fortune and, in fact, benefit from what is happening in the Government. Those people are going to discuss what would happen in the next round.

All we are treating with now is the fact that in the Ministry of Public Utilities and the Environment, the Water and Sewerage Authority (WASA) interests are being treated. When WASA's interests are being treated, because there is now a programme that treats with quality, a programme that ensures we reach the consumers in a planned and phased development, we can ensure that there is access to potable water on a timely basis, in a dependable manner.

This is what we are asking for the money for. When we come to you and say to you that across the country, the programmes for lighting the streets are continuing and will continue—30,000 of them per month are being delivered by T&TEC; the Ministry of Public Utilities and the Environment. The National Skills Development Programme (NSDP), again under that Ministry, is delivering service to the communities street by street.

Sen. Mark: You are campaigning, man. "Yuh voter padding, yuh house padding and now yuh light padding."

Sen. Abdul-Hamid: We are service padding.

Sen. The Hon. R. Dumas: The UNC had three contractors. In local government alone this year you had 500 small contractors all over the country, project after project, activity after activity in their own community, employing the people from their communities, buying their goods and services in their community; that is what development is.

Hon. Senator: Five hundred?

Sen. The Hon. R. Dumas: More than 500. [*Desk thumping*] [*Crosstalk*]

Sen. Mark: "Yuh better fight until it boil down for Toco."

Sen. Dr. Gopeesingh: You are starving local government.

Madam President: Senator, you would have your turn.

Sen. The Hon. R. Dumas: Which brings me to the vote for the two, Ministry of Public Utilities and the Ministry of Local Government. We are asking you to ensure that those projects and contractors of which there is overhang be paid. I am sure you would note that it does not go to one, two or three contractors, but to a number of them.

Sen. Mark: "Yeh, boy stretch; I know."

Sen. Seepersad-Bachan: Only PNM contractors.

Sen. The Hon. R. Dumas: Every citizen of Trinidad and Tobago is now PNM. So long as they have a relationship with the Government they are PNM. I suggest to you that contractors have known that they cannot depend on the UNC and they have all joined the PNM.

Sen. Mark: Free money; give away.

Sen. The Hon. R. Dumas: For your information, Madam President, since we have come into office, we have received claims totalling \$65 million that we have had to pay for outstanding accounts when the URP was run by the UNC. Penal/Debe was used as the source of the slush fund that was paying contractor after contractor and if you did not go to a certain minister, you could not get the job and you could not get the pay either; that is the reality. [*Desk thumping*] The contractors across the country prefer to deal with the PNM. They both get the job and they get the money without paying the Minister. [*Desk thumping*]

Sen. Mark: Irrelevance. It is the people's money we are dealing with.

Sen. Dr. Gopeesingh: Why was the presentation so late? [*Crosstalk*]

Sen. Mark: Stretch, you have three more minutes.

Sen. The Hon. R. Dumas: The sustainability of the activities of the State and the relationship to the absorptive capacity of the State, in terms of how we treat with our development programme, is not in question. I suggest to you that if you have a country which is on a wave of positive growth, increase distribution of the benefits of that growth and a significant investment of the benefits of that growth in infrastructure, in development activity and investment by both the Government and the citizens of Trinidad and Tobago, that the likelihood is greater that the pathway would continue.

Madam President: Minister, you have five minutes of the 45 minutes; do you want to continue?

Sen. The Hon. R. Dumas: One statement and then we could continue. The issue of wage management is the last thing I would want to treat with.

Sen. Mark: Not management, containment.

Sen. The Hon. R. Dumas: Every day the UNC speaks, they make a new promise. I suggest that whereas the policy of this Government is to manage the changes in oil prices, that it seems to us that we have to do all in our power to protect the earnings, change and growth that is happening. It seems that the UNC is willing to pay anything to get on this side. The number of promises they are making, the

participation they have in the wage negotiations of workers and the urgings they are putting in the economy, are going to blow the roof off. Concerning the self-fulfilling prophecy they are engaging in, I suggest to them that if they want to run a government, remember the way you come to government is the way you rule.

Thank you.

Madam President: Hon. Senators, this Senate will now be suspended for tea. We return at 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.02 p.m.: *Sitting resumed.*

Sen. Wayne Munro: Madam President, thank you for the opportunity to speak in this honourable Senate.

Sen. Enill said that the economy is under pressure because of activities. On the one hand, we see monetary policies being put forward, pushing the economy in one direction and fiscal policies pushing the economy in another. The economy is faced with a series of contractionary monetary policies, yet they are still putting forward fiscal expansionary policies. There is no consistency in policies put forward by that administration. In other words, I support Sen. King's argument that there is a fire fight between both monetary and fiscal policy in the economy.

Additionally, it was pointed out that excess Government money was required for the purpose of drain works before the rains commenced. I need to use two words here: service and benefit, as put forward by Sen. Dumas. He said that he would listen for when we use those words. Is it that they are focusing so much on the Rising Sun that they are neglecting the fact that drains need to be fixed before the rains come, at this point in time?

Another point that needs to be mentioned is the forecasting error put forward in both their fiscal and monetary planning. We saw that in a number of cases there was an over-forecasting and an under-forecasting. The argument put forward was that there was a need for better trained and wiser people. Madam President, such better, wiser and trained people are on this side, so look no further. [*Laughter*]

The statement that is not usually given is that it is not unusual that high rates of economic growth are accompanied by high rates of inflation. That is not the case in Trinidad and Tobago. Where are the social benchmarks? Where is the human factor? Where is the human face involved in this whole budget extension?

The Senator said that inflation is inevitable and that other countries that go through economic growth have inflation; but Trinidad and Tobago is different. There are policies that could be put in place to stop prices from going up.

The policy prescription put forward is that there are many causes of unemployment and inflation. The main cause of inflation put forward was that there was an increase in demand in the economy. The argument put forward was that an increase in demand by both the private and public sectors caused prices to rise. The other argument put forward was that the agricultural sector bottlenecked. I question that argument, because inflation is not only caused by demand factors, nor is it caused by supply driven factors; it could be a combination of both, as well as price expectation.

If construction prices are rising, as we all know construction prices rise in this economy, there is something called "expectation of price increases." An administration which says, "I am going to put constraints in place to prevent prices from going up," is an administration that is causing expected increases in prices, because persons would go forward and mark up their commodities in advance of such increases in prices. The economy is in a phase of dualism; a combination of stagflation, particularly the agricultural and manufacturing sectors. No policy guidelines were put forward in terms of how to address this stagflation issue, which is characterized by high rates of inflation and high rates of unemployment.

The argument is that fiscal policy needs to be accompanied by some levels of productivity in order to address any benchmark to be put forward, to have economic growth taking place. The question is: What are the fiscal policy benchmarks put forward by your administration? There is, therefore, a need for some social framework to cater for the poor and underprivileged individuals in the society. There is talk about the Public Sector Investment Programme (PSIP). On the one hand, we see excess spending in some departments; on the other we see transfer of funds from one source to the other. The question is, therefore: Where is the accountability for the transfer of funds?

It was also mentioned that there was investment in the non-oil sector causing, as Sen. Dumas noted, increase in non-oil sector investments by local businesses in both the manufacturing and agricultural sector. I am seeing a contradiction in statements here. On the one hand, they are saying that massive investments are taking place in both agriculture and in the manufacturing sector; on the other they

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are saying that there are lots of fallouts taking place in both sectors. Some level of accountability needs to be put forward and an explanation needs to be given to the citizens of Trinidad and Tobago for such mal-policy recommendations.

Additionally, Madam President, the statement was made that the economy had taken off on a different path. I agree; it has definitely taken off on a different path. The reason is that the economy is under pressure because of all the foregone constraints put forward by the existing regime.

I also see a number of factors being put forward such as monetary policies, but that needs to be accommodated with fiscal policy. I cannot have a contractionary monetary policy put forward, as advanced by the Central Bank documents, and have an expansionary fiscal policy on the other hand. It shows that I have no planning in terms of direction, in terms of how the economy would go; hence the economy is under pressure by the existing constraints put forward by bad policy prescriptions and recommendations.

There was also talk about the absorptive capacity. The hon. Sen. Dumas noted that the absorptive capacity brings with it positive economic growths, income distribution, infrastructure, developmental activities and, most importantly, he talked about the likelihood that it would continue. We need a government in power that would not give us the likelihood that this would continue, but would give us the assurance that prosperity and growth would continue in the right direction and not in a haphazard manner. [*Desk thumping*] A manner that is without any form of fiscal discipline in the system, where there is no accountability in terms of excess Government expenditure and in terms of its budget deficits portfolio. These things need to be addressed.

Thank you, Madam President.

Madam President: Let me congratulate you on your first contribution in this Senate. [*Desk thumping*]

Sen. Dr. Eastlyn Mc Kenzie: Madam President, let me do as the Government did in its presentation of this Bill, it went back to the budget of 2005/2006, saw where they were and tried to make some adjustments. If a ministry did not use its money, then they probably would have vired it to another ministry and if they thought that because of the revenue coming into the country in its various forms, they had money to do other things with, all those projects that they would have left out of the budget in October of last year, they would say, "Now we can handle those," and that is what they have tried to do.

I want to go back to what I had said in the budget debate in October 2005. There are just about three little points I want to comment on, because I also want to know that when you talk in a budget debate, somebody listens and somebody does something about what you have to say.

I accused the Government of having discriminatory types of policies that it would have made and, unwittingly, Tobago suffered. This was as perceived by us, especially those of us in Tobago. One of those I spoke about was the question of the freeze by National Petroleum (NP) on new gas stations in the country. It affected Tobago because of the fact that we had insufficient service stations. In Trinidad you, probably, had a surplus hence the reason they were thinking of a freeze. That has been corrected to a certain point and it seems as though the Government has listened, because we expect that by the end of next month one service station would be opened and we also have others earmarked to begin to be spread out over the island. [*Desk thumping*] That is fine.

I talked about discrimination, not only in Tobago, but also in Trinidad, where janitors working in government schools, on their separation from the service they had special separation allowances. They were given a gratuity and a pension. If you worked in a denominational school, that was not your fortune; you were told, "Thank you very much," and you just left the service. However, I have been chatting nearly every week with the hon. Minister of Education and she has assured me of the steps that have taken place so far.

I actually sent her a copy of a letter written to me by somebody from Trinidad in one of the denominational schools, so that she would see that people listen when we talk in the Senate. They thought I was, probably, championing the cause of people like them. He wrote me a letter and I gave her a copy. It was from a Muslim school. So, again, I am satisfied that action is ongoing and I hope that in the next budget presentation in October I would not have to raise the matter at all, because it would have been so settled.

The third thing I spoke about was the Agricultural Development Bank (ADB) and its policy of freezing loans for poultry farming. I brought up the issue of a Tobago group that had presented their documents and were just in a stalemate. I took up the matter with hon. Sen. Sahadeo and I know they have been asked to bring in their documents and they have had meetings with the board. If I have to talk about this in September or October, if I am still here, I would not be very patient and I would not be understanding.

The perception is that the Government is talking about diversifying its economy, the onshore economy, agriculture and about wanting people to do something. They came to Tobago and the board member was lamenting that the

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ADB has so much money for agriculture, that everybody in Trinidad was taking it and that Tobagonians were so lazy they would not come for any money. Now that you come for money, you are getting a runaround. I ask the hon. Minister to press on, because I know that she has her finger on the pulse of things and she is working very hard. But I would not be so lenient and understanding if when October comes and there is a budget debate and I am here, that I am going to encourage her. I am really not as satisfied as I am with the service stations and with what is happening with the denominational schools.

I just want to make two or three other comments. I congratulate the Government on putting some money in the Revenue Stabilization Fund and, actually, from the document, putting in more than they should have. If you could double it, all the merrier. [*Desk thumping*] I want you to listen to the issue of the US versus the TT dollar. I believe that bringing the Bill to Parliament to make this happen is probably what is keeping you back. So if you could convert the TT dollars you are putting into what it would have been in US dollars and put in that amount, we would be satisfied. So when the time comes and you really convert it, we would look as though we were actually putting it in US dollars.

I see where in the virement of funds you were taking care of arrears to people and government institutions. There is a specific case I want to bring up. I know that a number of us would have been affected. Those who retired or resigned from the government service before or around 1995, would have had our gratuity and pension calculated on the salary then. Subsequent to that, there was a reinstatement of increment and you got back your 10 per cent. You got those arrears, but you never got your gratuity and pension adjusted to what you would have gotten, had you been there. I have been enquiring and have been told that they have begun to calculate it and to pay people, but they are going in alphabetical order.

When you are looking at your budget for October 2006, remember that you owe people who "doh" belong to any government institution, ministry or anything. You are just an ordinary individual public servant out there as a pensioner, struggling on a 1995 salary pension when you would have been so much further on in the incremental stage. [*Desk thumping*] I want you, Minister Enill, to put that in, so when I get my yellow book and blue book and green book, I would see consideration for people who retired in 1995, based on the old salary, 10 per cent cut and no increment. So much for that.

Sen. Bro. Khan: He is a man with a heart; we look forward to it.

Sen. Dr. E. Mc Kenzie: My next point is the question of the air and sea transport between Trinidad and Tobago. You see here about BWIA, et cetera. Sen. Dumas was quite right when he said that all of us have our pet things; I have my

pet things. Whether it be Tobago or another issue, I have my pet things. This issue of sea and air transport between Trinidad and Tobago, remember I mentioned it in my budget contribution; it is something that is dear to me.

We have taken the *CAT* off the route; the *CAT* has gone back. We were promised the *Malta Express* and we were told that it would come in May; it is now June. The last thing we understand is that the *Malta Express* left Spain or wherever it was coming from, "break down" on the way and had to be sent back. I mean, if "it eh start yet and it breaking down," it might turn out to be the "*Malta Snail*" instead of the *Malta Express*. [Laughter] So watch it and try to correct that, before you come in September.

Regarding the air bridge, I must say that within recent months there has been a drastic improvement. I would give credit where credit is due. But this morning, just as when they had opened the airport and I came in that morning, it rained and the airport was sort of under water. If you had on toeless shoes like Sen. King—those of us who had on whole shoes, no problem, but we could not wade through the water to come from the plane and because one airplane was right in front the terminal building and we were about 100 yards away, we had to come through the water, wetting our shoes and so on.

I remember when I spoke about it before, the former Minister, John Humphrey, said that he had recommended some technical thing that would have alleviated this and you would not have to walk through that. You would have gone through a little tunnel-like thing, like a bigger hose than what you have on your vacuum cleaner and you would "bust" out on the next side. You would not feel the rain and you would not have to walk in water. [Laughter] Whatever it was, I do not have the technical name for it. I heard Sen. Titus talking about it, "how you push a button and yuh gone through and what and what and what". "So, investigate nuh, Sen. Enill." [Laughter]

My final point comes with the talk about the social services and their failure to deliver. I want to say, from my experience as a community development officer where I worked all over Tobago for 20-odd years, do not expect the Government agencies to do what we think they could do. They cannot; they never could have. For that to happen, you have to have a battery of officers stationed in every community; impossible. You have to depend on your non-governmental organizations (NGOs) and so you have to invest more money in the appropriate NGOs to handle some of the problems that you have in the communities.

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I spoke about this in the school system and I commended the Ministry of Education where in the preschools, teachers could pick up on children at risk or those with violent tendencies; the selfish children, the children who hit out when they do not get their way. They could pick up early and help those children from there. They could follow them into the primary and secondary schools. No problem with that; I am satisfied with that move by the Ministry of Education.

More emphasis, more recognition, more importance should be attached to the work of the NGOs. We should come right back to strengthening Community Development and showing the village councils, women's' groups, et cetera, that their role is now different from 20 and 30 years ago, when I worked as a community development officer. In those days, it was about infrastructure: roads, lights, water and so on. Now we have to go beyond that to a type of social service, a type of human development interest. I would just give you one experience that I had.

In Tobago, a group of us were trying to set up a body to take care of our mentally challenged children. That is how the Tobago Council for Handicapped Children was born in 1974, 32 years ago. We found out from our surveys and investigations that parents were still ashamed to own up that they had a mentally challenged child. If you had a Down's syndrome child, you hid him away, because you felt guilty: Was it my fault? Was something wrong with me? Et cetera. We set up this organization and we wanted parents to come forward and bring their children, because we were opening a school, which we have done, and the children have blossomed. We have waiting lists now.

When we did this, nobody would come to us and we secretly, anonymously and confidentially sent out letters to all the village councils with an anonymous questionnaire: Do not say who you are or whatever; just tell us, very privately, if there is a child in your community who cannot walk or talk or does not look normal or who is handicapped. Nobody knew that the neighbour would tell you or they would call and say, "The neighbour next door have a little chile; he is 10 years old, but dey never does bring it outside." They told us, and that was how we gathered our lists. We were able to visit, counsel these parents and bring out the children. Now we have the Happy Haven School, as you know, Madam President. You have visited; you have contributed; you have actually sent people to our children.

I am saying to the Government: Use your village councils, use your women's groups; let them know their role is a different one. So if they hear or know of abuse, they could actually have very many avenues through which this information could get to the Government.

I say to the Government: We are looking at you. We are grateful that you are listening and that you are responding and come October, Minister Enill, do not present any budget here if they cannot tell you that you have positive things to say. [*Desk thumping*] [*Laughter*] Say, "Listen, I will know that I cannot have everything perfect," but come with something where you could say, "At least, let me start off with something positive." Forget what Minister Manning would say in the Lower House; when you come up here, we will take it out on you. So you come up here and say, "You see what he could say down there, that is he; but up there, I have some little old ladies up there, like the one from Tobago, and she is not going to let me rest in peace; so please, if allyuh doh straighten anything else, let me have something positive to say about these issues that she would have raised."

I am raising them with good intentions, because I want to see that the people benefit from whatever you have to offer.

Thank you, Madam President.

Sen. Sadiq Baksh: Madam President, I join the debate on the Finance (Supplementation and Variation of Appropriation) Bill, 2006. My colleague, Sen. Dr. Mc Kenzie made a very, very important point in that the Minister of Finance should not come back and deliver another budget presentation unless he has something really good to tell us.

I do not envy the Minister's position, especially to come back and see the appropriation of \$4 billion additionally. I understand all the explanations given, but especially after the first allocation of \$34 billion appeared to have already been spent or well in train, citizens continue to cry out for basic amenities. It is not the fault of the Minister of Finance. I am certain all the other ministries would have tried very hard to please citizens and to improve the quality of life, especially in terms of the infrastructure, and bring some assistance to the poor.

In the last budget presentation, the Government allocated over \$3 billion to programmes that were supposed to go towards the poor, the hopeless, the voiceless and the homeless within our communities. How much of that money actually reached them is something we could discuss for an extremely long time. Suffice it to say that in the presentation of this supplemental appropriation, we did not see the implementation by the government ministries in all their present allocations exercising any discipline whatsoever.

It was vaille-que-vaille. It was without any control or accountability for the expenditure and it appeared that just spending the money was important and not looking for goods and services at the end of the day, which really redounds to the

benefit of the citizens. Productivity in the utilization of all that \$34 billion appeared to have dropped significantly and that has been on a constant decline for years now. It was only the year 2005; I think if we look back we could see, for over a decade, a continuous drop in productivity on a regular basis. We seem, however, to be growing more and more intolerant in terms of the Government's lack of discipline and productivity in the delivery of services.

Communities that I have visited, and I have to bring some of them to the attention of this Senate lacked the basic infrastructure for everyday life, although we are allocating to both the Ministry of Public Utilities and the Ministry of Works and Transport significant additional sums for this period. I did not expect the Minister to come here to account for all those ministries, but I expected other Ministers to really account for how far the implementation project reached to date. Before you really come to ask for more, you must tell me how far you have reached, how much you have utilized and if you are in a position to deliver more.

If I were the Minister of Finance, I would find it extremely difficult to really justify asking for an additional allocation and not be in a position to say how far we have actually reached; how efficient we were in delivery and, more importantly, how the observance of the watchwords of our nation, "discipline, production and tolerance" was totally absent in the delivery of goods and services and utilization of the \$34 billion that we had to date. Maybe we should look, just on that premise, for developing a new contract with the country in terms of looking at watchwords of truthfulness; where we could be truthful with the citizens and tell them, "Look, we were unable to deliver; we tried our best; we made the money available, but we just do not have the capacity to deliver," and they would understand that.

5.30 p.m.

They cannot go on expecting the water supply to improve year after year, and receiving water rates for water that they never receive and still waiting for water to come one day in June 2006. We are in June, and I expect that the water will reach the communities that I draw to their attention. But, there are many other communities that did not really get the attention of anyone and because they did not get the attention of someone to cry for them, or to bring it to the attention of the authorities, they remain wanting basic necessities and the utility does not appear to be in a position to get to those communities to really improve the water supply.

I have grave doubts in terms of the additional allocation for the Ministry of Public Utilities and the Environment that we would really improve the water supply that we would have it on a regular basis and, more importantly, it would reach areas that do not have a water supply at this time. I do not have the confidence. I would love to hear the Minister of Finance in his winding up tell us that by making this money available, although the Minister of Public Utilities and the Environment is not present, we would see some improvement in the water supply and the money would not be frittered away to contractors who do the same job over and over, who repair the same leaks over and over.

The leaking system is now becoming more and more prevalent, something that was absent from the landscape for about a decade; we are now seeing it becoming more and more obvious on the roads of Trinidad and Tobago, the wastage, the leakage, lack of repair and when they do repair—I am certain that every Member in this Senate on any one of the benches could associate with what I am saying, that they appear to see the same leaks being repaired over and over, in the same place on the same roads. We cannot really continue like that.

Madam President, we need really to look at some things that we take for granted. We take for granted that when one leaves point A one would arrive at point B at a particular time. Our mobility in Trinidad and Tobago has been really hampered because of poor planning. I see the Ministry of Works and Transport is going to do some studies but that will take a long time, a long, long time. While we are waiting for either the expansion of the road network or for more creative traffic management solutions, there is a continuous loss of productive man-hours on a daily basis.

We are now seeing frustration on the roads of Trinidad and Tobago and road rage would shortly become something that we need to look out for. Murders and crime escalating, and we are now encouraging other areas which, hitherto, we did not have in Trinidad and Tobago. If we do not take note—and I advise the Government to take note of the escalation in the frustrations of citizens on a daily basis; no longer in towns and cities, but in villages and traces throughout the country, traffic jams happen to be part of the local landscape.

When I look at the allocations for the Ministry of Works and Transport with \$156 million going to recurrent expenditure, I am extremely worried that \$156 million would go towards recurrent expenditure. It had to be that somebody was not planning. It had to be either they miscalculated and made an error. If they made an error, okay. Then there was historical data available over a continuous period, and \$156 million would represent over 43 per cent of the recurrent

expenditure in the year 2000. In the year 2000 the recurrent expenditure for the Ministry of Works and Transport, as I recall it, was \$492 million, and if today, you are in that kind of bracket it would be a significant difference. Without any explanation \$156 million is allocated for recurrent expenditure. It may be, people are working over time, it may be they are doing additional roads, and we are not seeing them, but we need at least some explanation as to the recurrent expenditure of that magnitude.

Madam President, \$30 million to meet the cost of Phase III of the mass transit study which forms part of the overall transportation study. When we employed consultants to look at the National Transportation Study it was at a reported cost of \$25 million. There is now an additional allocation of \$30 million. I am not aware of an additional contract being awarded for Phase III of the National Transportation Study and especially part of the mass transit system study. If that is the case and there is an escalation in terms of the cost of over 100 per cent, I really do not understand how that is possible. Again, the Ministry of Finance would have justified those figures to the Budget Division, but for the Minister to come and present it and not having that information—unless he has it and he will, in fact, make it available, that would be all right.

Madam President, for the Civil Aviation Authority the sum of \$32.8 million was provided in the *2006 Estimates of Expenditure* to meet the cost of past service with respect to pension plan.

Madam President, the Civil Aviation Authority is a new body taking people out of the Ministry and they would have had some sort of arrangement in place prior to moving into this authority, therefore, funding in that amount, I really cannot associate it with that kind of movement.

In any case, the Civil Aviation Authority was intended basically to become a stand-alone organization and because they administer 750,000 square miles of air space that before now was going to an organization that was owned by different airlines, it is now their responsibility. They now have the authority; they are leaders in terms of the efficient use of our air space and pay for use now within the region. They administer the region and, therefore, it was supposed to be a stand-alone organization. If in its second year of operation those are the kinds of subventions that we are looking at, I ask the Minister of Finance to look at it in terms of whether it is a lack of productivity or whether it is also an oversight.

Madam President, I could go through almost all the areas here and call for the same thing but I do not plan to do that. I just took two areas in which I expect the Minister of Finance to really get, not necessarily the Ministers, but the ministries to give a proper explanation of what we should expect to get in return for this additional allocation. How many lives would improve and how the mobility in the country would, in fact, be better.

Madam President, in the Senate is the Minister of Public Administration and Information. I think the operational plan for BWIA went to him and I am sure that BWIA's submission for emergency funding back in 2003 would have also gone to the hon. Minister or maybe, the Minister in the Ministry of Finance as someone responsible for restructuring BWIA.

At the outset, we on this side support BWIA as an entity. Prior to now, we supported BWIA to continue to remain as a state-owned organization. We, in fact, even assisted members of the public to take the Government to court for disposing of the shares of BWIA. The late, Prof. Roderick Thurton, in fact, spearheaded that effort.

Since then, we have actually come to accept that BWIA in a joint-venture private sector participation was the best possible option after that privatization.

British West Indian Airways Limited has many strengths and under the right conditions—and I emphasize: that under the right conditions—the Government of the Republic of Trinidad and Tobago should support it as an entity. The Government must do so with the full understanding of the strengths of BWIA and also its weaknesses, but I am not seeing that consideration taking place.

Among the key strengths is the technical competence of the employees of BWIA especially in the areas of flight operations, maintenance, system operations control, in-flight service and airport operations; tremendous strengths in terms of that. Further to that, BWIA's brand identity, flight safety record and market shares are also valuable strengths. But the main weakness continues to be, like the Government, poor productivity resulting in too much staff for the volume of business done by BWIA. There is also a less than effective marketing and sales team and what that translates into, is poor passenger load factors and under-capitalization.

I go through this particular aspect of BWIA because we on this side are committed to keeping BWIA as a regional airline; moving from a national to a regional airline. That is the vision and I feel certain that the Government also shares that view and it is because of that we have great concern.

BWIA could be an even bigger contributor to the economy of Trinidad and Tobago. When one looks at the payments that BWIA makes to the Airports Authority, to National Petroleum, to the Board of Inland Revenue, for PAYE, health surcharge, and VAT as well as the payment actually given to nationals of Trinidad and Tobago, which I would come to later on, it is a contributor to the nation. But the injection of huge sums of money, and I am coming now to the first tranche, which is US \$100 million, part of a US \$250 million injection which we take from the national Treasury without the creditors also contributing to the refinancing and capitalization of the organization.

Madam President, when I saw the bankruptcy laws coming in I thought that basically the Government was stepping ahead in terms of making chapter 11 available to an organization like BWIA, give it some time to breathe, get the creditors to participate in terms of restructuring the debt of BWIA. We are recommending that for the injection of funds to go into BWIA that you take all the necessary legal steps to ensure that all creditors and private shareholders share in the injection of capital to make BWIA a viable organization. We are recommending that to the Government.

Sen. Jeremie: Senator, are you saying you would support the Bankruptcy Bill?

Sen. S. Baksh: Madam President, I know it is before the Joint Select Committee, and I really thought it was part of a strategy to help organizations like this. When I looked at it I saw it as a step in the right direction. To inject money into BWIA at this time when the world industry in terms of the aviation sector does not attract private capital, I thought that the Government was seeking a creative way in terms of getting it into this, holding it for a while and when the world circumstances change it could then inject more money into BWIA and, in fact, it would get the private sector to participate further. That is basically what I was looking and hoping for.

I would love the Government to really not just invest \$250 million like that. I am certain that if we had taken into account what took place in 2001 after 9/11, the Iraq war and SARS, and the advice of the then Government and the then management of BWIA in terms of when they submitted BWIA's submission for emergency funding, which was for US \$18 million and TT \$10 million, we would have been able to ride a crest which the local management proved in terms of putting BWIA after 58 years in the red. Having three years of sustainable profitability, and then there was 9/11, the Iraq war and SARS and the highest record high fuel prices—the same problem now, it sustained itself for an extended period and we have not been able to come out of that.

Madam President, most legacy airlines like US Air, United Airlines, Air Canada and Delta faced similar circumstances. The Government of the United States, in fact, backed these airlines by the injection of US \$20 billion. Then there was the security concern in terms of re-equipping the airline to deal with future terror threats. All these things combined, but I am concerned and I am not certain whether that was the reason the Government then took a decision to get rid of some local proven managers. I am not sure how it came about, whether it was for a cause or whether it was not for a cause.

I am saying that the historical antecedence in terms of the turnaround of BWIA for the first time in 58 years of its history—BWIA is now about 64 years old. You had three years of sustainable profitability, you got rid of the proven management that made the turnaround and I am very disturbed that now you are re-colonizing the airline. I have nothing against ex-pats. But there are 12 expats coming to Trinidad and Tobago as part of a programme who will live at Crowne Plaza or at some other—I know they are not going to Eastmoorings, they are staying in Westmoorings or somewhere at a cost of over TT \$6 million for these 12 expats in terms of only facilities, not salaries. Six million a year just for the perks.

Madam President, during the turnaround of BWIA there were two expats, in the entire management team. There are now 12 expats. We really need to look at this very seriously and since the Minister who reviewed this new plan is here, I am hoping that—*[Interruption]* The statement after US \$100 million really is not going to help us but I advise the administration to take these things into consideration and do not throw away the patrimony of future generations on an airline that we need, that we want to expand. We are not looking at rightsizing or downsizing but you are making sure that you get something in return for this. Otherwise, I am worried that after Acker and his carpetbaggers get their first bite at the cherry, that we will spend this US \$100 million and it will just go to pay off the people that the airline owe at this time . And if that is the case, you will find it cash-strapped again.

My recommendation is that you give them just enough for survival until the world trend changes. That is a firm recommendation I am making to the administration. It is slow debt but when you put in 250 people coming together, taking what they can get, you make millionaires out of some people at the airline, you get rid of the local capacity, and the airline industry will not grow.

We have some firm recommendations to BWIA. I think that the administration, if I were to look within the ministries that I looked at, any success that the Government would have had it would have been on the air bridge, both air and sea with Tobago. I think that we have had tremendous improvement. It is better now than before. I cannot say that in many other areas but that is one area in which you have had significant improvement; but because of that improvement you cannot now “lay” back. People are expecting better service, they are expecting it in a more efficient manner and they are expecting that they could now predict how they travel and what they do. They expect it to be available and on

time. We know that there would be hiccups from time to time. The boat for transport between Trinidad and Tobago is now four years late. In the interim, I think the Government did well to charter the vessels and keep them going. The Government made a firm commitment and the money was allocated for the purchase of a vessel for long term sustainable improvement in the transport system between Trinidad and Tobago, and I am not seeing that becoming a reality. If they say they want to purchase it in time for the elections I am all right with that but at least, it “come”. But after four years one is beginning to lose hope. One keeps hearing it is coming and it has not reached. I am getting worried. *[Interruption]* I am not taking basket on that either. You know I am preparing for October 02, 2006.

Madam President, there are many other areas that one can pinpoint but I ask the Minister of Finance to provide to this Parliament and to the country some more transparency, accountability, and basically to ensure that we deliver the goods and services that we all need as citizens of Trinidad and Tobago. I thank you very much.

Sen. Brother Noble Khan: Madam President, what is before us is a very important piece of legislation, and I would like to share a few words on it. We all know the budget is one of the most significant pieces of legislation that is, at least fixed on the national agenda, and it does afford some form of looking at what we proposed to have. Normally there would be a review of what has taken place and also what it is at the moment.

Historically, the type of legislation that is before us has become fixed too, that is, where there are supplementary appropriations or variations and this is what we have before us.

Some attempt has been made, from what I have heard here, to understand the position of the budget in the scheme of things as far as development is concerned. And obviously, one would have expected that there should have been a more enlightened expression in this respect. But that as it may be, one could think in terms of where we are and what is before us. To this end I would like to touch on some of the matters which are before us. Firstly, the Infrastructure Development Fund, the stabilization fund and some other areas of the developmental process under capital.

I mentioned before and we all know the technique of using the funding mechanism for development obviously leaves much to be desired. We have heard for quite some time that there is a wish to have it stabilized in the way that we have regulations and this has been going on long before this present Minister of

Finance and the Minister in the Ministry of Finance. Successive administrations have passed that way. One wonders if the flexibility which these techniques afford is one of the major reasons why we do not have it appearing. I agree that we should have some element of flexibility and, perhaps, that is one of the chief criticisms of the bureaucratic process under which we are so tied up, which we are so roped in. But the whole process from 1959 to home government, to Independence and Republicanism and even up to today, and these remain outstanding.

Perhaps, that system which originated at the time may have served its purpose and it does to some extent continue to serve its purpose but here it is persisting. In the meantime, the hopes and aspirations of the people, the recognition of the techniques that we are using obviously are not relevant to say the least, or they are totally inadequate to meet the challenges of the time. Again, I appeal strongly that some attempt be made to address this question not only by word of mouth or by lip service. If we continue as we are with Vision 2020 before us, I am sure all of us, no matter where we stand in the country, it affords some element of hope if we continue to use the same techniques or even have the same mechanism which has strapped us for so long it means to say that would be wishful thinking.

The question of sustainable growth. In my younger days it was not so popular to hear that term. Today it is almost like a cliché and how I understand it is basically where there is growth in an economy which is based on renewable resources, and we do not use up all our non-renewable resources. We have had two moments within recent times, firstly, the 1970s and secondly which we are enjoying now, of course if I am enjoying it.

One would wonder too about the question of the yield when we think in terms of the greatest productivity which can be yielded, and also against our renewable resources without the depletion of supply in any given area. Of course, this may appear to be very didactic but these are the ways in which the bases would have to rest if we are to think in terms—I do not want it to sound repetitious but we also have to think in terms of the responsibility we have for future generations.

One gets the impression that the money being spent and we are spending \$4 billion now, is that this money belongs to an exclusive group and they do what they want. Insofar as accountability is concerned there is much to be desired. Repeatedly we have heard in this Senate that the expansion or techniques or mechanisms within the House where there would be a more friendly approach for participation by Members, though there have been calls for it, it seems to be a faraway goal and all these things have a back pressure.

6.00 p.m.

We have been making great strides in the area of education and this would lead to a more enlightened population. If we continue to frustrate the hopes of these people, I would think it would appear almost like a tectonic relationship between a movement from a very static situation; as far as the situation that we are using. We may have it overflowing into the way of our social upheaval particularly, among our youth. Perhaps some may claim that some of the negatives that persist in all situations between our young people might have a direct bearing to our non-response to meeting those challenges by having efficient systems in place.

These are some of the thoughts I share. Obviously, we are not moving within a vacuum. We have our brothers and sisters to the south of us. There are upheavals there and even to the north of us there is a great amount of alignment and feeling as people from the Caribbean. We have had that for some generations. We have had those linkages for centuries; from the old days of colonialism of breaking the chain from under which Spain had with our South American neighbours. Up till now, these are emerging. One could feel a groundswell taking place. I speak particularly of our nearest neighbours—one of the other countries further south, Bolivia and one further north—which have been symbols of hope, as has been said many years ago. A reference was made to that country and it still hangs out that hope for us with its upsurge. I am speaking about Cuba. In those hopes, we can see an isolation of three areas within the path of ourselves. One could have some indication of what that will mean to us, if not in the short term—obviously, we are thinking in terms of 2020—in the terms of beyond. Great nations do not think in terms of short term, they always think in terms of beyond. These are some of the things I would proffer and put on the table.

I want to come to more of what is before us. Quite a bit of funding is coming into our country, hence, we have this \$4 billion. I remember in the 1970s, we would have had three or four meetings, like what we are having now, to make provisions as to how we would spend this money. That occurred at the time. We are only having one meeting now. Of course, the sums of money that we are speaking of are very substantial. This is echoed too.

Recently, there has been, under the item of the Ministries of Works and Transport and Public Utilities and the Environment, the question of the rise in electricity charges. I would refresh Senators here and beyond that when it started to pump at that time, the question was raised with respect to electricity and how

those at the lower end of the economic ladder would benefit from the inflow that was coming at that time. One of the options at the time was the question of subsidy or meeting the high expense of electricity. I am speaking with respect to the earning capabilities of those at the lower end of the economic ladder. That took place.

I would not like to think in terms of establishing a "gimme-gimme" syndrome because that has been with us for quite some time. I am sure our people in the Ministry of Finance will definitely come up with many innovative ideas to ensure that those at the lower end will have some benefit. This has been the tradition, as I have mentioned, within the area of electricity charges. Indeed, some of us would remember that it was a big fight for the Prime Minister at the time of his standing. The words were: "The poor people have to get something." I want to refresh our memories and make an appeal because of that historical process.

The other one I would like to touch on gently is the question of BWIA. This may apply under T&TEC. Very often in the note, it speaks about meeting capital expenses, or capitalizing on, which have already been made—I do not know if it is in this case, because it is not too clear from the note that has been circulated—but it might appear to be a financial technique. When we think in terms of oil; even at the time of plenty in the 1970s, we had quite a bit. One of the strategies at the time was to have many companies. There were companies that were catching fish and those that were making food for cows. They have all evaporated into the great beyond by now, as we all know.

One gets the impression that in areas which have everything, that is going to be economically viable and having a path growth could be worked out. There is the question of the plans and the planner. When it comes to the operations of it, the whole thing collapsed. If proper plans are put in place; if the yardsticks of efficiency and effectiveness are given highlight—our colleague, Sen. Sadiq Baksh, touched somewhat on that—there is much that could be done in this area.

I know the world is moving towards globalization and being economically viable. Our friends to the north do not like to hear that we are subsidizing, because when it comes to being competitive, that is an edge that they do not really take kindly to. I am making a special plea that more work is done in this area so that proper funding is given. This is an important aspect. From my humble view, too often the technique that has been used is one that is made or created for pure pathology, as far as some of these organizations are concerned.

I too would like to add my voice to our colleague's, Sen. Dr. Eastlyn Mc Kenzie, in the plea for those of us who have some benefits to get and because of long delays, still remain outstanding. I do not think she was making a grandstand or making out a case of something that does not exist. It is real. The State owes people money and the mechanisms to come up with the correct ascertainment of what is owed remains too long.

I understand, even in the Caroni area, with respect to lands to be given, many people have died and the whole question seems to be farcical, to say the least, to those who should have received lands; if not for themselves but their families who are to come.

Regretfully, this is always at people at the lower end of the economy. One gets the impression that we are basing a society on devil take the hindmost, to say the least. I do not think we are here for that and I do not think that any of us, either here or in the other place, are supportive of this. There seems to be a clear indication of that being a spin-off of whatever we may be doing. Again, let us look at that closely.

I have touched on the question of Vision 2020 and, to some extent, the question of not having proper mechanisms in place. I see \$8 million is being allocated under national strategic development. This seems to be a question of why must you have advertisement and seek to get participation. The chief criticism that I have coming back to me is that there is not really too much participation in the Vision 2020 exercise. Much work has been done and I do not think it was the desire or plan of the Government not to have sufficient participation. One gets the impression that was not achieved. Whatever was done, was done with not too much participation. This is not meant to be a criticism, but a suggestion.

When we go out, there should be a question of cooperation, participation and partnership. Very often we have a suspicion, which might be historical, that when people come, the decisions are already made and they are just coming to foist upon us what they have decided and that it is a whole charade when it comes to the question of interacting.

I would like to touch, for a while, on the question of agriculture. I know there are many plants being mooted about and steps are being taken to build the plants. I would come back to that. On the question of agriculture, from what I understand, our dear friends from the north who, incidentally, are responsible and do it, feed us. I speak not only of us in Trinidad and Tobago, where a great percentage of

our imports are for food, but also throughout the world. There will be cutbacks. It has been an announced policy by the United States that the high subsidies that they are giving to their agriculture, which has the effect of providing "cheap food", will no longer be there. It will come big. That is a problem that is going to loom big. We are blessed with good lands, to some extent. There is no bad land; you just have to know what to plant on it. We have big machinery set in place. We have the Ministry of Agriculture, Land and Marine Resources with big divisions, plenty plans and a university. There are research centres in Caroni. One gets the impression that nothing is being produced out of this big investment that we had.

There is the question of motivation and how to rise out of that. I am not only speaking about what we hear; I am dealing with the real life situation of what obtains. We have to address that. As I have said before, there will be need for feeding. These are some of the things, as far as agriculture is concerned; a broad picture.

Of course, the budget does afford an opportunity for me to touch on this because it is an item before us. I would come back to the question of water, which continues to persist. I am getting less water now than what I was getting 25 years ago. Where water used to reach, it is no longer so; there is an indication, not only by me. This is a poor area. I live in Laventille, as some of you would know, which is populous. There might be more people in the area now, so we have to share more. There has obviously been no plans to meet that.

Further down to the south land, for quite some time, it has been mooted about, the development of water plants, even in the Morgua area. I do not know what the situation is like there now. There has been so much deterioration of the environment. Again, there is the call for more water.

We have been hearing of the famous aluminium plant. I understand the Government would be building a power plant, which will be supplied by gas, but water has to be delivered by our Government to the gates of the company. I do not know if this is true. There is so much knowledge and no information. I would not like to say that we have had misinformation about these big investments.

I think there is a question on the Order Paper from Sen. Ali, about the amount of gas, as against the expected time frame for the use of this gas. If that is so, what may emerge out of that? What is the situation with some of these plants that are coming here? One gets the impression that the expected life is 20—30 years for pay back; not only the plant but the flow of profits. If it is so, then you have a 15-year bar proven results to last at the rates we are going. One wonders where the

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economic viability of such a plant will be. Of course, these are all hypothesized against a situation of the very limited knowledge that we have and against the infrastructure. Much money is going into the Infrastructure Development Fund. One of the criticisms of this is the question of accountability, answerability or preplanning towards the Parliament, which is very limited; while it affords for the pluses, an element of flexibility.

In the area of governance, so much is required now of answering the questions being asked, we should be responsive. Historically, we continue to hold things close to our chest. Although we have a Ministry of Public Administration and Information—I am not putting any blame or lining any information, I am dealing with the frame of what exists in our society—we always seem to hold things close to our chest. One wonders if that is relevant in today's society.

I want to touch on a few things. There is the question of the port. It always hurts me and many people when we think in terms of the reclamation that has been made from early times such as 1937, when the Deep Water Harbour was built. People who worked on it told me that it was around that time. In terms of expansion, we have expanded two areas; one is the Beetham area. I know, as a little boy, from the Eastern Main Road, there was the rail line and beyond that was swamp. Today, we see that it has gone beyond that to the Beetham. Between the Beetham Highway, quite a bit has been filled and we have what is referred to as Beetham Gardens. Beyond the swamp, a big reclamation project is taking place, which is referred to as the *la basse*. Quite a bit of land has been “reclaimed”. One wonders—insofar as the environmental security is concerned in that area and in terms of further “development”—what is taking place at the cost of the death of whatever greenery and mangrove we may have in that area.

I too recall that at one time, part of a plot of land that was reclaimed—I do not know how it ended up in the hands of a private enterprise. A state enterprise had to have acquired it and had to pay a substantial sum for it.

What occupied my mind, as a young person at that time, is that, as a nation, a government and a people, we had spent so much money to claim that land and a state organization is now going to reacquire that land from a local company. These are some of the dilemmas and enigmas that will arise to someone. It continued to persist later on when substantial amounts of land were reclaimed; not east of the port at that time, but more to the west. I am speaking of a place called Movie Towne. There is also a big hotel there. Sometimes I go to PriceSmart with my wife to do shopping, whenever she invites me.

Originally, I was of the view that the area was for the expansion of the port and to provide facilities. The whole technique on the port has changed. We now have containers. We have heard of so many deaths taking place on the ports, because of cramped parking space, as against the lands that have been reclaimed at Government cost. It was a private project to reclaim those lands. If you go further west you might find a private person reclaiming lands. That private person is keeping something for himself. These are some of the shifty things. I am sure, not only me, but other people would think that there was some injustice done to our people.

When it comes to these areas, as far as infrastructure is concerned, one wonders. Again, with respect to the aluminium plant, which is in the south land, there is the question of having to bring Trinidad and Tobago's Government—This is how I understand it; it supplies right up to the gate. We have to supply water. The electricity, I understand—

Madam President: Senator, will you give way, please?

Sen. Bro. N. Khan: Sure.

PROCEDURAL MOTION

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move that the Senate continue to sit until the completion of the debate on this Bill.

Question put and agreed to.

FINANCE (SUPPLEMENTATION AND VARIATION OF APPROPRIATION) BILL

Sen. Bro. N. Khan: Thank you, Madam President, for allowing me this extra time. I will not be long again. I was speaking about the infrastructure, where we have to deliver so much, because of this investment. What are we getting for this investment? I know we are selling gas but one does not know the price at which it is being sold. One does not understand what fiscal arrangements have been made with the proposed company; so many things remain outstanding. I do not know what state of settlement they are at, at the moment. We have to get a proper road system. There might be plans to bring it to that plant but it seems that we are getting a spin-off. It was not meant for that purpose, but acted in such a way that we happened to get it. We will be thankful when that happens.

There is the question of water. I recall some time ago, and it was admitted, where WASA had to divert water to Point Lisas away from consumers like ourselves. These are some of the things we would have to meet, as far as the thrust for development. Again, there are questions like: Who benefits? What is the ratio or

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the rate of development, or the benefits that we get? Someone made a statement of decolonization earlier. We have our local parlance to deal with that: “We are cutting track for gouti to run on”. These are some of the things we have to think in terms of. Madam President, these are some of the thoughts that come to my mind.

I know we have to spend money to develop. There is the question of how we go about it. There is the question of the balance, or the *mizan*, in another language; the balance of how we go about it and the extent to which our environment is being affected.

What about our future generations? I know we are putting much hope on the question of the Revenue Stabilization Fund. We are hiving away funds. Just as we hive them away, it is the same way we can draw them down, even at the moment. There is no system in place.

Some of the countries to the north have devised some mechanisms. Our technocrats in government will be looking at that. I strongly urge, again, that whatever we put aside should not be drawn down very easily by allowing whatever we have to draw down for that—Maybe there should be an increase in the number of votes, and not a simple majority of the Senate or the other place. That should be put in place.

A responsibility rests with us for the environment; what has been given to us and what we have to give to future generations. Allow me to express my thanks for sharing this with you.

Sen. Dr. Jennifer Kernahan: Thank you, Madam President, for the opportunity to make a short contribution on the matter before us, the Finance (Supplementation and Variation of Appropriation) Bill. Strictly as a layperson, having no pretensions to knowledge of financial matters, I had the task of making some sense of what is before us. In order to do that, I went to the *Monetary Policy Report* of the Central Bank of April 2006 to get an idea of what is happening in the economy and how that will help me analyze the appropriations and variations that are before us. Having done that, in the review of the *Monetary Policy Report*, there are certain statistics that caught my eye: that the energy sector grew by 10.9 per cent over the last year; the non-energy sector, however, grew by only 4 per cent, mainly in construction and manufacturing, but there is rise in consumer prices being accompanied by rapid increases in real estate values; headline

inflation, 5.6 per cent in 2004, which grew to 7.2 per cent in 2005, mainly driven by food. Food prices rose from 10.3 per cent in 2001—2003; grew by 20.6 per cent in 2004 and 22.6 per cent in 2006. These numbers represented to me the core of what Sen. The Hon. Dumas would call my pet topic, which is agriculture.

From the information given in this *Monetary Policy Report*, it seems to me that they have identified the main driver of inflation in this country as the increase in food prices. This was reinforced by the opening presentation of Sen. The Hon. Conrad Enill, when he said that there are bottlenecks in the agricultural sector, which are responsible for high levels of inflation. It seems to me that this is an important area that has been neglected. I would take the opportunity to deal with this particular aspect of the allocations given to the Ministry of Agriculture, Land and Marine Resources, to get a sense of what is the rationale for this particular allocation to the Ministry of Agriculture, Land and Marine Resources, of over \$3 million. What does this have to do with computerization of the records and the agricultural sector technical assistance?

I believe one of the problems that we face is that sometimes we get bogged down in the same old programmes and allocations with money going to the same issues all the time, without any return on investment and any quantum leap forward in the whole question of agricultural production and productivity, which is at the core of the heavy levels of inflation that we are seeing in the society at the moment, as the monetary report said.

This monetary report says that the rate of increase in food prices in Trinidad and Tobago has been much higher than in the rest of the Caribbean. I would interpret that to mean that, therefore, we cannot blame imported inflation totally on the high increases and the almost doubling of the rate of increases in food prices in Trinidad and Tobago. There must be an intrinsic factor that is responsible for the high rate of inflation, with respect to food prices. The rest of the Caribbean also imports their food and they are not experiencing these high levels of inflation, therefore, we have to look inward to get some of the causes.

Actually, the report went on to say that this increase is due to declining food production in the agricultural sector and the presence of an oligopolistic distribution regime, as well as the effect of flooding. This is what the Central Bank report said; that too few people are in charge of the importation and distribution of food in this country and, therefore, there is some sort of cabal that affects food prices and it is due to declining food production. I do not know if this is what the Minister referred to when he spoke about the bottlenecks.

The Central Bank suggested that the effect of flooding was another factor. Although the effect of flooding is serious and grave—tremendous losses are experienced by farmers every year—there has to be another element that impacts on the high levels of inflation in food prices, which I will come to.

In the monetary report, another cause of inflation was noted as follows:

“A major factor underpinning the rising inflationary pressures has been the increase in government spending and its impact on the non-energy fiscal deficit.”

This report went on to show that the non-energy fiscal deficit rose from 7.7 per cent to 9.7 per cent of GDP over the period last year. It suggests that the evolution of the central government finances for the first six months of this year, suggests that the non-energy fiscal deficit has continued to increase sharply. It said that the monetization of energy receipts to finance this growing deficit is a major source of liquidity injection and of inflationary pressures. When I translated that into my ordinary layman's language and tried to understand what it means, it seems to me that it means what I have been saying all along and what everybody has been saying all along; that we are monetizing our income from energy, a depleting resource, and we are using it in recurrent and consumer consumption, which is fuelling inflation.

Those are the technical terms which were presented in this report. When we cut it down to the basic everyday language, it is simply that. I understand it as if I, as a housewife, were to sell a piece of property or land and then proceed to spend the proceeds on food, clothes, sneakers and trips. That is the sort of madness which is apparently being practised and passed for fiscal probity and prudence in this country.

This document also went on to say that construction and land costs have increased by almost 40 per cent during the period 2003—2005. I can understand this. In my own knowledge of talking, walking and understanding what is happening with agriculture, we have seen that agricultural lands—there is a huge speculation in terms of agricultural lands—are supposed to be controlled and sold at a certain minimal price.

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

Agricultural lands, food production, productivity and production are dropping, causing the bottlenecks that the Minister spoke about, because these lands are being sold off at commercial rates and are converted from agriculture into non-agricultural purposes, which is another important aspect of the whole question of the high level of inflation in food production.

Mr. Vice-President, these are the issues that the Government would have to deal with, because this is basic to solving these problems. There is no point in our talking and looking at the fact that we have high levels of inflation. Food is out of control. The question of speculation of agricultural lands being sold off and the drop in production is not being looked at. What is the policy? Is there a policy being enforced to ensure that this intrinsic internal factor to our inflationary problems is controlled?

When the Minister spoke about agricultural bottlenecks, I immediately thought about what the other factors are. The Central Bank implied flooding and the importation of food. Surely, there are other factors that we have seen over the last four years, that have greatly contributed to the inability of the marginalized and the more vulnerable among us to access a decent level of food and nutritional requirements.

We have to go right back to the retrenchment of 30,000 Caroni (1975) Limited workers and the abandonment of productive agricultural lands. We were talking about the abandonment of production, not only sugar cane; the abandonment of food crops, the production of rice, livestock production, vegetable, citrus, tree crops, buffalypso, dairy, small ruminants and cocoa when Caroni (1975) Limited's 30,000 acres of land were left abandoned today for tomorrow. Caroni (1975) Limited was dismantled and the workers were sent home. That was a carnage that took place. I do not know if the Government did not take into consideration the impact that this would have down the road. Today we are feeling the impact of the tremendous loss of production and food supplies to our market. The sad thing about it is the affluent, the rich and the people who are in Government and are comfortable are not the ones who are feeling the pinch now, after having decimated Caroni (1975) Limited. The poor, the pensioners and the children are the ones feeling the impact of extremely high food prices and the inability to access basic food items.

Mr. Vice-President, we are talking about children in this country one-year-olds, two-year-olds or three-year-olds, who are supposed to be consuming maybe a litre of milk per day to ensure the ingestion of protein for the growth of brains and bones. I know mothers who, when their children ask for tea, have to give them sugar-water. That is what is happening in this country. A 3-pound package of milk costs \$53.99. How many single mothers, under-employed persons and unemployed persons can afford milk at \$54.00 a package? These are the repercussions of the vicious and thoughtless acts of decimating your food industry. This is what they did.

It was not only about sugar cane; it was about all these different crops. It was about people being involved in the production of these crops and a whole economy that allowed people to buy food, to live and to have a quality of life. When you tamper with that, you tamper with many issues that come up and bite you later on. Unfortunately, it bites the wrong people.

This Government talks a lot and is very short on action. If you look at this document, the *Caroni (1975) Limited Report of the Interagency Land Use Planning Team*, there are many plans here. They said that they would decimate Caroni (1975) Limited and set up a whole new industry and 7,000 ex-Caroni (1975) Limited workers would be turned into farmers and would produce food and everything would be hunky-dory. They identified lands, the areas, acreages and the land task capability; the whole works. They know all the theory. They know how to produce a pretty document with all the figures in place. The technocrats worked overtime and organized everything on paper, but what is happening in practice to all these lovely plans? There is a summary in this document with the land-use allocation and the type of agricultural activity. This was three years ago, when they shut down Caroni (1975) Limited.

They said that this is what they would do. They said that they would produce sugar cane, over 7,006 acres, which would constitute 14.5 per cent of the total acreage for food production in that area. They said they would produce food crops on over 7,000 acres of land; rice, 7,000 acres; livestock, 5,550 acres; vegetables and food crops, over 2,700 acres would have been allocated; citrus, 2,700; tree crops, 2,000 acres; and buffalypso, 1,476 acres would be dedicated. I am sorry for the people who like buffalypso meat, because there is none and there will be none for the next 10 years, because this is all on paper.

They talked about vegetables; 1,100 acres would be dedicated to producing vegetables in this country; dairy, 1,000 acres; small ruminants, 700 acres and cocoa, 180 acres. That was three years ago. These nice plans were drawn up. Up till now, not one pound of tomatoes, rice or buffalypso has emerged from all these lovely plans that the Government has on paper. That is why the Central Bank is saying that headline inflation of 7.2 per cent is due to the horrific rise in the cost of food and food prices and it cannot be the external importation of this inflation. We took all that food out of production and the potential to produce food.

In addition to that, even in the East-West Corridor, there is a programme going on where they are taking agricultural lands out of agriculture and using them for housing and other non-agriculture uses. This is what this Government is doing and they are surprised that we get these kinds of negative reports in terms of our economy. They are pretending that everything is hunky-dory and everything is fine and that we have nothing to worry about.

We have to worry when we live in a land-poor country and limited agricultural land is being irretrievably removed out of productive use. We see every year—the inflation rate for food has doubled from 10 per cent to 20 per cent, what will happen five years or 10 years down the road, especially as our oil and gas resources have been said would last the next 10 or 12 years? What will happen when we do not make any plans for down the road, for sustainable development and we use up all our resources with Alutrint and ALCOA? When these big international companies come here we would use up all our resources.

In addition, in the East-West Corridor, we have groups and pockets of farmers who have dedicated their lives to farming and producing food for the people of this country to eat and to make sure that our children are able to access food at reasonable prices. This Government, without a care or thought in the world, is moving these farmers out of the industry, bulldozing their lands. There is totally no respect for the blood, sweat and tears that is necessary to promote farming, and then they would say that they are training these 17-year-old and 18-year-old children and giving them a stipend, because the farming population is aging. The farming population is not aging. The farming population is being demobilized and decimated. They are there and they want to produce food. The older you get, the better you are at producing food, because you have more experience and knowledge. That is not a problem; the fact that farmers are older. The problem is that the farmers do not encourage their children and their children do not want to go into farming because they see that there is no profit, no support, no encouragement or incentive by the Government. People are coming out of agriculture. It is not just me saying that.

I have a report from the *Guardian* of Thursday, May 18. This was an interview with Mr. Samaroo Dowlat, the Chief Executive Officer of NAMDEVCO. He made the point that last year, a busy hurricane season and increased flooding severely affected crops. He said that this was one reason why farmers would tell their children to get out of the business and pursue other careers. He said that the focus should be on providing adequate infrastructure and irrigation to prevent losses. He concluded that flooding not only caused monetary loss, but mental anguish. He said sometimes a farmer has nurtured his crops to the point of harvest, which means he has spent nearly all his money, he then gets wiped out from flooding. That is not easy for someone to face. These are the problems that the farmers face very courageously year after year.

I know a farmer who grows a lot of watermelons in Cocorite Road, on a small plot of land and year after year he gets wiped out and flooded out. He gets his \$43 and goes back and spends thousands of dollars, because he loves it. You do farming because you love it; it is your vocation and love and knowledge for the

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land. You cannot pay someone \$1,500 to do farming. That is a waste of time. The farming community has to be able to perpetuate itself. The children of farmers who grew up in the environment, who know it and love it have to be encouraged to stay in that environment and produce food for our country. You do not discourage the farmers because you think they do not vote for you, and then bring some children from the East-West Corridor and pay them \$1,500 and say that they would be the future farmers of this country. That is nonsense! They are carrying this country down a road where we would be hungry and starving and our great grandchildren are going to eat rocks and stones in this country, if we let this administration stay there another five years.

In the East-West Corridor, there are farmers in Ramgoolie Trace, who have been farming for more than 20 years on 20 acres of land. They had been bulldozed and removed and there are now 60 housing units in that area, where good food such as melongene and short-term crops used to be produced to feed this nation.

In Bon Air East Gardens, there is a big area off the bus route where there are more than 177 farmers on more than 100 acres. There are small subsistence farmers and they produce lettuce, peas, melongene and bodi in vast quantities. Rents stopped being collected from the farmers and they are saying that these farmers have to pay \$1,800—\$2,000 per acre, per year to continue farming. That is impossible, given the levels at which people invest and the levels at which they receive income. In other words, these people are being forced out of that whole area which produced so much food in the East-West Corridor. When you drive along there on evenings you see the farmers with all their barrels of water; basic rudimentary systems. They still have their barrels of water at intervals along the rows of crops and they are up and down. They are working hard to produce food because they love it and do not want to do anything else and they are being forced out of these areas. They are being bullied and their crops are being bulldozed.

Breddo Persad of Barataria, lives at the end of 5th Avenue. I saw his story in the papers even before I spoke to the Head of the Food Crop Farmers, Norris Deonarie. He was one of the most progressive farmers. I spoke about the rudimentary way in which irrigation is done in these lands. This farmer has three acres of land and has been there all his life, because his father was there before him. He actually installed irrigation pipes to irrigate his crops such as coconuts and cauliflower. He had a number of crops. Would you believe that the regional

corporation heartlessly moved into this area and bulldozed all his crops and destroyed all his pipes? Thousands of dollars were invested there to irrigate the land and produce. This is a reflection of what is happening in our country today, in terms of the headline inflation fuelled by high increases in agricultural production in this country.

We cannot talk about economics or anything else. This is fundamental to anything we are talking about. The Minister spoke about bottlenecks. Before I close my contribution—because this is the basic thrust of my contribution, what can we do about the bottlenecks? We say that inflation and high food prices are caused by agriculture bottlenecks. What are the bottlenecks and what are we going to do about them? How are we going to get over this problem and bring food back in line within the reach of poor people, ordinary people, pensioners and children in this country to grow healthy and strong and contribute to their country? How are we going to get rid of the bottlenecks? Are you going to say bottlenecks and leave your fellow Ministers in your Cabinet to bulldoze agricultural lands, disrupt farmers and refuse to implement any of the promises they made to more than 7,000 ex-Caroni (1975) Limited workers? There are many specialists and thinkers in the agricultural field who are thinking about these problems and have solutions to these problems, but nobody is listening because somehow people feel that gas and oil in this country is going to last forever.

One of the things that struck me very strongly recently is when I heard President Hugo Chavez indicated to his country that Venezuela had reserves of gas and oil left for 200 years, and in the same breath, he was demanding of the oil companies in Venezuela that they give to Venezuela more of the profits from the oil that is being produced now. That is incredible! They have 200 years of reserves and yet he is thinking so far ahead that he wants more of these profits from oil and gas to stay in his country now. He is not waiting until year 199 to start looking for more profits from his oil and gas. He is starting now; 200 years ahead. Many of the thinkers and researchers in this country say that we have only 12—13 years of gas and oil and we are subsidizing and making sweetheart deals with ALCOA and other big companies. We are hearing about all these huge industries coming into the country and setting up shop in this country and we do not know where the next barrel of oil is coming from literally.

Mr. Vice-President, the thinkers in agriculture are the people who worked in agriculture. For example, Mr. Samaroo Dowlat spent most of his 55 years involved in agriculture. This is his analysis of what is happening with respect to agriculture. I am making this point because the allocations that we have seen at

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the beginning; what relevance do they have to the vital problems facing agriculture? Every year we see over \$400 million going to agriculture and it is being swallowed up in a big, dark hole and you are not seeing any outcome. What is happening in agriculture that justifies over \$400 million being sunk into agriculture every year? I do not know if there is a big hole where they put all this money in and forget about it. We do not see anything coming out of that. The serious situation is that we need institutions, mechanisms and linkages which need to take place to ensure that we have more food, more productivity, we can feed people, there is sustainable development and there is agri-business, because that is where the money is.

In the United States, all the huge companies which control and export food all over the world are the huge agri-business companies. Why, in spite of the Agricultural Sector Reform Programme and in spite of this money that is being allocated, \$3.25 million into agri-business, we are not going to see anything? We do not see any results. At least the Minister has not brought any tangible results before us to say that in the Agricultural Sector Reform Programme we have sunk \$19 million in the agri-business and this is the result because we have this enterprise or that enterprise going with so much and so much production and foreign exchange.

My problem is that this Government seems to be very good at spending foreign exchange. This is what the Central Bank said. They talked about monetization of the foreign exchange and the flight of capital, which is also fuelling inflation. What do we do as a country and a people to earn foreign exchange? How is the sector outside of oil and gas doing in terms of earning foreign exchange? That is the problem that ordinary people have. You do not have to be a big economist or a university lecturer to understand that there is an imbalance problem here and if we do not pay for it now, our children will pay for it later down the road.

Mr. Vice-President, Mr. Dowlat talked about agriculture and these problems and said that a policy to stimulate agriculture is missing. He said that this is a government of big business. He said that big businesses make money in the food industry by importing, wholesaling, distributing and retailing the food. He said this is why agriculture is not emphasized and farmers are not supported, because this Government is a government of big business and big businesses make money by just importing food.

He made recommendations—this is what I am coming to—that will guide spending in the agricultural sector. This is what we have to look at; concrete recommendations, based on people who have knowledge of the system and knowledge of what is required to see how we can guide the spending in agriculture towards the

implementation of recommendations. Recommendations and studies abound. There is no shortage of that. What are we doing? Why are we still marking time? Why are we importing over \$2.5 billion of food annually? Is that sustainable?

One of the recommendations he made is that Government should commit exporters in the agro-industrial sector to sign contracts where the State determines minimum guarantee prices for local farmers. This is a very solid recommendation that will seek to promote agricultural development and agri-business. That will bring down the inflation and break some of the bottlenecks the Minister is talking about. I am dealing with the Minister's opening statement, when he said that inflation is based on one of the major drivers, which are the bottlenecks in the agricultural sector. We have to look at the people who are working in the field and look at what their recommendations are to break these bottlenecks.

In a University of the West Indies document which was done in conjunction with the Ministry of Agriculture, Land and Marine Resources, it is said that the agricultural sector has declined in importance as a source of employment, despite a 13 per cent national unemployment rate. Why is that?

Sen. Mary King mentioned in her contribution that all these huge energy industries employ 3 per cent of the unemployed in agriculture. Agriculture and agri-business have the advantage that they are employment-intensive and these are areas we have to look at.

The Minister talked about Alutrint and the setting up of the plant and permanent jobs. Do you know how many permanent jobs he mentioned? He mentioned 200 jobs, in a very depressed area. In the EIA, it showed that the levels of development, intellectual and cultural, were very low. Even those 200 jobs would not come from the areas in which the plant is situated. This is what is happening in this country. That is why we have to import labour from China and all over the place, because we have not developed our human resource.

This report also talked about the structural transformation of the economy with development leads to primary productivity having an ever-reducing share of the GDP. This is what is happening with agriculture. Agriculture produces less and less every year to the GDP and these are the things we have to correct.

Mr. Vice-President, these are the issues that I believe we have to look at when the Minister talks about breaking the bottleneck and headline inflation.

7.00 p.m.

We have to look at allocating resources. When the Minister of Finance comes before us, he has to be able to tell us how resources have been allocated in the Ministry of Agriculture, Land and Marine Resources or in relevant institutions and organizations that would deal with the problem of breaking the bottleneck, of increasing production, increasing productivity in agriculture.

Every year we come and debate the same old allocations, the same supplemental appropriations. This year we are saying that in agriculture money is going towards establishing computerization of records and then the farmers out there. I do not know what they have to computerize. What information do you have to computerize when you have no farmers; when the farmers are demotivated, the farmers are not producing, the farmers are scattered all over the country because you are bulldozing them, you are mashing up their land, you are mashing up their crops? What do you have to computerize? I do not understand what is going on in the Ministry of Agriculture, Land and Marine Resources. You have less than 10 farmers, you are computerizing their records. What is happening?

All this computerization has to be on a basis of high production, high productivity. You have records, you have institutions, and you have things happening that you want to control. But if there is nothing happening, nothing to control, what are you computerizing; where are you sinking 200 and something million dollars into computerization? This is a mamaguy as usual; it makes no sense; it is not focused; it is not directed towards any improved gain; it is not directed towards improving the economy of this country; it is not directed towards sustainable development. It is just meant to keep people happy; to keep people employed; to keep Ministers in jobs and so on; to keep this country running by the drug lords, the gang members and everybody having a nice time. This is all this is meant to do; establish and keep the status quo, because nothing productive is coming out of this. Agriculture is not being developed [*Desk thumping*] We are not dealing with inflation; we are not dealing with food prices; business as usual.

Thank you.

Sen. Carolyn Seepersad-Bachan: Thank you, Mr. Vice-President for an opportunity to contribute to this Bill. I know it is late and I intend to be brief. I want to make two points; one is—just as a quick summary—we were dealing with a budget of \$34 billion and now what is before us is an increase of \$4 billion, taking the expenditure for this fiscal year to \$38 billion. Last year it was about \$27 billion and we also had a supplement for last year as well. I am asking today, where would we be next

year? I wonder if we may be talking about a budget of about \$42 billion next year. I was just looking at the trend and if you just do a quick plot, we would be somewhere in the fortys' next year. Then when they come for a supplemental next year we might be—I would not say we would cross \$50 billion—just under \$50 billion.

Mr. Vice-President, for us to reach to a level of \$50 billion is really something to think about. Why I say this is that I cannot imagine right now in this country of Trinidad and Tobago, in a 12-month period that you are spending \$38 billion on goods and services. Can the country produce \$38 billion—

Hon. Senator: What about salaries?

Sen. C. Seepersad-Bachan: Regardless; whether it is salaries—through you, Mr. Vice-President—we put it all as goods and services because it is something that you are producing, whether you are working in an office or in a public office. Speakers today have been trying to make that point. Can we understand that a country like this of 1.2 million people and at our current stage of development, whether or not we can actually produce \$38 billion worth of good and services?

When I hear this yes from the other side, more and more, it is clearly evident that they do not understand the economics of this country. It is even more alarming to think about \$50 billion worth of goods and services for the next fiscal year— *[Interruption]* I am projecting and that is what your colleague confirmed just now, that we could reach just under \$50 billion. By the time you budget for \$42 billion, through you, Mr. Vice-President to the hon. Senator, then you come with a 10 per cent increase on top of that, you are going to reach about \$48 billion or \$49 billion, just under \$50 billion.

I sat in this Senate and I heard the Minister at one time talk about the capacity of the Government, and the capacity of the Government to deliver. Therefore I really cannot understand now, talking about this level of expenditure being able to deliver or having the capacity to deliver in line with that level of expenditure.

Mr. Vice-President, just to summarize. There are three important issues that came out of this Monetary Policy Report and these three issues have been made by several economists and I think even by my colleague here, Sen. Munro.

Hon. Senators: "She don't know he name". *[Laughter]*

Sen. C. Seepersad-Bachan: Mr. Vice-President, we are all colleagues here on the bench, I do not know what is the problem on the other side. We are all colleagues here on this bench.

Just to summarize, the three important issues—I do not know if these, and as I say to the Independents, do they want me to complete very quickly or do they want to continue intervening and keeping me back? I know they always get very excited when I am on my feet. [*Laughter*]

The three aspects, as I was saying, that came through in the Monetary Policy Report and the three points that have been made by several economists are: the excessive expenditure on the part of the Government. We heard it from the Minister this evening; he said it is the demand by the private sector. He has already admitted that there is an increasing demand by Government that is fuelling these excessive expenditures. Secondly, the liquidity position; and thirdly, the increasing bank rate. In fact, the Monetary Policy Report, I think, quoted it at 21 per cent for bank credit.

When we look at the impact coming out of these three aspects, we have increase in prices, the shortage of labour and goods and services, which is what is causing your inflation, and there is really no productivity, as my colleague here, Sen. Dr. Kernahan, just talked about. There is a decline in production. These three things coming together are skewing your whole economic policy, and in fact doing a lot of damage to the economy of Trinidad and Tobago.

Mr. Vice-President, there is a severe shortage of goods and services for this country. The reason for that is, it is clear now that the demand has outstripped supply in the country.

Hon. Senator: Of course, of course.

Sen. C. Seepersad-Bachan: Mr. Vice-President, I keep hearing “of course, of course”. But if you know demand is outstripping supply, what are you doing about it? You cannot continue to fuel the demand if you know you do not have the supply, because all that it is going to do is continue to increase prices and inflation, and I cannot understand the Government sitting there and saying that. Do you know why? It is because of the particular ethic on that side. [*Interruption*] “Yuh right” Do you know what that is about, Mr. Vice-President? It is because of their lack of planning. There is no proper planning. This is a Government that thinks of ideas and they do it by “vaps”. Since we have sat here in this Senate we have warned them over and over, that without proper planning they are going to run into these problems.

If you know you have money coming in and you know your demand is going to increase, you project your demand path, and what you also do is you look at spending some of that money in developing supply capacity. We need to increase the capacity of the economy to produce. This is the problem; we are not spending enough money in energy and in productivity.

If you spend money into supply, we would get the productivity up, and I am saying you do not have to see it turning into revenue generating right away. Once it goes into expanding the capacity of the economy to produce, in the long term, it will become revenue regenerating. [*Desk thumping*] Anyone would know from a proper plan what should have happened here is that you slow your demand pace, slow your projects, and what you do is you ramp up the supply so that your demand and supply could move in line. That is basic economic policy.

Mr. Vice-President, when I tried to listen to Minister Dumas this afternoon, the teacher of economics, I did not hear this coming through at all, and I could not understand. So I want to tell him he needs to go back to school to learn how to teach, because I do not think he was getting across his point.

When we said about the "how" in the spending and not just spending, he was saying, you know everything we would criticize the Government for if they do not do. We are not saying not to do it; you have to do it, but it is how you are doing it, and it is the "how" you are doing it that is creating the problems in this country right now, in terms of the economy of Trinidad and Tobago. I say this because it is important for us to understand, regardless of who is in Government, because as much as the bantering goes back and forth here, somebody would end up with a serious problem in years to come in this country and we would not be able to recover.

I want to warn this Government; that was the same administration that put us through the 1980s, the worst time of our lives; I was a student and I knew how hard it was then, and it is going to be worse than before, because you are not building productive capacity; all you are doing is escalating the prices. Mr. Vice-President, coming to talk about a price cap now and importing labour and all of that; all you are doing is worsening the situation. You are not doing anything to alleviate the problems.

I am telling this Government, if it is one point I can make tonight, is that they have to do something about increasing the capacity to supply. [*Desk thumping*] I want to hear more steps, more initiatives from this Government. Let us stop hearing about the demand; stop all the construction; choose the projects; prioritize your projects; get the supply up; get your training.

Sen. Dumas asked about the Ministry of Maintenance, the CEPEP and the URP; when Sen. Wade Mark was making that point, the point he was trying to get at is, we do not want URP. We know we would have some extent of URP and CEPEP, but if we could turn many of these people into the productive sector of the economy; as much as we could train them and get them into maintenance work, they would be contributing

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to the GDP meaningfully in the country; and that is what we need. That is the only way; any basic economic theory, any text will tell that you need, at the end of the day to be able to develop that capacity to supply and everything in the economy will work by demand and supply.

Sen. Abdul-Hamid: And everybody would live happily every after.

Sen. C. Seepersad-Bachan: You should ask your questions more directly, I do not have a problem responding, so speak clearly. If you want to ask a question I would give way. [*Laughter*]

Sen. Dr. Kernahan: He does not even know what he wants to ask.

Sen. C. Seepersad-Bachan: This is it. Would you like me to give way, through you, Mr. Vice-President?

[*Noises from the Government Bench*]

The Minister was mentioning to me over tea, this whole issue of the widening non-energy deficit; and he said what that is. It comes up a lot in the Monetary Policy Report. It has come up several times in your IMF reports, year after year, and it has come up in prior budgets. Why does it continue to increase? Why is it a concern, you ask? Why do we continue to focus on this? Because the Minister feels it is not a problem and the reason the analysts or the economists of this country continue to focus on this widening non-energy deficit, is because what it does is it removes the energy sector proceeds. So what you do is you look at the revenue streams associated only with the non-energy sector; you look at the expenditure streams; then what you do is, you say well listen, the expenditure is exceeding the revenue by so much. Therefore, what you are saying is the revenue-earning capacity of the non-energy sector is just not enough to cover your expenditure in the non-energy sector.

That is why we are saying there is the appeal to use the extra revenue from the energy sector to build the revenue-earning capacity, the productive capacity, and the supply capacity of the non-energy sector. So it comes right back down to the same issue of building capacity. Some countries build it by technology; some countries build it through education; some countries build it through labour. There are different ways that we can—there are nine ways to skin a cat—but not CEPEP and not URP because they are not contributing to the revenue-earning capacity.

Allow me, with respect to this Bill, because this is why we are seeing the evidence of why they say all of this. I would not go through all; I want to take out three examples. Let me start by talking about this National Transportation Study. Everybody was talking about it and somebody asked why the \$15 million; again, lack of planning.

You hired some consultants—I do not quite recall the name; I had it here earlier. [Interruption] BrinkerHoff [Inaudible] Thank you to those on the other side for filling in that piece of information, the name of the consultant. But that particular consultant started off with a specific scope of work in mind as specified; a specific set of terms of reference. As a result of that, the Government decided, well not decided, somewhere along the road they realized, you know what, this thing was not enough so let us expand it. So they expanded the terms of reference. That is why we ended up in a transportation study now that is never ending and it cannot close. So it has gone now to the monorail system, the transit system.

Hon. Senator: Light rail.

Sen. C. Seepersad-Bachan: Yes, it has gone to light rail now; it was monorail at one time. It has changed.

Sen. Baksh: Underground.

Sen. C. Seepersad-Bachan: My colleague said it has gone to underground now.

[MADAM PRESIDENT *in the Chair*]

So we would see more transformation as we go along. One of the problems with that transportation study is that now that you have your extended terms of reference we need to get it built, because, as usual, there are just so many projects, and it is like, let us just get everything done; just put out all the projects, all the mess; it does not matter how it gets done, once it gets done.

Madam President, we have the money, let us spend it. I understand you have gone out for your tenders for the award of this design—I think it is a plan, design and construct—and you want to complete it by August 2006. You want this completed by August 31, 2006 because you want to start building by the end of the year. Because you want to start building by the end of the year, you say: “Okay, you know what, I have to close off by August”. It does not matter that you do not have a proper design in place yet. We just have to get people to submit by August 31, 2006, whatever. Then we would select, then by December we would award a contract, and these same consultants would help us evaluate.

You know what is the problem? The problem is that all these contractors do not know what in heavens name to do with this particular submission. They cannot imagine what they are going to be judged on, because you cannot give a cost because the design is not completed, so it has nothing to do with cost anymore; it has lost its competitive bidding. You hear corruption, PNM style. It

does not matter anymore; it is not competitive bidding anymore. They do not know if probably they may be judged based on their size; how they look; if they are the biggest; if they have the most expertise; if they are the fanciest, they do not know yet. But by August 31, 2006 they would know that they might be judged on expertise, but it would not be on cost. At that point in time, at least we would know by December 31, 2006 what they would be judged on, but it certainly will not be on cost.

Sen. Dr. Kernahan: A march past. [*Laughter*]

Sen. C. Seepersad-Bachan: That is the problem you have here and that is why the contractors are in the position that they are in. [*Crosstalk*] [*Laughter*]

Madam President: Maybe the Senator would like to take a seat and compose herself.

Sen. C. Seepersad-Bachan: No, Madam President. My colleague said Independence Day parade. Probably the Government can indicate to me, whether or not—because it is the same problem and this is why they are having the problem with the interchange. The reason you have so few contractors, you are not building enough capacity, so as a result of that, the contractors can pick and choose. There are too few contractors and if you give them a specification, an invitation to bid, where the specification is so loose and they have to do too much hard work to try to interpret that, they could just "dis" your project, because there are so many other projects available. That is why the Minister of Works and Transport has ended up in the situation he is in today.

Hon. Senator: In jail?

Sen. C. Seepersad-Bachan: No, the Minister of Works and Transport.

Hon. Senator: “Or hor”.

Sen. C. Seepersad-Bachan: Saying that we may not have the capacity, the local expertise; it is not that we do not have the local expertise and that is what is so shameful about this. It is that we are moving forward with projects like these, when this kind of money we are spending, what it should have been used to do was develop the capacity and ensure that at the end of the day it was our local contractors who could have benefited from the expertise of building an interchange, that say one day into the future they can go into the Caribbean region or the Latin American region, and they can do the same thing. That is how you build capacity in an economy.

Probably the Government can tell me the same issue that is also hurting them—the Chatham Industrial Estate, I understand, has also gone out for tender and you are also looking at a very quick turnaround to have that estate developed. I want Members of this Senate to understand that although there is much opposition to the development of that industrial estate people have been invited to submit tenders, and that you are looking to award very soon. I thought I should bring this to the attention of the Senate.

More important in this whole issue is that it reeks of corruption because you end up in a very subjective environment. The amount of subjectivity in this evaluation process, there are no clear objective criteria to evaluate by, and as a result of that you do not have—[*Interruption*] Let me just tell you what I am talking about. If you do not have clear objective criteria, Madam President, through you to the hon. Senator, when you go to evaluate submissions and you have to use subjective criteria, then you have so much room for manoeuvring.

There must be clear objective criteria, as any good tendering system would allow, and all of those objective criteria are supposed to be established long before your submissions come in. That is proper tendering and that is what this Government is not following. That is what good procurement is and that is what is going to lead to all these biased awards in the future. That is what is going to lead to corruption. There will be. And you are talking about transparency; that is the issue here.

The other issue that you have with the Government is that they do not have the technical capacity to properly maintain— You are talking about going towards a transit system. All the transit systems that I know about, there is an agency responsible for monitoring the quality of the works, for ensuring that there are no cost overruns, for ensuring performance and quality, and that is not happening here. You have in some of these same state agencies that they have set up, one person in charge of delivering or evaluating 100 projects. You have 100 projects to get done and you have one person in a department. This is one of the things that the contractors are saying, that they cannot be evaluated on a very objective and fair basis, because when there is one man to overlook all of these projects, there is really no way that they can be guaranteed that there will be a fair basis.

Madam President, they are clearly aware of what is happening. So when Sen. Dumas talked about business and poverty, and he talked about Sen. Mark; he stood one minute and talked about poverty and the Opposition Leader talked about poverty and Sen. Mark talked about business, I got a little confused. I did

not realize that they were mutually exclusive. I did not recognize that if you try to seek the interest of the poor, you cannot seek the interest of the business class. What are we talking about? In fact, if we can encourage business entrepreneur and innovation in this country, we might widen the middle class and get rid of the poverty class. So what are we talking about?

I was amazed when I heard from the Government side that if you try to seek the interest of the business class, you are not seeking the interest of the— This is how you think. This is so wrong. It has to be that you develop your incentives for all classes in the society. That is the only way that you would get true development. But you see, this is clearly an indication of a government that does not understand—

Sen. Dr. Saith: They do not know.

Sen. C. Seepersad-Bachan: They do not know what they are doing; very much so, Dr. Saith. I urge the Government at this point in time to move on, but to stem this great demand that they are moving with and to prioritize their projects—I am not finished yet, I just have one other issue to deal with, hold on—and at the same time, to attempt to build capacity.

Madam President, I just wanted to move quickly to the T&TEC issue. One does not disagree with the RIC for increasing prices or increasing rates, because they have recognized that there has been with the cost of living in this country alone, an increase of recurrent cost, and of course you would need some increases. How effective and efficient is T&TEC at this point in time? How efficient is their management? That is my concern!

There are two other issues I wanted to raise under T&TEC; one is, I keep hearing about the gas supply contract and the cost, because throughout everyone—and even the RIC documents—keeps talking about the gas price is to be negotiated by T&TEC, although it would be consumed by the generating companies PowerGen and now it is Trinity. But that escalator clause was removed during the time—well I do not know if that tranche of gas may have probably been exhausted by now, so probably they are on to another tranche where there has been no negotiation, which is what should have happened in Train 4, so that they would have had that escalator clause removed. On prior occasions, Trains 1, 2 and 3, that escalator clause was removed. So there was no 4 per cent escalator in any gas price for the generating companies as negotiated by T&TEC.

Madam President, I had a problem with this whole issue of power generation, because we are hearing that part of the problem is that they have to pay these power generating companies. I wondered, because I have been informed that in

order to interconnect—and I want to remind the Senate that when InnCogen came on, that for part of it to be able to interconnect to T&TEC's grid, it was their responsibility to do so and to pick up the cost of it. In fact, what happened is that they paid \$5 million towards interconnection.

We know right now that there has been some work going on in terms of the development of a plan for the power generating facility for the aluminium smelter plant, ALCOA. It is my understanding—I do not know if it is through T&TEC and PowerGen, I think it is through T&TEC, that T&TEC—and I want the Government to tell me this yes or no—is picking up the cost of the development of that interconnection; the infrastructure. That is not correct; it is unfair.

In fact that is a cost that should be borne by ALCOA and their investors. It has nothing to do with the taxpayers of this country. Taxpayers of this country, through T&TEC, should not be taking up that cost. Madam President, I would be calling on the Government to answer this because several concerns have been raised on this issue, in terms of the infrastructure development by T&TEC for the power generating facility.

7.30 p.m.

Madam President, it is my understanding that we are out of capacity now. Even the Regulated Industries Commission (RIC) report would tell you that it is out of capacity, so T&TEC has to look for new power generation, additional generating capacity. The request for proposals (RFPs) for the power generation facility by T&TEC has now been scrapped. The Cabinet of Trinidad and Tobago has taken a decision that they would give it only to PowerGen and that there would be no competitive bidding.

The Government would have an opportunity to respond to this when they are winding up. I hope it would shed some light on it, because in fact, what has happened—what we should have done at this point in time, the Government should have looked for a third supplier, so that when you have a third supplier, you would have had a competitive environment for power generation.

Let me remind this Senate, because I see \$282 million is being assigned to T&TEC to service their debt, whether it is through principal or interest payments that there are three bonds. One was the NGC loan and I looked into the accounts of T&TEC and I did see the—I think I remember when the Government had mandated T&TEC to convert this payment that they had owed to NGC into a loan facility. I did not understand what was the purpose of that, but now that it has happened and

it has been there on the books, you are now assisting them in paying off this particular loan. The other two bonds I think you are referring to, one was a Fincor bond of \$220 million and an RBTT. I saw those two in here, they are floating rate bonds in fact; I do not know if they have principal. Probably the Minister can tell me, is it that they are due for some principal repayments at this point in time or some portion thereof because I know one is at 12.25 per cent and the other is at the same rate based on the floating rate.

Madam President, my concern however, is that the Government of Trinidad and Tobago is assisting T&TEC with this debt servicing part of it. I have a serious problem that when you look into the accounts, you would also see for T&TEC, if you look into the accounts from '94 to now, in fact, it was at the time when the power generating company was set up and T&TEC sold off all its generating assets to the company PowerGen which at the time was SCI—one of the shareholders being SCI, the other being AMOCO—and what in fact happened is they sold off the asset at a loss. It is here in the accounts, it was at a loss. You did not sell them at your book value; you sold it from below book value so you ended up with a loss position that year, in '94. What is very interesting here with this is, this was a deal done by the PNM Government under Prof. Ken Julian. You actually set up here what was called, the convertible bonds as a debenture stock. In fact, what you have done, although T&TEC bought shares in PowerGen for two hundred and something million dollars, you also took out \$282 million in a bond which you loaned to PowerGen, whether all the shareholders did that for tax reasons, T&TEC is tax exempt.

Madam President, it is time now that the Government come to the table and tell us what is happening here with this two hundred-odd million dollars of taxpayers' money. Because if you are talking about having—you see, it is because we have money we could do this, but in fact what you should have done was converted this. We should not be putting a cent into T&TEC. In fact, this should have been converted. Why is it not converted into shares? You know what is the interest rate on this, .01 per cent per year. Highly ridiculous and by now somebody should step in and ask T&TEC why it is. If at the point in time we did not have the money; the Government did not have the money to service the loans, now you have the money to service the loans, you should ask T&TEC to convert this. Either convert it into shares or get a total repayment from PowerGen. This is taxpayers' money that we are dealing with. Is this the sweetheart deal that went down when we went to PowerGen? Is that the sweetheart deal between T&TEC and SCI that was dealt with and managed by Prof. Ken Julien?

It is time now that we get an understanding and I am calling on this Government and the RIC because I want a thorough investigation into this one. I want to know why it is not being converted and why it is not being called in. This is going to be paid at 2024 at .01 per cent a year. I say this and I am going to ask again and demand of the Government that we get answers for this because it is time now. We should not be approving two hundred and something million dollars to T&TEC to service any of its debt. That is how you service your debt, convert what you have on the books. What are you keeping it there for? The only people who are benefiting from that are PowerGen. Do they need to benefit? They have good shareholders, they are making good money; they are declaring a profit every year. Why is it that taxpayers' money must continue to uphold PowerGen?

Madam President, I urge the Government at this point in time as many other speakers have done this afternoon to stem this overspending; it is only fuelling prices. It is creating inflation; it is creating hardship for the poor, the same poor people that they claim that they are so concerned about. These people cannot go to the groceries and face the food prices. How are these people to put food on their tables? How are these people to put a healthy lunch for children into lunch kits? Just go to the grocery store on a Saturday morning and talk to mothers, you would hear their plight every Saturday morning because they have to pick and choose and they have to constrain and that is what is of concern here today, that we continue to maintain a healthy nation.

I want to support the call by Sen. Dr. Kernahan that we get back into production in the agricultural sector and same too as Sen. Munro. It is time now. This Government is getting away with too much. With \$38 billion, I have not seen a cent going into re-energizing this agricultural sector. All I see every day is a house going up on a piece of good agricultural land somewhere.

This Government has continued to erode the private sector of this country. The private sector every day tells you that they cannot get the labour to work, so why should they even expand manufacturing capacity. What would continue to happen is that, not the demand in the private sector that is going to increase, it is the Government's demand that is going to increase and the Government's demand increasing is not helping in any way to generate that new economy, as Sen. King talked about, the onshore economy.

So, Madam President, on that note, I thank you. [*Desk thumping*]

The Minister in the Ministry of Finance (Sen. The Hon. Conrad Enill): Thank you, Madam President. Let me start by thanking those who have contributed because there is a view and much of what we have heard, we have heard before—

Hon. Member: Before and before.

Sen. The Hon. C. Enill: —and before and before. But let me just share with you a perspective that we have on this side. One of the things that you must be able to do to determine where you are, is to measure issues. You must be able to measure something because if you cannot measure it, you may in fact be looking at the wrong indicators; talking to the wrong people and coming to the wrong conclusions.

In the year 2000, the Government had central government revenue of some \$12.2 billion, by 2005, the Government grew it to \$27.9 billion. And the reason the Government grew it, is because the Government took some very specific action in getting more from those who produce the energy assets, and negotiating in such a way, that we can in fact get a lot more than we had before. And to those who talk the ridiculousness of higher oil prices and expenditure, they do not understand the strategies. This is really simple. All of us know that oil and gas are assets that over time can deplete and what this Government has done is that it has said as a matter of policy, it will manage its affairs based on an expenditure planning price. The differential would be put towards savings and any additional resources that are available to it would go into the development of Trinidad and Tobago.

I am almost worried when people question the fact that we take money and spend it on people. This Government has not taken any money and put it in anybody's pockets and this Government, in fact, has said very clearly, when it came into office, what it was going to do. When it came into office, it identified a number of priorities. It identified priorities in education; it identified priorities in health; it identify priorities in housing; it identified priorities in national security; it identified priorities in social services and the Government said that to the extent that we had the funds available, we were going to deal with correcting some of the difficulties that we found, because we did not have the revenues to so do.

So do not tell me that we are doing anything that we had not promised the people of Trinidad and Tobago. We are simply executing what we said we were going to do and that is what we would continue to do. [*Desk thumping*]

So that central government revenue moved from the year 2000, \$12.2 billion; in the year 2005, \$27.9 billion and I expect that before we get out of government it is going to \$50 billion or \$100 billion. I do not know what the number will be, but as long as the number keeps growing it tells me that we have the ability to do a lot more than we are doing now, and we will do it.

Madam President, let us talk about foreign reserves. In the year 2002, it was US \$1.4 billion; in 2005 it was US \$4.7 billion, I guess we are doing something wrong. In the year 2000, the gross public sector debt was 54.4 per cent of GDP. In 2005, 40.7 per cent of GDP; we are doing something wrong. The central government debt in the year 2000 was 42.1 per cent; in 2005, it has gone down to 23.8 per cent; we are doing something wrong.

Sen. Dumas: They are paying their debt.

Sen. The Hon. C. Enill: No. In the year 2005, based on our international competitiveness, based on what the international investors are saying, we were ranked by Standard and Poor's and Moody's and the comparator countries are Kuwait, Saudi Arabia, Mexico, Russia and Venezuela; we are doing something wrong. In 2002, the unemployment rate was 12.2 per cent; in 2005, it was 8.0 per cent. Madam President, we are doing something wrong. In 2001, inflation was 5.6 per cent; in 2005 it was 6.8 per cent; Madam President, we are doing something wrong. Foreign direct investments, for the year 2001 it was \$2,680 million; in the year 2005, \$940 million.

In the social sector which is where the poor man benefits—and I hear this notion about the poor man, the poor man. Let me tell you something; what we are trying to do is to make sure that we do not have any poor men, or poor women. In order to do that we recognized a couple of things. Those individuals who talk about moving those persons who are in URP to productive sector work do not have a clue what they are talking about. Let me tell you what the reality is.

The reality is in a lot of instances, we did not only do that we went a bit further. We decided that there were individuals in our society who really and truly had given up on looking for anything or trying to do anything. So we went into communities and we basically extracted them, trained them and then we thought that they would have been available for the sector, but unfortunately 95 per cent of them could not pass a drug test. They could not pass a drug test! So we spent a lot of money, we went into the communities, we pulled them out and then we put them in the private sector and the private sector said, "no, I am not taking them because I require them to do a particular

thing. And now we have the challenge of trying to figure out what to do with them. They are our people. What we would do in the interim, is that we would continue to provide funding for them. So it is not a question that we do not know what we have to do—

Sen. Mark: [*Inaudible*]

Sen. The Hon. C. Enill: Well, talk to the Minister of National Security and I am not dealing with that right now. Madam President, the point is, when they talk and they talk without knowledge, without information, all they do is damage people's hopes and aspirations.

When this Government came into office, the first thing it found was that notwithstanding all that they have talked about in terms of they did this and they did that and they did the other, in certain sectors within the community there were very high levels of poverty. So the Government took the view that its first objective for the first two to three years was going to deal with social sector issues and in that sense—and they are going to say that it is not reaching, but that is a different issue and we would deal with that—the Government has spent something in the vicinity of about \$5,800 million in trying to deal with 132 social sector interventions.

Hon. Senator: Trying?

Sen. The Hon. C. Enill: Yes, trying. Quite frankly, trying because all the Government can do is to allocate the resources and work them through a system that is not geared for delivery, but we would talk about that. The programmes that we talked about, the developmental programmes, remedial programmes and preventative programme—and for those who do not know what those programmes are about, I can point them in a particular direction and they would get the information.

In terms of housing, which is one of the other needs that we found: In fiscal 2004, 4,143 housing units were constructed; in fiscal 2005, 7,436 housing units were constructed and as we have said in a lot of instances we are moving towards a particular target and that is actually going on stream.

One of the biggest successes that we have had, I think as a government, is what we have been able to do with education, and when they get up and they talk about the fact that you are spending too much, I ask the question: In the period 2004 to 2005, the Ministry of Education basically supported students with \$1.2 million in books, are they saying we should not do that? [*Interruption*]

No, I am not misleading, Madam President, I am responding to what you are saying. Because you cannot talk expenditure where you are saying quite glibly that the Government is doing this and spending that and the other, and then not recognizing, for example, that the School Feeding Programme in the year 2005, supported 94,736 children. Should we not spend on that? So that free transportation, security, that is where a lot—hold on, forget—of the resources are going. If you look at the expenditure profile, you have salaries, you have wages and then you have transfers. There is a significant amount of money going in to supporting the poor man. In fact, we are supporting the poor man and we are supporting the rich man because I make the point, how much does it cost to put gasoline in your car today, \$100? We could fix that. We could cause it to go to \$900 tomorrow morning, just removing the subsidy. Is that what she wants? We do not think so and we do not think that as a Government, we should be irresponsible to respond to what you are saying without understanding the impact of what some of these decisions can in fact do to this economy.

Let me talk about this non-energy deficit that since these economists have nothing else to talk about, they talk about all the time. What is the non-energy deficit? [*Laughter and crosstalk*]

Madam President: Allow the Minister to continue. Please, Senators.

Sen. The Hon. C. Enill: Madam President, like everything else, we have some of the best brains advising us. We also have the experience of following the advice of some people that has crashed a number of economies and we are not prepared to do that. Do you know what these advisors told us? These advisors told us—It is not the PNM that crashed the economy, but that is a different discussion—quite frankly that we are, basically damaging the economy by spending the amount of money that we are spending on poor people, and we basically said to them: "Well, if you feel so, that is fine, but we have a mission to do so every year."

Hon. Senators: Money is not trickling down to the poor people. [*Crosstalk*]

Madam President: Senators, please! I think everybody had their opportunity to speak. You made your points and the Minister is now replying, and he has that right.

Sen. The Hon. C. Enill: Thank you, Madam President. Having said that, let me tell you what the thinking is: The thinking is that when we negotiated—see if you could follow—the new regime for oil and gas, basically, what we have done is we have fixed the SPT so that we get more revenues as a result of the price and

on the gas side, we are now able to get revenues as a result of fair market value. That is to say, we have given the Inland Revenue Division the ability to basically examine the contracts to ensure that whatever they fetch on the market, we get revenues from as opposed to what existed before where you basically paid contract prices so that when you send products into the depressed markets, you get depressed prices although you had cargo diversion taking place. So we fixed that arrangement.

When we were fixing that, we also negotiated our programme that would deal with exploration activity in higher risk areas. So that right now, for example, most of the producers are in fact committed to a programme of exploration. Now, somebody read in the IMF report, that the IMF said to us that if we continued at the rate of exploration, then we would erode the reserves and they had calculated the reserves to last 50 years. The fact of the matter is, we have gone on record as saying, that the system that we operate by is not a system of expenditure in the sense that once you allocate it, you expend it. The Central Tenders Board says, that before I look at a project, you must tell me where, on what line, you have this approval and therefore, the Central Tenders Board closes its operations, I think on July 15. So from July 15, August, September nothing takes place in Government.

Therefore, what the Government has to do when it comes to the mid-year review, is that it has to look at the allocation issue and it has to come to the Parliament and say, "Listen Parliament, these are the allocations we require for these projects and the requirement is that, when you go to the Central Tenders Board and say, 'look it has been allocated here,'" then they would consider the programme or they would consider the project. That is the system we have. I did not make it, but that is what we are working with—you cannot change it, it needs a two-thirds majority.

To get back to this non-energy deficit issue. What are we doing? Here is the strategy. If we believe that in 15 years the energy reserves or the energy resources would be reduced, we have taken the position that we would convert the additional revenue—and that is why we are increasing it up from 60 to 91 per cent—into financial assets. So that at some point in the future, the earnings from the financial assets would replace the earnings that we currently have from oil and gas. Now, is that so difficult, Madam President? That is happening in a lot of the other territories which have similar challenges to the one that we have.

Additional to that though, we have taken serious, serious decisions about the non-energy sector. You see, part of the real problem we face is that the energy sector is the one that we are focusing on because it is the one we understand the best; it is the one that we have invested the best in and it is the one we know how to monetize most easily. It is almost as though you spend your whole life trying to

be a doctor and one day you get up and you decide that you should be an engineer. You know it just does not happen like that. Because we have put an infrastructure in place; we have put a regime in place; we have put all kinds of other things in place to support that initiative. Therefore, one has to find a way—we are looking at that now—to get some of the energy talent into the non-energy sector, and quite frankly that is what Vision 2020 says to us.

Vision 2020 says to us that as we move forward, there are a number of other areas and a number of other things that we need to do in order to build some of the capacity that we are talking about. We are very clear that the world of the future is a knowledge-based world and as a consequence of that, we have taken a lot of time, a lot of effort and we have put a lot of energy to supporting education and we believe that in supporting education, we would be in a better position to have our individuals, our citizens enter the world of work at a different place.

Sen. Mark and some other commentators talked about, we had the \$34 billion expenditure. The Budget is \$34 billion, but included in that is a surplus of \$2.1 billion, that is in the current account at the Central Bank and a surplus of \$2.4 billion which is in savings; \$4.5 billion of that is actually untouched. I do not know, somebody said that we were going to introduce a "Smart Card" and it has not happened. No it has not happened, but we have continued to support the poor people with the SHARE (Social Help and Rehabilitation Effort) Programme. We have moved it from 16,000 to 24,000, thereby ensuring that any gaps that we have are in fact covered. I do not know what the issue is.

Let me spend some time now on Sen. Munro. Let me congratulate him, first of all, for some of the things that he has talked about. It is very easy in this system to apply normal criteria to government accounts and there is no contradiction, quite frankly, between monetary policy and the fiscal policy. The way the thing works, is as follows: Central government does what it has to do and the Central Bank has the responsibility for some of the other indicators and have a number of tools that are available to them. So that for example, if we are into a situation where the economy is expanding, then they would use some tools to mop up liquidity; they would use some tools to look at interest rates; they would look at tools to do some other things.

Therefore, as far as we are concerned, there is no policy confusion because the question of the over-forecasting and under-forecasting, this is an economy you are talking about. In your business, in any little thing that you do, you cannot, 12 to 15 months ago determine what is going to happen in the future. You are not in control of a number of the things that happen. You are not in control of people's decisions; you are not in control of what they do and how they think.

8.00 p.m.

All you can do is, in fact, create the environment in which things would occur and respond to it when it occurs and that is exactly what the Government is doing. As far as we are concerned, the issue we have to deal with now is inflation and that is what we would be targeting. Government is going to look at rephrasing some of its activities, but beyond that, some of the issues are beyond our control. I think that the only thing we would have to do is, in a sense, to basically put in place measures to reduce credit. [*Interruption*] Yes, interest rate issues.

In terms of Sen. Dr. Mc Kenzie, I have to look at what she said, because for some of those things I am really not in control.

Basically, everybody who spoke gave us, more or less, the same advice. In some instances, your expenditure is too high; you need to do this or that, you need to crash the economy. Madam President, let me make this point for all and sundry. We do not intend to crash this economy. We do not intend to do anything to interfere with our future. I do not know about you, but I certainly have no intentions of leaving Trinidad and Tobago. In fact, when I leave here, I intend that it would be for a better place. Therefore, in that particular objective, we would ensure that we judiciously deal with the economy of Trinidad and Tobago and to try, as far as possible, to provide restraint where we have to, intervene where we must. At the end of the day, we intend to do this in the interest of all the people of Trinidad and Tobago who have put us here to look after their interests.

There was a view expressed that what we have is not reaching the ordinary man. That is something we would have to explain, because on reflection you would recognize that statement is absolutely untrue. Unless the ordinary man lives somewhere else, but in Trinidad and Tobago, and he does not have to send his children to school or travel and some of those kinds of issues, then those would be the only circumstances in which he would not benefit from what is currently available, or if he does not work in Trinidad and Tobago.

We are here today, basically, to express a view on the matter of the additional resources required to run the Government. I think we have done what we could and the Government would continue to run its affairs. It would, in fact, take the advice of those who provide us with the advice we think we can work with.

Madam President, with those few words, I beg to move.

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. C. Enill: Madam President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

Question put and agreed to, That the Bill be read a third time and passed.

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Public Administration and Information and Minister of Energy and Energy Industries (Sen. The Hon. Dr. Lenny Saith): Madam President, I beg to move that this Senate do now adjourn to Tuesday, June 13, 2006 at 1.30 p.m. At that time, we would take the Bills as listed together: the Tourism Development (Amdt.) Bill, which should be a very short debate—*[Interruption]*—and move on to the second Bill, the Students Revolving Loan Fund (Amdt.) Bill.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 8.05 p.m.