

*Leave of Absence*

*Tuesday, September 12, 2006*

**SENATE**

Tuesday, September 12, 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 to Sen. The Hon. Dr. Lenny Saith, Sen. The Hon. Conrad Enill, Sen. The Hon. Howard Chin Lee, Sen. Ato Boldon, Sen. Raziah Ahmed and Sen. Angela Cropper, who are out of the country and Sen. Prof. Kenneth Ramchand.

**SENATORS' APPOINTMENT**

**Madam President:** Hon. Senators, I have received the following correspondence from Her Excellency the Acting President of the Republic of Trinidad and Tobago:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency, DR. LINDA SAVITRI BABOOLAL,  
Acting President and Commander-in-Chief  
of the Republic of Trinidad and Tobago.

/s/ Linda Baboolal  
Acting President.

TO: MRS. JOAN HACKSHAW-MARSLIN

WHEREAS Senator Dr. Lenny Saith is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, LINDA SAVITRI BABOOLAL, Acting 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 12<sup>th</sup> September, 2006 and continuing during the absence from Trinidad and Tobago of the said Senator Dr. Lenny Saith.

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 8<sup>th</sup> day of September, 2006.”

*Senators' Appointment*  
[MADAM PRESIDENT]

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“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By Her Excellency, DR. LINDA SAVITRI BABOOLAL,  
Acting President and Commander-in-Chief  
of the Republic of Trinidad and Tobago.

/s/ Linda Baboolal  
Acting President.

TO: MS. ROSE JANNEIRE

WHEREAS Senator Conrad Enill is incapable of performing his duties as a Senator by reason of his absence from Trinidad and Tobago:

NOW, THEREFORE, I, LINDA SAVITRI BABOOLAL, Acting 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, ROSE JANNEIRE, to be temporarily a member of the Senate, with effect from 12<sup>th</sup> September, 2006 and continuing during the absence from Trinidad and Tobago of the said Senator Conrad Enill.

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 8<sup>th</sup> day of September, 2006.”

Hon. Senators, I have received the following correspondence from His Excellency the President of the Republic of Trinidad and Tobago:

“THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards  
President.

TO: MR. NILEUNG ROLAND HYPOLITE

WHEREAS Senator Howard Chin Lee 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

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and Tobago, do hereby appoint you, NILEUNG ROLAND HYPOLITE, to be temporarily a member of the Senate, with immediate effect and continuing during the absence from Trinidad and Tobago of the said Senator Howard Chin Lee.

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 12<sup>th</sup> day of September, 2006."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards  
President.

TO: MR. 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 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 12<sup>th</sup> day of September, 2006."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards  
President.

*Senators' Appointment*  
[MADAM PRESIDENT]

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TO: MR. ANIL JUTERAM

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

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, 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 Trinidad and Tobago, do hereby appoint you, ANIL JUTERAM, to be temporarily a member of the Senate, with effect from 12<sup>th</sup> September, 2006 and continuing during the absence from Trinidad and Tobago of the said Senator Raziah Ahmed.

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 11<sup>th</sup> day of September, 2006."

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

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

/s/ G. Richards  
President.

TO: PROFESSOR DAVID PICOU

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

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, in exercise of the power vested in me by section 40(2)(c) and section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, DAVID PICOU, to be temporarily a member of the Senate, with effect from 12<sup>th</sup> September, 2006 and continuing during the absence from Trinidad and Tobago of the said Senator Angela Cropper.

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 11<sup>th</sup> day of September, 2006."

*Oath of Allegiance*

*Tuesday, September 12, 2006*

#### OATH OF ALLEGIANCE

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

Joan Hackshaw-Marslin, Rose Janneire, Nileung Roland Hypolite, Wayne Munro, Anil Juteram, Prof. David Picou.

#### DISTINGUISHED VISITORS

**Madam President:** Hon. Senators, before we move on, I would like on behalf of the Senate to welcome to this sitting the Governor of Delaware of the United States of America, Miss Ann Ruth Minner [*Desk thumping*] and Major General Francis Vavala. [*Desk thumping*] Thank you very much.

#### CONDOLENCES

**(Sen. Dr. Shastri Moonan)**

**Madam President:** Hon. Senators, I would like to bring to your notice, but I think that you are aware, that one of our colleagues, Sen. Dr. Shastri Moonan has passed away. In the circumstances and at this point in time, if there is anyone who wishes to bring condolences, I would now leave the floor available.

**The Minister of Community Development, Culture and Gender Affairs (Sen. The Hon. Joan Yuille-Williams):** Madam President, we meet again to speak of the death of a colleague. Today, it falls to me to speak on the passing of our colleague, Sen. Dr. Shastri Moonan. Two weeks ago my colleague Sen. Dr. Saith addressed you on the passing of former President of the Republic, Noor Hassanali and two months before that on the passing of former President of the Senate, Ganace Ramdial.

Madam President, we are losing a generation of persons born in this country, nurtured by social and economic circumstances far removed from that which define today's materialism, dedicated to public service and not motivated by the pursuit of material things.

Sen. Dr. Moonan was born in Rio Claro and attended St. Benedict's College in La Romain. In 1971, he obtained a BSc in Economics from the University of the West Indies and was admitted to practise as an attorney-in-law in England and Trinidad and Tobago in 1977. Sen. Dr. Moonan also attended Massachusetts Institute of Technology where he was awarded an MSc in Management. He attended the Fletcher School of Law and Diplomacy where he was awarded a degree of Master of Arts in Law and Diplomacy and Doctor in Philosophy.

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*Condolences*

[SEN. THE HON. J. YUILLE-WILLIAMS]

Sen. Dr. Moonan practised in Trinidad and Tobago in Abercrombie Chambers. He also worked with the Ministry of Agriculture, Land and Marine Resources to promote the inter-planting of catch crops with cocoa and coffee and demonstrated to Government how to achieve sustainable development in their land use programme.

From 1971 to 1972, he worked as an economist in the Ministry of Finance, focusing on Agricultural Policy Reform, Fiscal and Monetary Policies. He was the founder of Petrolam Trinidad Limited, Republic Power Systems Limited, Republic Telecommunications Limited and the Centre for Sustainable Development, focusing on generation, transmission and distribution, transmission of gas, design, construction and installation of cable and wireless systems and the creation of renewable resources to achieve sustainable development. Sen. Dr. Moonan's article entitled and I quote, "Technology Transfer: Rejuvenating Mature Industries", is available on amazon.com and has been referred to by the National Science Foundation of the United States as authoritative in the field of technology transfer.

Sen. Dr. Moonan was sworn in as an Opposition Senator on July 04, 2006 replacing Sen. Sadiq Baksh. Sen. Dr. Moonan was a scholar and an academic. He was married to Mrs. Mary Moonan and was the father of Dr. May Moonan. He has been described as a simple, humble individual with a jovial personality. He was heavily engaged in community and charitable works and was highly interested in providing assistance to the underprivileged in the community.

Frank O'Connor, an Irish writer tells in one of his books entitled, *I was a boy* of the way the young in Ireland face challenges. He said, and I quote, "When he came to a wall that seemed too high on their wandering strolls across the country, they would take their caps and toss them over the wall. They then had no choice but to silence their insecurity but to try to scale the wall."

Sen. Dr. Moonan, as many of us coming into this place for the first time, must have felt that insecurity. He threw off his cap and he followed it. Death is but another wall and I feel certain that like the Senate which he came to understand and explore and to make his own quickly, he would come to explore and enjoy what beckons after death.

We on this side thank him for his public service. We extend heartfelt condolences to his wife and his family. May the very God that we invoke on our proceedings take him now to eternal rest. [*Desk thumping*]

**Sen. Dr. Tim Gopeesingh:** Madam President, I rise on behalf of the Members of the Senate on this side to express our sincerest, deepest condolences and sorrow at the unexpected passing away of Sen. Dr. Shastri Moonan. Though he served for a short time in the Senate, he did so with a firm degree of conviction and determination to contribute by way of his knowledge for the benefit of the people and of this country of his birth.

Sen. Dr. Moonan, as you heard just a while ago, was educated at some of the prestigious universities in the world, including Harvard and Tufts University, achieving a doctorate, a Doctor of Philosophy in International Technology Policy Transfer. He also held a Master of Arts in Law and Diplomacy at the Fletcher School of Law. In addition, he achieved the Master of Science in Management at MIT, Massachusetts Institute of Technology. He was a barrister for 29 years having graduated from the Honourable Society of Lincoln's Inn in 1977 and worked alongside some of the eminent Queen's Counsels and Senior Counsels in Trinidad and Tobago for a period of time.

He was chairman and founder of a number of private sector companies in the gas and energy sector, engineering and construction of generation transmission and distribution systems, the telecommunications industry and in the creation of renewable resources with the best appropriate technology for transfer. He had scientific publications in refereed international journals and technology transfer and presented scientific papers internationally under the auspices of host African governments and United Nations Conference and Trade and Development (UNCTAD).

Within the last 12 years, he was actively involved in advising established international banks as an Industry Finance Analyst in publicly quoted securities. Though he had this opportunity to leave this country to live and contribute in the developed world, he remained here to make his contribution.

The event of death, which I see almost on a daily basis being a medical practitioner and which you see as well, should be a moment for each of us to reflect on our own morbidity and mortality, and more particularly, to engage in a true assessment of the real value we have added to our world by our presence and through this precious gift of human life. Too often we judge people by their wealth and educational achievements as well as other secular accomplishments, when we should be judging people by how they have utilized such wealth and education for the benefit of mankind as a whole.

Sen. Dr. Shastri Moonan, like so many who have sat on the chairs in this Senate, came from humble beginnings and remained a humble person though very well accomplished. Despite his illness and the fact that some elements of the media may have highlighted this in a very negative fashion, on his first day of

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*Condolences*

[SEN. DR. GOPEESINGH]

Parliament, he was never perturbed nor ever did he utter a harsh word or demonstrate any anger at what may have been an attempt to humiliate him which so many are often prone to, and through him the party that nominated him to the Senate.

This should be a lesson to all of us to respect an individual in the same manner that we would like to be respected. Everyone must be cognizant and critically aware of our own human failing at times; no man is infallible. We must be reminded to respect each other and never attempt to denigrate anyone else in their time of weakness or mistake, misfortune or illness to gain any form of advantage, whether personally or commercially.

Sen. Dr. Shastri Moonan should be remembered for what he made of himself, for his commitment to lifelong learning and knowledge, his entrepreneurship and his determination to serve his country under very trying personal circumstances.

On behalf of us all, we extend very best wishes and support to his beloved wife, Mary; his daughter, Dr. May; family and friends and our own membership on this moment of grief and sadness. We must continue to celebrate his life and I close by the words of Kahlil Gibran who said, "Let me sleep for my soul is intoxicated with love and let me rest for my spirit has had its bounty of days and nights. Let me rest in the arms of slumber for my eyes are tired. I am in comfort, I am in peace."

Thank you. [*Desk thumping*]

**Sen. Basharat Ali:** Madam President, on behalf of the Independent Bench, I wish to extend our deepest condolences to the family of the late Sen. Dr. Shastri Moonan who passed away so suddenly last week. I did not know Sen Dr. Moonan personally, before he joined the Senate; in fact, I was not here on the day he was sworn in but I would like to join with Sen. Dr. Tim Gopeesingh in the comments with respect to the attempt at humiliation of this person who had a physical problem. I think Sen. Dr. Shastri Moonan took that in his stride very well indeed and did not let it faze him at any time.

I knew the name of Sen. Dr. Shastri Moonan because of his association with a petroleum company, Petrolam and I knew that they were actively engaged in certain activities, even offshore petroleum activities outside of Trinidad and Tobago at one time. So, when I first met him personally, it was at a meeting of the Public Accounts Committee when we sat in that section, right there. It was probably an aborted meeting, so we did have quite a bit of time to talk and we exchanged experiences. He knew who I was from my years in the energy sector and I was brought up to date on his career, his academic achievements by conversation with him.



Strange enough, shortly after I met him, I met a legal colleague, Mr. David Patrick and I said, “Well, we have a new lawyer Dr. Shastri Moonan within our ranks of Senators” and Mr. Patrick smiled and I asked him why he was smiling. He said, well, Dr. Shastri Moonan had called to let him know that he had been appointed and he was very pleased. Mr. David Patrick continued to say that he served on his qualification as a lawyer with Bruce Procope and himself in the chambers just further up the street and he was very much impressed by this person not only of his ability in law, but of the person's character. When I first met him, he came with recommendations from someone whom I know and whose opinion I always cherish or consider.

Sen. Dr. Moonan spoke here, I think on one or more occasions and his last contribution in this Senate was last Tuesday and he passed away just a couple of days after that—on Friday he passed away. So, he has made in that short period of time a contribution to debates; a contribution to the Public Accounts Committee even if it may not have been during a session of the committee, but he was here—because we were always fighting for a quorum. But despite all his physical problems, he would make sure that he got here in time, in order to form a quorum for our meetings.

On this sad occasion, I wish to extend, on behalf of the Members of our Bench, our best wishes to his family, whom I do not know either. A friend of mine told me what a wonderful and humane person Dr. May Moonan is, so I am putting that into the public record today, that Dr. Moonan and his family are well thought of by people. I am sure that we would miss him here because I think he had a part to play, because of his knowledge and background, in the debates or in the proceedings of this Senate and, of course, the Public Accounts Committee to which he was appointed.

Madam President, may I on behalf of the Members of our Bench wish his family, his daughter all the very best and may God bless his soul. [*Desk thumping*]

**Madam President:** Hon. Senators, let me join with you in extending sincerest condolences to the wife and family of Sen. Dr. Shastri Moonan on his sudden and untimely death.

He was a highly intelligent person with outstanding qualifications as we have heard here today, as a lawyer with a doctorate in International Finance, Strategy and Systems Dynamics and was a Dean's scholar at Harvard University. He was actively involved in his legal practice in the energy sector, in the agricultural sector and in the financial sector.

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[MADAM PRESIDENT]

In the short time that he was in this Senate, I was impressed by his contributions which were short and precise, yet contained a lot of information and were delivered without the help of any notes, coming directly from his extensive knowledge and experience. I think many of us could learn from him.

We deeply mourn his passing and on behalf of this Senate, both Members and staff, I extend sincerest condolences to his family and I have directed the Clerk to write to his wife and his family conveying the sentiments which were expressed here today.

Could we all stand, please, for a moment's silence.

*The Senate stood.*

**Madam President:** Thank you very much.

**2.00 p.m.**

**FINANCE (SUPPLEMENTARY APPROPRIATION) BILL**

Bill to provide for the supplementary appropriation for the service of Trinidad and Tobago for the financial year ending 30<sup>th</sup> September, 2006 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 be taken at a later stage of the proceedings.  
[*Sen. The Hon. C. Sahadeo*]

*Question put and agreed to.*

**STATE LANDS (AMDT.) BILL**

Bill to amend the State Lands Act, Chap. 57:01, to increase the penalties for digging or removing materials on or from state lands without a licence, brought from the House of Representatives [*The Minister of Agriculture, Land and Marine Resources*]; read the first time.

**PAPERS LAID**

1. Annual audited financial statements of the Trinidad and Tobago Mortgage Finance Company Limited for the financial year ended December 31, 2005. [*The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo)*]
2. Report on a visit of a United Kingdom Commonwealth Parliamentary Association Branch Delegation to Trinidad and Tobago, May 27, 2006—June 03, 2006. [*President of the Senate (Sen. The Hon. Dr. Linda Baboolal)*]  
[*Interruption*]

**ORAL ANSWERS TO QUESTIONS**

**Madam President:** Sen. Dr. Gopeesingh, we again have the three questions in the name of Sen. Mark and he is not here. Are we putting them off for next week?

**Sen. Dr. Gopeesingh:** Yes, Madam President.

*The following questions stood on the Order Paper in the name of Sen. Wade Mark:*

**Children's Authority  
(Non-establishment of)**

**64.** Could the hon. Minister of Social Development and Minister in the Ministry of Housing state:

- (a) the reason for the non-establishment of the Children's Authority as mandated by law; and
- (b) whether Trinidad and Tobago is in full compliance with the Articles of the United Nations Convention on the Rights of the Child to which this country is a signatory?

**Office of the Prime Minister  
(Purchase of Private Jet)**

**65.** Could the hon. Prime Minister and Minister of Finance state categorically if it is the intention of the Government to purchase a private jet for the exclusive use of the holder of the Office of the Prime Minister?

If the answer is in the affirmative, would the Prime Minister further state:

- (a) the estimated cost of such an aircraft; and
- (b) the procedure which would be followed to procure such an aircraft?

**DNA Legislation  
(Operationalising of Provisions)**

**66.** Could the hon. Minister of National Security state:

- (a) the reasons for not fully operationalising the provisions of the DNA legislation; and
- (b) when the Government expects to fully operationalise this Act?

*Questions, by leave, deferred.*

**DEFINITE URGENT MATTER  
(LEAVE)**

**Madam President:** Sen. Dr. Gopeesingh, I received your correspondence asking to raise a matter under Standing Order 12(2). After consideration, I found that it did not qualify under that Standing Order. I suggest that you resubmit it under Standing Order 11(1).

**FINANCE (SUPPLEMENTARY APPROPRIATION) BILL**

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

That a Bill to provide for the supplementary appropriation for the service of Trinidad and Tobago for the financial year ending 30<sup>th</sup> September, 2006 of the sum the issue of which was authorized by the Appropriation Act, 2006, be now read a second time.

The Bill provides for the supplementation of the 2006 appropriation in the sum of \$3,397,169,781 for the purpose of further increasing the allocation to the Interim Revenue Stabilization Fund and the Infrastructure Development Fund (IDF).

The Interim Revenue Stabilization Fund was established in 2000 to sustain public expenditure capacity during periods of revenue downturns stemming from decline in oil and gas prices and the inevitable revenue decline from the depletion of these nonrenewable resources. At the end of fiscal year 2005, the balance in the Fund stood at \$5,484,591,260.

The expenditure programme outlined in the 2006 budget statement was based on an oil planning price of US \$35 per barrel and a netback gas price of US \$3.75 per MMBTU. The revenue estimates for fiscal 2006, were based on an oil price of US \$45 per barrel and a netback gas price of US \$3.75 per MMBTU.

A commitment was given then to transfer to the Interim Revenue Stabilization Fund 100 per cent of the surplus revenue derived from the difference between the revenue estimated, based on an oil planning price of US \$35 per barrel and a netback gas price of US \$3.75 per MMBTU and that projected based on an oil planning price of US \$45 per barrel. The surplus revenue estimated on the basis of these assumptions was \$1,862.8 million.

Authorization was obtained via the Finance (Supplementation and Variation of Appropriation) Act, 2006, which was assented to on June 08, 2006, to transfer an additional \$600 million into the Interim Revenue Stabilization Fund, which brought the total sum approved for the transfer to the Fund in fiscal 2006 to \$2,462.8 million.

Based on recent estimates of revenue, the total oil revenue estimate for 2006 is projected to be approximately \$3,160 billion above the previous amount estimated, based on a US \$35 per barrel oil price. Based on these new estimates, Government is now asking the Senate to authorize yet a further deposit of \$697,169,781 into the Fund, bringing the total sum to be deposited for fiscal 2006 to \$3,159,980,552 or 100 per cent of surplus oil revenues.

Let me take a minute to outline all the transfers to the Revenue Stabilization Fund. In 2000, when this was established, we had a transfer of \$415,272,000; in 2001, a transfer of \$600 million; in 2003, \$497,400,000; in 2004, \$1,263,222,890; in 2005, a transfer of \$2,593,105,498; in 2006, we already transferred \$2,462,810,771. The Bill before us is for a further \$697,169,781. The total transfer to the Interim Revenue Stabilization Fund, at this time, is \$8,528,980,940. Interest earned and accumulated thereon is in the order of \$115,590,841, bringing to the close at the end of September 30, 2006, a total of \$8,644,571,781.

A lot of concern has been raised as to legislation being brought to this Parliament regarding the Interim Revenue Stabilization Fund. We have good news, because by this Friday we would have legislation on the Heritage Stabilization Fund being laid in Parliament. Let me also assure this honourable Senate that the draft legislation, albeit that it took some time, is robust. Some of the main tenets of this Bill include that the Fund would be US foreign currency denominated. As you could imagine, protecting against the future, it should be in a foreign currency. Most importantly, the entire 100 per cent in the Interim Revenue Stabilization Fund would be transferred to the Heritage Stabilization Fund.

We had a lot of “ol” talk all the time about how much would eventually be transferred. I am really pleased to report that the entire 100 per cent would be transferred. As a matter of fact, the Bill to be laid states this categorically. [*Desk thumping*]

There has been much concern regarding the governance structure, and rightly so; a lot of emphasis has been placed in drafting that Bill. We would, in fact, have a Board of Governors with representatives from both the Central Bank and the Ministry of Finance. Additional governance structure means that at the end of the financial year, within four months, the annual accounts for this Fund must be laid in Parliament. In addition to all this, the Heritage Stabilization Fund has taken it one step further. It is now intergenerational. We are not dealing with it from an annual year to year shortfall; we are now putting aside for a rainy day and future generations.

Approval of Parliament is also being sought for the appropriation of additional resources for transfer from the Consolidated Fund into the Infrastructure Development Fund. The IDF was established by Legal Notice No. 347 of 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 Public Sector Investment Programme (PSIP).

Operationally, the Infrastructure Development Fund is the mechanism used, in the main, to finance projects implemented by existing and newly established special purpose state entities to execute projects assigned to them by ministries, the Tobago House of Assembly (THA) and other agencies.

In the 2006 budget, the sum of \$2,300 million was appropriated for transfer to the Infrastructure Development Fund to undertake a programme of capital projects of an equal sum. The Finance (Supplementation and Variation of Appropriation) Act, No. 11 of 2006 authorized the deposit of an additional sum of \$750 million, which brought the total sum deposited into the Fund in fiscal 2006 to \$3,050 million. Madam President, the Government now proposes that yet a further sum of \$2.7 billion be appropriated for the deposit into the IDF; this would bring the total sum deposited in fiscal year 2006 to \$5,750 million.

As at August 31, 2006, the total sum released by warrant from the IDF in fiscal year 2006 was \$2,586,596,967. The projected expenditure from the Fund for this fiscal year is estimated at \$3,178,795,498. The Government is committed to prudent management of the people's resources. In this regard, when the two transactions, for which approval of the Senate is being sought, are considered, the fiscal amount is estimated to register an overall surplus of \$580.1 million. The revised estimate of revenue for fiscal 2006 is \$38.687.7 million; whereas total expenditure for the year is estimated at \$38,177.6 million.

I should probably seek to clarify this expenditure of \$38,107.6 million because, out of this, \$3,159.9 million was transferred to the Interim Revenue Stabilization Fund and, therefore, not spent; in fact, it is for investment. Unfortunately, in the present system, in terms of how it is accounted by the budget, it is deemed to be an expenditure when, in fact, it is for investment purposes. *[Interruption]*

**Sen. Seetahal S.C.:** Could you repeat the amount that you said was transferred to the Interim Revenue Stabilization Fund.

**Sen. The Hon. C. Sahadeo:** The total amount for 2006 is \$3,159.9 million transferred to the Interim Revenue Stabilization Fund. Similarly, \$2,571.2 million are resources that have been transferred into the IDF in the 2006 fiscal year, but would not have been spent at the end of the year. Consequently, for all intents and purposes, Government's projected total expenditure for fiscal 2006 would be \$32,376.4 million. For the purpose of clarity, it should be noted that both transfers

would be recorded as expenditure from the Consolidated Fund, as required by the Exchequer and Audit Act, Chap. 69:01 and, therefore, requires that Parliament gives approval by way of a supplementary appropriation. However, in the overall context of government expenditure, they do not represent additional expenditure, but merely the transfer of funds from the Consolidated Fund to the Interim Revenue Stabilization Fund and the Infrastructure Development Fund.

Madam President, I beg to move.

*Question proposed.*

**Madam President:** Hon. Senators, before I take my seat to allow you to debate, I want to bring to Senators' attention that any Members wishing to use their laptop during their contributions, must seek the permission of the Presiding Officer before the sitting. Under no other circumstances are laptops allowed to be used.

**Sen. Dr. Tim Gopeesingh:** Madam President, the contribution from this side basically revolves around discussion of two issues on this Bill. The first issue is the Interim Revenue Stabilization Fund, which would be known, subsequently, as the Heritage Stabilization Fund. The second is the transfer of money to the Infrastructure Development Fund.

I would start discussion on the question of the Interim Revenue Stabilization Fund. The revenue is predicated on the mix of the crude oil price of US \$45 per barrel and the netback of US \$3.75 million BTU and the expenditure is predicated on the oil price of US price \$35 per barrel. Therefore, the oil revenue projected to be generated is \$18.1 billion, compared with \$11.1 billion last year. So it is \$7 billion more in the generation of funds from oil revenue this year, as compared to last year.

It would be worthwhile to have an idea on what the average price of oil looked at for this year in the computing of the taxes on a quarterly basis, so that we would have an idea of how it has been generated, because as far as we understand, the taxes are generated on a quarterly basis on a supplemental petroleum tax based on the average price of the crude oil during those three months. This was, in effect, to ensure that we got greater returns on the changing prices of oil.

This year the price of oil averaged, at times, almost \$80 per barrel. Last year I think we had a significantly lower price; therefore, it is important that this Parliament becomes aware of what computation has been done in deriving the increased taxation and revenue and of the average prices of oil that have been used. It is important for the Government to give us that information.

We have spoken long and hard for almost four years on the question of the need to bring this Interim Revenue Stabilization Fund to a Heritage Fund. We would acknowledge that when it has, in fact, happened. I heard the Minister say that legislation would be coming on Friday, but we want to see that happens.

When you look worldwide as to the use of the Heritage Fund, Norway is one of the major examples, because it is one of wealthiest countries in terms of oil production. A lot of its money goes toward their Heritage Fund. Norway uses that fund for a number of purposes, all geared toward improving the quality of life and well-being of its citizens and for improving sustainable development. We would like to hear what the Government's plans are. It is said that you want to keep it for a rainy day, but we want to know what the thought processes are when we have this \$8.5 billion sterilized in the Heritage Fund. I heard the Minister mention that it generated \$150 million in interest so far. We need to be critically aware of the whole governance of that fund. [*Interruption*]

**Sen. Montano:** Madam President, Standing Order 37 indicates that it is out of order to anticipate a bill by discussion. The Heritage Stabilization Fund is about to be laid in the Parliament, therefore, we should not be talking about it at this point at all.

**Madam President:** Is that what you were discussing? Please, do not; come back to the Bill before us.

**Sen. Dr. T. Gopeesingh:** The hon. Minister in the Ministry of Finance brought out the fact of the Heritage Stabilization Fund; therefore, it was in that context that I spoke. [*Crosstalk*] I would make my discussions based on the Interim Revenue Stabilization Fund.

At the moment, the money is sterilized in the Interim Revenue Stabilization Fund. It is important for us to understand: How it has been used to generate this \$150 million in interest; what mechanisms have been used; where has the money been sent; who were the governors of this issue; whether the Central Bank alone utilized this in the purpose of gaining some degree of interest; did the Ministry of Finance do it or the Central Bank; did it get the type of income that it could, probably, have gotten and did we get less than what was possible?

It is similar to what is happening to the National Insurance Board (NIB), because there is the sterilization of almost \$11 billion. If we have \$8.5 billion in the Interim Stabilization Fund and we have almost \$11 billion in the NIB, that should be generating a lot of equity for the citizens of Trinidad and Tobago to improve the quality of life and well-being. Are we utilizing that money out of



Trinidad and Tobago in US currency alone? Based on what is happening to the US dollar at the moment, when it is falling, is it worthwhile to utilize that fund in US currency alone? Maybe it would be worthwhile to have a mix in other currencies so as to generate maximum interest from this \$8.5 billion. The question is: Are you sticking to US currency alone or are you looking to diversify your foreign currency involvement?

The next aspect of the discussion is the question of the amount of money going into the Infrastructure Development Fund (IDF). I heard the hon. Minister indicate that the Government was committed to prudent management of its resources. She indicated an expenditure of \$38 billion, out of which \$3 billion plus was going to the Interim Revenue Stabilization Fund, so it is not all expenditure. We have expenditure of around \$34.5 billion.

What we are spending on the Infrastructure Development Fund, if we look at the bottom of page 2 of the Bill, in 2006 the sum of \$2.3 billion was appropriated for transfer into the IDF to undertake a programme of capital projects of an equal sum. The Finance (Supplementation and Variation of Appropriation) Act, No. 11 of 2006 authorized the deposit of an additional sum of \$750 million, which brought the total sum deposited to \$3.05 billion. The Government now proposes that a further sum of \$2.7 billion be appropriated for deposit into this IDF, making it a total of \$5.75 billion.

I thought that it would have been prudent for the hon. Minister in the Ministry of Finance to come to the Senate to give a summary, with some degree of detail, on the expenditure on the Public Sector Investment Programme, so that we could understand why there was the necessity for additional money to be sent to this IDF. Based on analyses of what has been happening at a national level, I am afraid that we cannot agree with the statement made by the hon. Minister in the Ministry of Finance, that the Government has been committed to prudent management of its resources.

I want to take the hon. Minister through some areas where she and this present administration would understand that we are not quite convinced that there has been appropriate use for the expenditure of this amount of money at the fiscal level, but, more particularly, at the infrastructural level. They are asking for \$5.5 million to be spent on infrastructure development programmes. Let us look at the first area.

I refer the hon. Minister and the Members of this Senate to the budget presentation by the hon. Minister of finance and Prime Minister on Wednesday, September 28, 2005, where he said that he was going to spend money on infrastructure development. It would seem that on close analysis of this, you are way off course. You are nowhere near any place close to what was projected in this. Projected in this was the expenditure of \$2.5 billion. I want to proffer that

even with the budget speech, which was the determination of the Government, at that time, to deal with infrastructural projects. You have not come close to effecting what you promised, therefore, why are you asking this Senate to give you more money to spend in the Infrastructure Development Fund? Let me bring the reality to this honourable Senate.

The first area that the Prime Minister and the Minister of Finance spoke about was the question of agriculture. The hon. Minister in the Ministry of Finance has been a major player in the whole agriculture issue. The Prime Minister spoke on infrastructural development for Trinidad and Tobago in agriculture—I am staying on course, Madam President.

**Madam President:** So far.

**Sen. Dr. T. Gopeesingh:** This was quoted by the hon. Minister of Finance:

“I now turn...to our plans for the development of the agricultural sector...The sector must also be managed intelligently using an efficient information technology support and information system...”

The centerpiece of our intensified agricultural thrust is the restructuring of Caroni (1975) Limited. With the allocation of two-acre plots of agricultural land in fifteen (15) locations throughout Trinidad to former employees, we have created 7,247 new land owners and brought into productive use an additional eighteen thousand, three hundred and thirty eight (18,338) acres of land.”

As far as we are aware, not one individual has been given a title to their piece of land for the use of their two-acre plots. [*Interruption*]

**Sen. Sahadeo:** Madam President, I continue to make pronouncements on this. I really take great umbrage when they continue to mislead the people of Trinidad and Tobago. Probably, I should not take the goodly Senator’s time, but his whole statement is inaccurate. I would use my time for clarification.

**Sen. Dr. T. Gopeesingh:** We look for clarification, because it has come to our knowledge that 3,000 people have been allocated two-acres plots. We have been made to understand that, in fact, they have not gotten any titles to their land; they do not know where their lands are. It would be important for the hon. Minister in the Ministry of Finance to answer. [*Crosstalk*]

**Sen. Dumas:** Not true!

**Sen. Dr. T. Gopeesingh:** The other issue—and this is all infrastructure, as far as agriculture is concerned—is that 6,755 would receive residential lots. I know that construction is on the way. People were told that these lots would be sold at

the market value of \$25,000 or less. We understand that they are way out of range of the people who would have been able to get these lots. The lots are not being sold individually, but with homes. Therefore, we would not know whether the people who were to be given residential lots would be able to afford it, based on the market value, because the market value is going up at the moment.

The hon. Minister of Finance said, at that time that we should:

“...set the basis for a resurgence in domestic agricultural production.”

He also said:

“...and brought into productive use an additional...(18,338) acres of land.”

It would seem as though this never happened, because our agricultural sector has fallen tremendously and the contribution of the agricultural sector to our revenue has been less than 2 per cent falling on a yearly basis over a period of time. As a result of deficiencies in the agricultural sector, the inflation has gone up in the price of food. We now have to import almost \$3 billion in food on an annual basis.

If it was predicated in the budget that \$2.5 million was going to be spent on the Infrastructure Development Fund and this is part of the infrastructure development aspect in terms of Caroni and the agricultural sector, the Government has fallen woefully short in reaching its requirements and predictions in the implementation of what it has been able to do.

The next area the hon. Minister of Finance talked about in his budget statement on infrastructure was the priorities for Trinidad and Tobago in fiscal year 2005/2006. He went into a number of areas in terms of priorities. One of the areas he said was an increased emphasis on personal security. This may draw the attention of the hon. Minister of National Security. As far as infrastructural spending on national security, we know that the State purchased over 149 additional police vehicles. It was predicated that five more police stations would be worked on; they would rebuild six more police stations; they would open the police training school; they would buy four helicopters; six fast patrol boats; three offshore patrol vessels; they would have a 360-degree radar system; sky watch units; an aerial surveillance system outfitted with radar and imaging systems and forward-looking infrared cameras.

If this present administration had been able to achieve all of that, which I believe they have not, it is important that the hon. Minister of National Security clear up the predictions of what the Minister of Finance said in terms of infrastructural development to improve the Ministry of National Security and the

personal security and safety of individuals in Trinidad and Tobago. Even if the Minister has, in fact, been able to purchase all these things, the resulting success has not proven to be to the benefit of the people of Trinidad and Tobago. Is it money spent unnecessarily, money spent wastefully or money spent without utilizing the things that it was spent on to the benefit of the people?

We see, and everybody knows, that the crime situation has not turned around. Crime continues to escalate. Even with the plethora of spending and the over excessive spending by the Ministry of National Security in the purchase of all these: four armed helicopters, six fast patrol boats and a 360-degree radar system, we have not been successful in curbing the crime situation. *[Interruption]* Do you want to respond now? I would give way.

**Sen. Joseph:** Thank you for giving way. We have not yet purchased the three fast patrol vessels. We have not yet purchased the four helicopters, so to say that all these assets have already been acquired—in fact, they have not been, at this particular point in time.

**Sen. Dr. T. Gopeesingh:** This is what his hon. Prime Minister and the Minister of Finance said they were going to do in the 2005/2006 fiscal year and the fiscal year is almost at an end. Money was put away under the PSIP and the Infrastructure Development Fund for those purposes. *[Desk thumping]* If these things have not been bought, where has the money gone? Why are you asking us to give you more money to spend in the IDF? These expensive items of three offshore patrol vessels and so on, a significant amount of money was allocated for their purchase and they were not purchased. Where has the money gone?

**Sen. Dumas:** They are not in a showroom! You do not buy guns in a showroom!

**Sen. Abdul-Hamid:** “Yuh feel is a pants?” *[Laughter]*

**Sen. Dr. T. Gopeesingh:** Can we approve what they are asking for to put in the IDF? The Minister might also want to answer the other issue, the repair of the police stations. We all know that one of the major complaints by the public and the Ministry of National Security personnel is the question of dilapidated police buildings. You all said that you were going to build five police stations, in Mayaro, Gasparillo, Belmont, Tunapuna and Toco and that you were going to improve Roxborough, St. Joseph, Manzanilla, Maracas, Old Grange and Matelot. *[Interruption]*

**Hon. Senators:** Happening!

**Sen. Dr. T. Gopeesingh:** All under construction; we hear this all the time: they are under construction. [*Desk thumping*]

**Sen. Dumas:** Happening; performance!

**Sen. Dr. T. Gopeesingh:** When is the finishing time, hon. Minister? You could start them and say that they are under construction. [*Interruption*]

**Sen. Joseph:** The five police stations that we alluded to are being constructed and the expected opening day, the outer limit, is about January 2007. In terms of the repairs and refurbishment of the police stations, they are, in fact, being done, so much so that our police could respond quickly to calls being made by any of our citizens, as it relates to problems they are encountering.

**Hon. Senator:** “Yuh sure yuh did not build one in Maraval?” The Maraval police respond quickly. [*Laughter*]

**Sen. Dr. T. Gopeesingh:** He tried to bait me into some discussion, but I would not go into that. He is being dirty. I would not go down to his level. [*Crosstalk*]

The question is: Have you spent the money adequately on these police stations? [*Interruption*] You said that they are under construction?

**Madam President:** Senator, please address me; I would ask him.

**Sen. Dr. T. Gopeesingh:** We want to know how far these constructions have gone, whether 10, 20, 70 or 80 per cent and what is the time of completion? You could say anything has started. [*Crosstalk*]

**Sen. Dumas:** At budget time!

**Sen. Dr. T. Gopeesingh:** I am putting to the Minister that he said he had this money to spend on infrastructure. The Prime Minister and the Minister of National Security said that this amount of money was going to be spent on those projects for the Ministry of National Security so as to improve the security of citizens of Trinidad and Tobago. At the end of fiscal year 2005, you are now telling us that you have not purchased about four of these major items and that construction is now starting. [*Crosstalk*]

**Sen. Dumas:** “Doh try that.”

**Madam President:** Senator, I have asked you not to engage across the floor. If you would address me, then the Minister would reply, if he so desires, at the end of your contribution.

**Sen. Dr. T. Gopeesingh:** Madam President, thank you for your comfort and protection. [*Laughter*]

**Sen. Joseph:** “Yuh sure where yuh could get protection.” [*Laughter*]

**Sen. Dr. T. Gopeesingh:** Certainly. Touché. [*Laughter*] No man is infallible. [*Crosstalk*] Let us move to the Ministry of Education. This would be addressed to the Minister of Education.

**Madam President:** Address me. [*Laughter*]

**Sen. Dumas:** Address the Chair; “yuh see, yuh looking for trouble again”.

**Sen. Dr. T. Gopeesingh:** One of the issues mentioned on page 16 of the budget presentation by the hon. Minister of Finance was that our goal was to achieve universal childhood education and early childhood care education by 2010; fine; this is noble:

“This calls for the construction of 600 early childhood care education centres to cater for some 30,000 three- to four-year olds; 50 of these centres will be completed and established during this fiscal year.”

I think Members of this Senate are owed some degree of clarification, as to how many of these early childhood care centres have, in fact, been established.

Concerning primary education, the Minister of Finance said:

“At the primary level, the Government would rebuild some 150 primary schools to replace schools which are up to 50 years old. In fiscal 2006, 20 of these schools which cater for approximately 10,000 pupils would be reconstructed.”

So in fiscal year 2006, 20 of these primary education schools were supposed to be constructed. We want to know how much money was spent and how many of these schools were constructed. We also want to know about the early childhood care centres.

Secondary education—this is all concerning infrastructural development by the Ministry of Finance.

“At the secondary level, the major initiative is the de-shifting and conversion of junior secondary schools to five- and seven-year schools as well as the conversion of senior secondary comprehensive schools to seven-year schools.

At present, two-thirds of our secondary school population attend five- and seven-year schools...

In fiscal year 2006, an additional 10 schools, five junior secondary schools and five senior secondary schools would be de-shifted allowing an additional 3,200 students to benefit from full-day schooling during this academic year.”

So we had pledges by the Minister of Finance in his budget presentation for fiscal year 2006, that these were the things that would be done and the money allocated was under the Infrastructure Development Fund in the Public Sector Investment Programme (PSIP). The Ministry of Education, in terms of construction, has fallen woefully short as far as their targets are concerned; therefore, the moneys should be somewhere in the PSIP or the Infrastructure Development Fund. We are not going to accept the fact that we need to put more money to bring it to \$5.5 billion when the Government has not been able to implement what was required. *[Interruption]*

**Sen. Manning:** Madam President, I would like to tell this honourable Senate that, at this point in time, there are 20 early childhood centres under construction *[Desk thumping]* and we have been able to identify over 110 sites, so we are now compiling and making sure that we could purchase. The funding identified there is for purchasing and construction of the 20. *[Desk thumping]*

Where the primary schools are concerned, one has started in Icacos. Mobilization is now taking place and construction would start shortly. The designs for over 20 other primary schools have been completed and the funding identified in that budget has been used for those designs and the start up of that one primary school. Before the end of this year, construction would start for the other schools.

As for secondary schools and the deshifting programme, in September of this year, as schools opened, eight junior secondary schools and eight senior comprehensive schools were deshifted and converted. *[Desk thumping]*

**Sen. Dumas:** Delivered! *[Interruption]*

**Sen. Ali:** Madam President, while the hon. Minister was replying to Sen. Dr. Gopeesingh’s question about early childhood centres, I thought that the budget statement last year said that 50 of the 600 would be completed and now I am hearing 20.

**Sen. Dumas:** They said it would be constructed. *[Crosstalk]* You cannot construct a school in a year; you know that Sen. Ali. *[Crosstalk]*

**Madam President:** Senator, since there are so many questions, maybe at the end of your contribution, the Minister of Education could make her contribution and put it all on the table, otherwise it would be taking a lot of your time.

**Sen. Dr. T. Gopeesingh:** Thank you for protecting my time, Madam President. *[Interruption]* I hope by you as well, hon. Minister.

The hon. Minister indicated that they have started work on only 20 of the promised 50 early childhood centres.

**Sen. Manning:** We have to purchase land.

**Sen. Dr. T. Gopeesingh:** As far as the primary schools are concerned, you said that you started one out of the promised 20.

**Sen. Manning:** We have designs in hands.

**Sen. Dr. T. Gopeesingh:** Concerning the secondary education, we are not sure where they have reached for the moment. The point we are making is that they come with esoteric plans at the beginning of a budget debate, knowing full well that their capacity for implementation and their capacity for bringing things to fruition is beyond their reach and capability. They stretched their imagination with ideas of illusionary things, where they felt that they could have achieved this; big budget speech and big budget debate: "We are going to do this and that," and in reality they fall woefully short.

**Sen. Dumas:** In reality it is being done.

**Sen. Dr. T. Gopeesingh:** What about tertiary education? The Minister of Finance said:

"The University of Trinidad and Tobago (UTT) has been accelerating its development thrust and has made significant progress this fiscal year."

So they are going to build UTT campuses. He said that O'Meara would be completed by January 2006."

**Sen. Abdul-Hamid:** Finished.

**Sen. Dr. T. Gopeesingh:** He continued:

"...construction of the new UTT campuses at O'Meara, which will be completed by January 2006; Chaguaramas, the main campus at Wallerfield (to be completed by September 2008); and in Tobago at Battery Point..."

We are saying that they are not completed; another esoteric desire and wish by this administration; wishful thinking; completely unfulfilled.

**Sen. Dumas:** You want to build a city in a year?



**Sen. Munro:** We could do it.

**Sen. Dumas:** Which city?

**Sen. Dr. T. Gopeesingh:** Madam President, I move next to an area which both you and I share very closely, the question of quality health care. Regarding infrastructure, as far as health care is concerned, he said:

“By 2007, we expect that the construction of the Point Fortin and Scarborough Hospitals...”

I want this honourable Senate to listen:

“...the National Oncology Centre and a new wing of the San Fernando General Hospital would all be completed. This would be followed by a new fully equipped health care facility for the residents of San Juan, Barataria, Diego Martin, Carenage, Petit Valley, Debe, La Romain and Ste. Madeleine.”

The Point Fortin Hospital has been promised since the 2002 budget debate. Four years ago, this administration promised that they would construct the Point Fortin Hospital. It is an abominable shame when the roads from Point Fortin to the San Fernando Hospital are so dilapidated that if somebody gets a heart attack at the Point Fortin Hospital, by the time he reaches the San Fernando Hospital he would be dead.

**Sen. Dumas:** “When last you went Point?” [*Interruption*]

**Sen. Dr. T. Gopeesingh:** “Oh God, ah giving way again.” [*Crosstalk*]

**Madam President:** A barrage of questions, so you have to get answers.

**Sen. Yuille-Williams:** I live in the South. When last have you travelled from San Fernando to Point Fortin? Those are some of the best roads you can find. Be honest with what you are saying. [*Crosstalk*]

**Sen. Dr. T. Gopeesingh:** The point is, your administration promised that the Point Fortin Hospital would be built since 2002; it is now 2006, and not one scratch of foundation nor one brick has been put up. What about the Scarborough Hospital? The Tobago House of Assembly Chief Secretary is frustrated, because that hospital, which was predicated to cost \$120 million, has already reached over \$100 million in overruns. Only the foundation has been constructed and work has stopped since May last year.

The Commission of Enquiry into the construction of the Scarborough Hospital revealed that somebody has to be found accountable for the mess. This is the same administration which, on a daily basis, is telling us about the Piarco Airport. Look in your own backyard and see what is happening with the Scarborough

Hospital. No work is being done; the Commission of Enquiry has found people culpable of doing wrong things; the construction man has just moved out completely; they have spent over \$100 million more and nothing has happened. [*Desk thumping*]

**Sen. Dumas:** You know that it is in arbitration.

**Sen. Dr. T. Gopeesingh:** I want to draw the attention of this Senate to some articles: “Public health care ‘woeful’”; “Problems aplenty in health system”; “Commission finds serious problems in health sector”.

In the *Newsday* of Friday, September 8; the *Guardian* and *Express* newspapers: “Health care service talks run into first-day woes”.

This administration is so grossly incapable of doing anything. [*Crosstalk*] Look at what has been said. [*Interruption*]

**Sen. Dumas:** We went to clean up your mess.

**Sen. Dr. T. Gopeesingh:** I would tell you what we have been able to achieve. [*Crosstalk*] I would not engage him in any talk, because he knows that my work in three years has been unparalleled and unsurpassed as far as the health sector is concerned. [*Desk thumping*] I could stay here and enumerate for you what we had done in the health sector during our time. [*Crosstalk*] I put up a 12-bed intensive care unit in three months at the Port of Spain General Hospital. It would cost the average poor person \$100,000 if they have to stay in an intensive care unit. The average poor person does not have to pay a cent at the intensive care unit (ICU) at the Port of Spain Hospital. So many hundreds of lives are saved at the ICU. This is just one area.

I refurbished 17 out of 20 wards. I built a new mortuary for them. I put a new pharmacy area at Port of Spain. I built four new wards at Port of Spain. I also established a new chemotherapy fume chamber. I could give you two pages of what we have been able to do under my administration.

Look what a commission of enquiry had to tell this Government:

“After 18 months of investigation, a commission of enquiry into the operation of public health care services has found that poor management, lack of accountability, medical malpractice, outright misappropriation of government property and financial mismanagement have contributed to ‘monumental woes’ in the health system.”

This is it.

**Sen. Dumas:** Tim, you have to be careful.

**Sen. Dr. T. Gopeesingh:** The Commission of Enquiry was not supposed to be making and implementing things. You have the Regional Health Authorities and the Ministry of Health to implement things. Hear what the Commission of Enquiry had to implement:

“These included the relocation of the laboratory at the San Fernando Hospital, which was in such a deplorable condition that even the commission could not visit it...

Madam President, you remember all the cockroaches and rats in the kitchen at the San Fernando Hospital?

**3.00 p.m.**

The Commission of Enquiry has to do that, where are the people in the health sector to implement these things? They have to give radiation shields which are now installed at the Radiology Departments of Port of Spain and Point Fortin Hospitals. A commission of enquiry has to do that? Where are the people within this administration capable of doing little things like that? It is for everybody to hear and see that this Government is woefully incapable of implementing anything.

The dark room of the Radiology Department at the Caura Hospital now has extractor fans. This is what a commission of enquiry has to tell the administration; to get extractor fans, a bronchoscope was acquired in 2005; stand-by generators and air-condition units for Scarborough Hospital; a sterilization unit. These are routine, mundane things which should be automatic to any working regional health authority with good efficient management systems.

Madam President, all that we did from 1997—2000 have all gone to naught in about five years. All the improvements which we made during our three-year period, remember we met a PNM board in 1995—1997 which we kept and it is our administration that started to work on the health sector in the latter three years from 1997 to 2000.

So the laboratory at the San Fernando General Hospital is in decay and the kitchen has rats and roaches. They promised a Burns Unit to the hospital; there is not even an iota of construction. District health facilities are supposed to be built in south; there is one at St. James and one at Oxford Street. We had built two district health facilities during our short period; they have had four and a half years and have not built one district health facility.

The Oncology Centre which is \$120 million, they have spent almost \$30 million on it and nothing has been put up as yet. They said they were going to bring a national insurance system and have one employer bringing the RHA employees and the Ministry of Health workers together and nothing has happened.

Let us move on to housing. They said there are many in this country who face real challenges to home ownership because of the inability to access mortgages because of income constraints. High cost of construction just takes this dream beyond the reach of many, particularly females earning less than \$3,000 per month.

**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. J. Kernahan*]

*Question put and agreed to.*

**Sen. Dr. T. Gopeesingh:** Thank you, Madam President. I think that I should get an extra five minutes, not that I want to use it, but because they have utilized so much of my time.

The point I want to make on housing is that you are building homes, fine; we acknowledge that the people of Trinidad and Tobago will, to some degree, have to benefit from the construction of these homes but they are not constructed for poor people because the cheapest house one can get from the Housing Development Corporation (HDC) is to the value of almost \$200,000. When we know that one-third of our population is earning less than \$3,000 per month, how is the poor person going to purchase one of these houses, which are the lowest on the market? Therefore, this housing programme is not designed for poor people; it is designed for their friends in a higher income group and the middle-income group. They are not really designed for the poorer people in Trinidad and Tobago; those who own a party card will be able to get a house and they will be able to use it for voter padding. [*Interruption*] But we have asked the Elections and Boundaries Commission (EBC) to take a careful look at what is happening as far as these houses are concerned, and who are going to be registered in these houses and we have made them acutely aware of where the problems are going to be, so if you think you can voter pad and get away with it this time, or use muscle power as you used in 2002, you are sadly mistaken.

Madam President, as far as culture is concerned; the Minister in the Ministry of Finance indicated that they will establish two academies for the performing arts; one at the Princes Building Grounds at Port of Spain, and the other at Todd Street in San Fernando.

Madam Minister, this is close to your heart, has work started on the Performing Arts Centre at the Princes Building Grounds and the other at Todd Street in San Fernando? He also said that work will commence in early 2006 and these facilities will allow our national instruments to play side by side and match the virtuoso of international orchestras. Still a dream!

[*Sen. Yuille-Williams stands*]

**Sen. Dr. T. Gopeesingh:** “Oh gosh, yuh going and take meh time again?”

**Sen. Yuille-Williams:** I am not going to make a contribution.

**Hon. Senator:** You asked the question, you have to get the answer.

**Sen. Yuille-Williams:** The contracts are already drawn up, and Shanghai is here to construct both facilities. We are well on our way and, Senator, you know it is happening. I say yes to everything you asked.

**Sen. Dr. T. Gopeesingh:** I know that is dear to her heart, but she has sat and allowed her administration to carry her for almost a year before doing anything.

**Madam President:** Senator!

**Sen. Dr. T. Gopeesingh:** Do not get impatient, Madam President, these are facts.

**Sen. Yuille-Williams:** It is happening.

**Madam President:** I have sat and listened and what you are really doing is having a budget debate, but because it is a money Bill, I cannot really—everybody will have the opportunity in the debate to give you that information, so maybe if you could bring it back a bit.

**Sen. Dr. T. Gopeesingh:** Yes, I am bringing it back because I want to talk about sports and recreation as well. They said that sporting community facilities including swimming pools, cricket and football fields, and multi-purpose courts will be developed in Diego Martin, Pleasantville, Toco, Point Fortin and Santa Cruz.

They said they will develop several recreational grounds: Yolande Pompeii, Irwin Park, Eddie Hart Grounds, Morvant, Soogrim Trace, Laventille, Charlotteville and so on and in 2006 they intend to spend over \$100 million in upgrading and improving community recreation grounds all over Trinidad and Tobago.

Madam President, none of these things have begun. The sports council has been formed and it has done nothing as far as improving the sport facilities in Trinidad and Tobago.

**Sen. Dumas:** I opened Edinburgh Facility last week, Couva/Tabaquite/Talparo.

**Sen. Dr. T. Gopeesingh:** The George Bovell thing is now being constructed, all these promises after he won the gold medal, far away from completion.

**Sen. Yuille-Williams:** Senator, I really want to listen to you but you are running through and you know it is not true. Cocoyea Community Swimming Pool is finished. Would you like to have a swim? [*Laughter*] It is one of the most beautiful swimming pools in San Fernando, and the others are on stream. Please, let us get on.

**Sen. Dr. T. Gopeesingh:** That is one out of so many, even though I do not authenticate your veracity on that issue. I am not sure there is veracity on that, but anyway, that is one out of so many.

Madam President, why must there be construction of a Brian Lara Stadium in Tarouba? We had debated that ad infinitum already. Nine hundred and fifty million dollars being spent when we have four stadia, we have Queen's Park Cricket Ground which could have held the cricket, but you want to build something which at the end, that construction will be costing over \$1.5 billion.

What about the Port of Spain International Waterfront Project and the reconstruction of the Red House and the Government Campus Complex? The company called the Urban Development Corporation of Trinidad and Tobago Limited (UDeCott) is now spending over \$2.5 billion on this. There are four persons controlling \$2.5 billion. The Chairman of UDeCott is the Chairman of the Home Mortgage Finance Bank and the National Insurance Board (NIB) so one gentleman, Calder Hart, is controlling \$10 billion at NIB, \$2-point-something billion at UDeCott, and the Trinidad and Tobago Mortgage Finance Company. So as a foreigner, he is a Canadian, and he is controlling almost \$14 billion of our money, Madam President. Where have we gone? And this man cannot account to the Joint Select Committee of Parliament what he is doing with the money and four persons from UDeCott—

**Sen. Sahadeo:** Madam President, this is really inaccurate information.

**Sen. Dr. T. Gopeesingh:** Well, you will clear it up.

**Sen. Sahadeo:** Madam President, Mr. Calder Hart is not at the Home Mortgage Bank.

**Sen. Dr. T. Gopeesingh:** So he is at the Trinidad and Tobago Mortgage Finance, NIB and UDeCott, and four persons who are the board directors of UDeCott are the ones who do the evaluation for all the tenders and projects of UDeCott and we have \$2 billion being spent on the Government Campus and the waterfront and they have not accounted one iota to those who have sat on the Joint Select Committees. Somebody has to be jailed because of this, Madam President,

**Sen. Dumas:** So you want to jail somebody without going through the court?

**Sen. Dr. T. Gopeesingh:** You are having a big splash on the waterfront, and you cannot account for the expenditure.

Madam President, they talk about sustainable management of environmental assets, look what appeared on the newspaper on Sunday.

**Sen. Joseph:** “You does believe everything yuh see in the papers?” [*Laughter*] [*Desk thumping*]

**Sen. Dr. T. Gopeesingh:** It is here. “I doh believe in ‘Rag newspapers’, this is a daily newspaper.” “Rag newspapers” fake all sorts of problems. You believe everything on this, not in “the rags”.

“T&T’s ‘oldest’ building faces demolition”

Madam President, the hon. Minister of National Security has been trying to reconstruct the Police Training School, \$14 million has been spent on that already and it seems as though they are deviating from the original thinking.

This is an article written in the *Sunday Guardian* of September 10, 2006:

“St James Barracks immortalised by artist Cazabon”

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

**Sen. Dr. T. Gopeesingh:** And you are giving me an extra three or four minutes? At least I am engaging their attention; they are listening, so that is important. But they must listen, and not take it as glib talk in Parliament. Listen to the seriousness of what we are saying to you all. You came with esoteric plans and have not been able to deliver and, therefore, you are asking for more money to put into the Infrastructure Development Fund.

Madam President, the article says:

“St James Barracks as drawn by Trinidadian artist Jean-Michel Cazabon in the 1850s.

Work at the 187-year-old St James Barracks has ground to a halt as the Ministry of National Security re-evaluates the \$14.2 million refurbishment of the Police Training College.

There are fears, however, that the Ministry may be contemplating demolishing the historic buildings built in 1819.”

Its real symbol is what it represents; it is a symbol, a physical manifestation of the people of the police established in Trinidad. It goes on:

“But history buff and publisher Gerard Besson fears these difficulties may tempt the authorities to tear the buildings down.”

Madam President, this Government has a propensity for tearing down anything that has some degree of nobility and tradition. They break up Caroni (1975) Limited; they break up Trinidad and Tobago Television (TTT); they are breaking up BWIA, my time would not permit me to talk, but I want to talk about it subsequently and now the St. James Barracks, almost 200 years old and they want to break it up.

**Madam President:** You will have an hour during the budget to talk on it.

**Sen. Dr. T. Gopeesingh:** All right. Madam President, I have given enough facts and information to substantiate our claims on this side that this Government had been woefully inadequate, incompetent, and incapable of accomplishing the tasks it set by the Finance Minister, who in his budget presentation said we will do this and we will do that. If you ask them to do a performance appraisal of the infrastructure development over fiscal year 2006, you will find that they have not even completed less than 20 per cent, and a whooping \$3 billion has been allocated to the Government under the Public Sector Investment Programme and the Infrastructure Development Fund.

I am sad to say that we on this side will not be able to support any issue of their wanting to allocate a further sum of money to the Infrastructure Development Fund to bring it to \$5.5 million.

Their woeful spending, overspending, and overheating of the economy—the Central Bank Governor told them they are overheating the economy. Inflation has gone up by 8 per cent and food prices have gone up by 100 per cent in the four years they have been in office, and still they are overspending on projects that are not being brought to fruition and completion.



Madam President, I think it is not BWIA that has to close down; it is this Government that has to be closed down.

**Sen. Basharat Ali:** Madam President, I join this debate needing a lot of clarification on numbers, and I hope that the hon. Minister in the Ministry of Finance will be able to provide such numbers as we go along.

I will divide my contribution into three sections: revenues, the Interim Stabilization Fund and the Infrastructure Development Fund.

Madam President, I have been having much difficulty with the numbers as they appear for the calculation of what revenue is, what expenditure is, and what a surplus is, which normally will go into the Interim Revenue Stabilization Fund.

First of all, I am assuming—as I have heard often said or written here—that we are talking about revenue from oil and gas so that is the first thing I want to clarify. Are we really talking about revenue from oil and gas? Let me speak to a number of figures which have appeared for the first time as far as I know this year.

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

**Sen. B. Ali:** I am sorry. I was looking for my papers and my number and the figure. The second paragraph on page 2 of the Senate document speaks of the original estimate of \$16,204,971,491 which was based on an expenditure planning price of US \$35 per barrel and a gas price of US \$3.75 per million btu.

In other words, this is the limit of expenditure that the Government can make based on that oil and gas price. So when in the same paragraph it is said that additional revenue of \$3,159,980,552, I got a total of those two items of oil revenue based on the expenditure prices of US \$35 per barrel for crude and US \$3.75 for gas, plus this surplus revenue which they have given, and I get a figure of \$19,364,952,043. That is one figure I would like you to keep in mind, Madam President through you, to the Minister in the Ministry of Finance.

In the 2006 budget estimates for the fiscal year, I am assuming once again that the revenue was based on US \$45 per barrel for oil and US \$3.75 per million btu for natural gas and in the documentation, if one goes through all the revenue, I have highlighted three items: one is tax from oil companies; and the figure for that is \$16,384,140—I have rounded it off to make life a little simpler for me; the second one is under the heading of Property Income and its share of profits from production sharing contracts, and I presume this is a contract like BHP Billiton which started producing crude oil last year into this year, and that share of profit

is given as TT \$430,600; and the third item is another property income item which is Royalty on oil and gas and we are given the chapter and verse for the Petroleum Act, and that figure is \$1,548,479. When I add those up from the 2005/2006 budget, I get a figure of \$18,363,219.

So the difference between that figure and what I worked out before as the total revenue with additional surplus is just about \$1 billion. That is the difference I am seeing between those two, so my question is what gas price and crude oil price have we really used to do these calculations?

**Sen. Bro. Khan:** Point, point.

**Sen. B. Ali:** Madam President, I keep hearing what the crude oil price is not, but not what it is. It is said it is not West Texas Intermediate, which is a high price that one reads about and is posted in the newspapers every day. It is not that, but they do not say what it is.

I am brave and I want to give some free estimates as consultant Ali, no charges. I have some price estimates for fiscal 2006, and for crude oil I have worked out a figure of US \$60 per barrel; on the basis of West Texas Intermediate, US \$66 per barrel and that is broken down into two areas: East Coast crude, which is a high quality crude, 92,000 barrels per day, and Trinmar and land crude 58,000 barrels per day. That gives a total crude production, and I think maybe, a conservative figure of 150,000 barrels per day and the price of the East Coast crude of \$66 which is the same as the West Texas Intermediate figure and the Trinmar, I have made a deduction of \$16 and go to \$50.

I have sounded out some of my colleagues in the field and they say that is a good estimate for the non-East Coast crude. So the weighted average price of this crude of which I am talking is US \$60 a barrel for 150,000 barrels per day. I am of the view that the difference between that \$45 and \$60 is substantial and we should be getting more than what we have put down in the Interim Revenue Stabilization Fund, the \$3.16 billion.

More than that, when we look at the natural gas for the same period, I have worked out a well head price of gas which goes into LNG only, of US \$6.75 per million btu and that is based on what I conceive as a Henry Hub gas price, that is the US price.

One may have heard the Prime Minister talking about that quite recently, that we get 35 cents over Henry Hub in a couple of ports in the United States of America. My average for that same period, fiscal 2006, will be \$9.30 so I have allowed \$2.55 for all those costs.

The hon. Minister in the Ministry of Finance would be well aware of those costs that have to be backed out to get to the well head from point of delivery to the consumer and right back to the well head production. That is now part of the law in the most recent amendments to the Petroleum Act, where it was spelt out on what natural gas price will be based, at least for those elements which go into LNG.

Madam President, I am seeking information from the hon. Minister in the Ministry of Finance and she is a lady who is well versed in transparency in the extractive industries. I know she is, so I am asking. This country now needs to have more transparency of what our crude oil price is, how it is based, and what our natural gas price is when you tell me \$3.75 per million btu.

**Sen. Dr. Gopeesingh:** You are a man who lived your life in the energy sector.

**Sen. B. Ali:** I did indeed and I stand by it. So I am saving something for the budget, Madam President. Do not be afraid but this is important because we are asking for certain sums of money to be put into a fund which we are all thinking is a fund for the future, whether it is the Heritage Fund, rainy day or whatever you choose to call it, and if we are not giving the right figures, or if we are looking at lower numbers than we should, then we are really shortchanging ourselves.

So I hope that the Minister in the Ministry of Finance will be able to tell me all about how this additional revenue of \$3.16 billion came about—I am sure all of us will like to know—and give us the confidence that the amount going into the Interim Stabilization Fund is really what should be going in.

Madam President, there is a perception in some quarters of the energy sector that natural gas revenues are under-reported in our national accounts, and it is a position with which I agree and subscribe to and I have spoken about it previously. No account of tax revenues of National Gas Company—and I speak of it as a group—which buys and sells natural gas which also is in the LNG business, or which has shareholding in Phoenix Park, no account is taken of tax revenues of that group, or of Atlantic LNG for example, or of the very many petrochemical plants that pay tax into the Consolidated Fund.

I think it is important that we do that because we claim that we are now a gas-based industry and if we go on the basis of thermal values, we are producing 4.5 times the amount of crude oil production in what is called barrels of oil equivalent. So we really need to do something about that, and when we speak about the downstream petrochemical companies, I went on the Internet before I came here, and I was shocked.

Methanol prices: Methanex Corporation, a company which owns Atlas, or one of these big methanol plants, was posting \$442 per metric ton for methanol for September, October and November. That is the highest price I have ever seen. It was \$345 or \$350 and now it has suddenly gone there. I do not know why, but at that price, it is a big added value effect.

NGC should be getting a good part of that because it has a flexible gas price contract so when the price goes up on methanol, they get more. Methanol of course, also makes a profit. All the methanol companies are making a profit.

Ammonia is the same story, the last figure I saw was \$310 per metric ton. That is a lot of money again; a lot of revenue based on natural gas and that is direct natural gas revenue. Not where it is being used as fuel, where it is a chemical, in fact, much of that is not shown or being recorded into our accounts at all and I feel it is time that we do that.

This group of persons who have come forward with that are recommending that we should remodel our national accounts to include gas revenues from all sources and they further state that it has been done at the Central Statistical Office (CSO) for a couple of years now. It is now reflected, so in the GDP for example, there is a reflection of not only oil but of gas and we are a gas-based industry so this is what I am asking or recommending should be looked at.

For those who may wish to read about it, it is in the *Business Guardian* of August 31, 2006. It is a commentary by the South Chamber of Industry and Commerce, so I will give this as recommended, and I will say that I concur with that element of it. If we are to take all that into account in calculating our Revenue Stabilization Fund or Heritage Fund—whatever you choose to call it—then we will be getting more money into that Fund, hopefully.

**3.30 p.m.**

My second area is the Interim Revenue Stabilization Fund. According to the calculations that have been done, this Fund will be going to TT \$8.5 billion by the end of fiscal 2006, which is in three weeks time.

We often hear of Norway as a model in terms of such funds. Madam President, I will just give some comparison of information between what we have in Trinidad and Tobago and what there is in Norway. Our population is 1.3 million people. The fund at \$8.5 billion gives a per capita of TT \$6,540 or US \$1,040. That is 9.4 per cent of GDP of US \$11,000.

Look at the Norway Fund or the Petroleum Fund as it is called—the population of Norway, I am surprised, is really only 4.6 million—a very strict fund, now has in it more than US \$150 billion. That is a lot of money and that is equivalent to TT

\$945 billion. If we start going on a per capita basis again, in Norway, that is equivalent to TT \$205,000 or US \$32,600 per capita. That is equivalent to 77 per cent of the GDP of US \$42,300; their GDP latest figure is that amount.

We see then that we are going in the right direction but we should not pat ourselves on the back too much; we have a long way to go with this big difference that we have here. It all relates to fiscal discipline.

In Norway, in their budgeting, they say non-oil deficits must be equal to, or less than, the income on their Petroleum Fund. That is their guideline and, of course, sometimes they have to react to that. The money is always being saved and it is there, not for a rainy day—

**Hon. Senator:** Intergeneration.

**Sen. B. Ali:** That is for their intergenerational income, the words we hear so often. Madam President, I am saying for sustainability, we need to spend less and save more.

I now move to the third item, the Infrastructure Development Fund. Madam President, my notes said in one fell swoop, maybe in two swoops, that that Fund has moved from the original budget of \$2.3 billion to \$5.75 billion. The increase in that Fund has taken place between June and now, because \$750,000 was the amount that was put into that Fund in the Finance (Supplementation and Variation of Appropriation) Bill, in June 2006. The figure which we are putting now is \$2.7 billion, which carries that Fund to this \$5.75 billion. That is a lot of money. I know the hon. Minister in the Ministry of Finance would say that we are not spending that money, it is money that is committed and it is released to companies—and these are prime companies—all ministries for that matter, for them to expend.

Most of the Infrastructure Development Fund is going to these special purpose companies, whether it is UDeCOTT, National Infrastructure Development Company or the Education Facilities Company. While I was preparing for this debate something struck me in terms of advertisements. I would like to bring it to this Senate that on Friday 08 and Saturday 09, September, 2006 there were some invitations to tender issued by the National Infrastructure Development Company (NIDCO) for a total of some 33 activities. I am not going to go through them because they are all there. I have them in three categories; one is actual tenders to contractors. This is for works for which, presumably, there is design and everything else. All of them are scheduled to commence in November 2006. All of them are starting at the same time, according to the tender documents. They do

not give people an awful long time to receive the tender documents. This one, for example, the tender document would have been available on September 08, which was last week, and it would be closing on September 29, 2006, Cascade River Rehabilitation Works. There are a lot of them like that.

There is a substantial one in the whole lot that is a big project—I think we read about it before—an invitation to tender for the Construction of the Solomon Hochoy Highway Extension, Golconda to Debe. This is an item which came from the budget speech, in fact, and it is now going out to tender. You can buy this tender for \$5,000 from September 08, 2006 and the closing date for the bids is October 17, 2006. Madam President, are we giving these people enough time to prepare bids, under these circumstances, for a big project like this one?

The other items here—one of them is interesting—which stands alone is one for Provision of Design and Construct Services for Improvements to Diego Martin Valley Access and Provision of Access to Secondary Schools. This is a bid document available on September 05, 2006 and the closing date is September 29, 2006 so by the end of this month, after four weeks, if you have not got a bid you have not got a chance to tender for that one.

The others which I have are all for consultancies, which I understand. They are: Proposal for the Provision of Consultancy Services for Detailed Engineering Design for Improvement to the Western Main Road; Coastal Protection Works at Blanchisseuse, Matelot, Grande Rivere, Sans Souci and Toco; Detailed Engineering Design for Uriah Butler Highway—Construction of an Additional Southbound Lane from Churchill Roosevelt Highway to Chaguanas; Flood Mitigation and Integrated Watershed Management Project for Caroni River Basin. I think there are seven of these, Flood Mitigation and Integrated Watershed Management Project, Laventille Basin—John John to Lady Young Catchment Drains Crossing Beetham Highway. And so it goes for Flood Mitigation and Integrated Watershed Management Project South Oropouche River Basin. Those are the 27-odd advertisements.

Why I raised this is that in the context of the Infrastructure Development Fund, the only item which has a capability for real spending, is the item which deals with drainage problems; the major river clearing programme which is \$162 million. That is within Head: 7.01 Infrastructure Development Fund. I am sure that is not all that is there, for the number of projects, these may be quite small projects but they all accumulate. None of them will be starting in this fiscal year; they will go into next year. All these drainage projects, which should have been done earlier, are going to move into next year.

**Sen. Dumas:** In the dry season.

**Sen. B. Ali:** Madam President, it was not said last year in the budget that it was for the dry season. I am leaving it at that. [*Interruption*] Madam President, I am not taking comments from the hon. Minister of Local Government. [*Laughter*] It is a total of 29 tenders and I have not seen any data as to how these things are being funded.

The hon. Minister of Finance knows my misgivings about these companies and whether they have the capability to do what they are being asked to do. We have a question of capacity for all these projects and what we are seeing often is that projects are being delayed and there are cost overruns on projects. Those are two areas which bother me and I am not convinced that in this present atmosphere these companies could perform.

Madam President, with respect to the National Infrastructure Development Company, with all these tenders: How are they handling them? I do not know how they could handle all of these tenders; all of them coming into their facility between September 05 and September 12, and the valuation of all these tenders as they come in from the end of September to mid October. Do they have the capability to do that task? Do they have a registered list of potential tenderers, as there is in the Central Tenders Board? This is why at the end of the debate on August 29, I raised the questions: What procedures are being used? How are they funded? How, in effect, are they managed? I did not get a response then and I still await that.

The second area—and this is another enterprise that has a lot of money to spend—relates to the Housing Development Corporation. Once again I had asked this question, quite specifically, quoting the Act and the section and everything else, whether the Housing Development Corporation is exempt from Central Tenders Board. They can only be exempt if they have prepared the necessary tenders rules. Those tenders rules are supposed to be laid in Parliament for negative resolution. I have not seen them so I am still asking: Are they still under the Central Tenders Board Ordinance? If they are not, where are the regulations? I am bringing it to the Senate again and I hope I will get an answer before the vote takes place today.

Thank you very much, Madam President.

**Sen. Dana Seetahal, S.C.:** Madam President, my contribution is short. It is merely to put in perspective what I can glean from this Bill, because like many citizens in Trinidad and Tobago, I know very little about funds and finance and vast amounts of moneys.

As I understand it, in respect of the first Interim Revenue Stabilization Fund, what is happening here is that there was excess revenue projected for 2006, because of the high energy prices and it is to the tune of \$3.159 billion, which is to be voted into the Interim Revenue Stabilization Fund. In my view, there really can be no argument with that. The whole purpose of the Fund is to provide for a rainy day when the prices go down or we do not have energy.

In respect of the second Fund, the Infrastructure Development Fund, which was given legal effect in 1977, it is really a mechanism, as I understand it, established to finance projects, to execute projects assigned by ministries; its capital projects. So you have these ministries and the THA and so on with these massive projects and you have this Fund in which you put these moneys and then it goes to these projects; that is bottom-line.

Madam President, I have really heard no kind of discussion as to the role of the ministries in all of this. It seems to me that the ministries are being emasculated, for want of another word, by these companies, like UDeCOTT and so on. They are taking over what, initially, the ministries were supposed to do, which is to manage the vast allocation of moneys for these capital projects. Somebody could correct me if I am wrong, but this is my understanding, clearly, of what is happening. You have this Fund and you have all the moneys that go towards these capital projects. The role of the ministries—I think citizens of this country should be concerned about this—is becoming less and less important. For instance, with respect to the Ministry of Works and Transport or the Ministry of Local Government, in terms of major projects to do with streets, a train line, new ferries or whatever it is: What would be the role of the technical people there? Do we have many technical people there? Are we planning to, eventually, get rid of them and just have a nucleus, a small number of people, and then you have all the private companies doing the work? I see the Minister of Local Government on the other side, nodding.

Madam President, I gather that may be the intention, eventually, but is that a good thing? It seems attractive but you recall, Madam President, the bad word that “fast-track” became. We were fast-tracking all these projects and it became a bad word because of lack of proper accounting, transparency and supervision.

When you have a ministry and you have permanent secretaries, you have public servants who are appointed, in a certain way, you monitor these things. These public servants have no political allegiance, overtly, or if they do, they keep it well hidden because they are bound by the regulations of the public service not to say and do certain things. But members of boards, as we all know, are



appointed, specifically, because they have political allegiances, otherwise they would not be members of these boards. The more political allegiance they have to the particular government of the day, they may be appointed to be chairmen or “chairwomen”, although that is not a word as yet. Madam President, because of that allegiance they cannot really oversee, in an independent way, the overspending of the vast amounts of moneys and that is really my concern.

If we are going that way, any government of the day would think that they are above board, that they and their Members of the Cabinet, I believe, may feel so, or most of them, but that may very well not be so. We are not talking about a one-day thing; we are talking about something that is going on continuously. Is it not that we are creating a situation where we would have a lack of accountability, political people determining how moneys would be allocated; how it would be spent and what projects are to be given priority? Madam President, is that a good thing for the country? I do not think so because there is, with the fast-tracking, a lot of room for the other thing, and the other thing being, or course, misspending of funds, and another word for that could be “corruption”. We have to be very careful how we manage this Infrastructure Development Fund and other funds, of course, but in particular this one, where we are dealing with massive capital projects and billions of dollars, where the roles of the ministries are becoming *de minimis*.

My fourth point, although it might really seem like my second point, is the question of the funds established of which there are two under the Exchequer and Audit Act. I have glanced through the Act and have seen that these two funds are established under that particular section 43(2) of Chap. 69:01. I want to ask of anyone who may know: What is the position with the 40 funds that are established under the same legislation? Under the Exchequer and Audit Act, section 43, the First Schedule to that Act establishes 40 funds, of which the Infrastructure Development Fund is but one. I have not heard about the majority of these funds. You would hear about the Widows and Orphans Pension Fund but there are 38 others and I want to know what is happening with the money in these funds. Are moneys voted in? They may be, but they may be submerged in those very thick books that we get at budget time. I think at some point in time someone should let us know.

Finally, Madam President, I come to something which is tangentially relevant to the Bill before us. I say that because the Bill is really dealing, in the first place, with excess funds, and in the second case, with more funds. It is my feeling that when we have excess funds or when we are requiring more funds, one ought to look at what is in great demand in this country, where we could put some of those excess funds or we could call for more funds.

In my view—and I have felt this for the last three years—what is sadly lacking in the legal system, in the administration of justice in this country is speedy justice. We all know this. I am sure the Attorney General must agree with me. Madam President, second only to the traffic situation, the most serious problem in this country, of course, is the crime situation. I am sure the Minister of National Security ought to agree with me.

From research done by other persons; from anecdote evidence, and in my own view, the single factor that has caused the administration of justice to not be as successful, and the crime to spiral, is the delays in the administration of justice. In other words, we do not have speedy justice.

Madam President, in any Magistrates' Court in any given day only two matters get heard out of a list of 50 to 100. Of course, we are lucky that a few people plead guilty, so it is not that bad. How do we deal with this? We should have computerization of the notes. You could have one matter reduced in hearing time by 1/5, if we have computerization. It is not any big thing or any new thing, you know. I raised this in this Parliament two years ago and the Leader of Government Business told me that within 10 months there would be computerization in the 30 Magistrates' Courts in this country. I have made a general estimate and it seems to me that would cost less than \$100 million. I have been to many of these courts. It is only one court in this country in the Port of Spain Magistrates' Court that we have functioning computerization and all the magistrates try to get into that court. Sometimes I understand that there is a court in San Fernando that works. The point is, if this could happen then we could deal with the problem. With all this excess money that we have, can we not spend some? Madam President, that was said a few years ago. I have heard it over and over again. I feel that there is where a little part of the millions could work.

Thank you very much, Madam President.

**Sen. Dr. Jennifer Kernahan:** Madam President, as this particular Bill before us is completely outside my sphere of expertise, I propose to be very short. I propose to ask some questions, basically.

The Interim Revenue Stabilization Fund, which is part of the Finance (Supplementary Appropriation) Bill, 2006, was established in August 2000 to sustain public expenditure capacity through periods of revenue downturns, stemming from declines in oil and gas prices, and the inevitable revenue decline from the depletion of these non-renewable resources.

Madam President, looking at the literature, it has been established that oil revenue stabilization funds have been a feature of economic management policies in many countries over the past 30 years; they exist in many countries including,

as Sen. Ali indicated Norway, Venezuela, Alaska and so on. It has been noted that in some countries these funds have been subject to political interference, while in others they have been managed successfully. Madam President, it remains to be seen whether we will suffer a similar fate or whether we would have the maturity to successfully manage our funds.

It has been also noted that there is a need for transparency, accountability and insulation from political interference. This is one of the areas in which I believe we have a problem in relation to the transparency of the utilization of these funds. As we go along and as more information comes to Parliament, and as we get more answers, I believe we will be able to debate these issues with more relevance.

When I looked at the rationale for the fund, I saw that you want to have these funds in order to sustain public expenditures in periods of downturn. But then, it brought me to the point that in order to have a balanced and proper management of the funds that you have to look at your public expenditures, you have to revise public expenditures, you have to make sure your expenditure is not outside of the realm of what you will be able to drawdown from your funds. If your public expenditure is going up every year, as we have seen in these budgets, one of the criticisms that a lot of people have been making about our budget is that the Government expenditure is increasing in relation to revenue. The economists are saying that you should not have a proportional increase in expenditure to your revenue.

#### **4.00 p.m.**

You should be looking at holding down your expenditure even though your revenue is increasing, because that would involve problems later down the road if your revenue decreases.

Madam President, firstly, I want to look at what the Minister has said with respect to Government's policy on this issue, and I would quote the *Trinidad Express* of Saturday, September 09, 2006 when Minister Enill is reported to have said, and I quote:

“‘This Government is committed to the prudent management of the people's resources. In this regard, when the two transactions for which approval of this honourable House is being sought are considered, the fiscal account is estimated to register an overall surplus of \$580.1 million’.”

This was in relation to the proposed budget and this Revenue Stabilization Fund. But in spite of Minister Enill's commitment to prudent management, there are economists and there are experts in the field who do not seem quite satisfied

that prudent management and expenditure is in line with what is considered safe, what is considered prudent as the Minister said. I want to quote some economists who made certain remarks and analyses, and I will quote the *Trinidad Express* of September 07, 2006, and this article is headed:

“Economists: History will repeat itself”

Three economists were quoted and the first one was the senior economist of Republic Bank, Dr. Ronald Ramkissoon and I quote:

“Certainly, we need a greater saving effort, notwithstanding what we are doing with the Revenue Stabilization/Heritage Fund, we not doing enough. Clearly, if we don’t spend as much as we do, then we have an option of increased savings’.”

Madam President, from what I understand, the economist is saying that although we might have a commitment to a revenue stabilization fund, and putting money in that fund, there is also a need for increased savings on behalf of the Government and on behalf of the population. One of the things I have always seen written in these analyses, is that as a nation, we are not saving enough, we do not have enough savings and if we increase our savings—decrease expenditure—then the Revenue Stabilization Fund would make more sense and then you would have a greater leeway, a bigger time frame in which you do not have to drawdown on these funds.

A second economist, Jwala Rambarran noted and I quote:

“There are a number of warning signs that we are seeing, based on the last oil boom and based on what is currently happening, that says we do have fiscal mismanagement taking place’.”

Madam President, fiscal mismanagement is not compatible with the whole policy and concept of this Revenue Stabilization Fund because you are defeating the whole purpose. Therefore, if eminent economists are saying that you have too much expenditure, that there is fiscal mismanagement, I think that when we come to the Parliament to approve these deposits into the Revenue Stabilization Fund, then we should be very clear that we understand that the Government is doing its part and making an effort to have proper fiscal management and to control expenditure so that what we are doing here would make sense. It is no point putting \$10 billion into this fund because of your excessive expenditure, and in a few years’ time your high expenditure would cause you to lose all that money very quickly.

Madam President, a third economist, Dr. Dennis Pantin, Head, Department of Economics at UWI said and I quote:

“Buoyant oil and gas prices create illusions. For example, if you put up multi-storey structures or you build overpasses or even monorails in some way that means that your society is developed. That is a misconception’.”

This economist was criticizing the type of expenditure that we are putting forward on huge mega-products and so forth. He said it is a misconception, it is an illusion that signifies development and, therefore, buoyant hydrocarbon production, oil prices will not contribute towards sustainable development but ironically, contributes to unsustainable development, and this is a very important and valid point. If we are not going to use our revenues wisely, if we are not going to ensure that they contribute to sustainable development, all the stabilization funds in the world would not help us because we would not have the productive capacity to regenerate funds and to ensure that our stabilization fund would not be depleted in a very short space of time. We would be back to ground zero as is said.

Madam President, even the IMF has made similar observations and this is coming out of an official visit to this country recently. This is in a report that was dated Friday, July 21, 2006 which urged Trinidad and Tobago to reduce public spending. I quote:

“Oil-and gas-rich Trinidad’s economy is strong but could overheat unless the Caribbean nation’s government slashes public spending, a senior official from the International Monetary Fund says”.

Madam President, I am relying on the economists and on the experts to give me a sense of what is happening here. The sense I am getting is that our expenditure is too high, our budgets are way in excess of what is considered prudent in terms of revenue. If we are looking at these increasing budgets every year—\$38 billion, that has been increased for this fiscal year, 2006, with an expectation that our proven, probable and possible gas reserves are in the realm of 34-plus trillion cubic feet of gas.

I was looking at a television talk show yesterday, when an expert in the field, Reginald Potter, said that we should not depend on possible and probable reserves. We have to depend solely on what exists and really, he spoke about the fact that when you depend on these possible and probable reserves you can be very disappointed. If you are basing your expenditure on these you can have serious problems. And this is totally related to the fact that there is an article in today’s *Guardian* that says:

“Half-billion \$\$ goes down with Ibis Deep:

Deepest well drilled in T& T termed dry hole.”

Madam President, this demonstrates the danger of relying on possible and probable reserves because bpTT has spent half a billion to drill this hole which has resulted in a dry hole. And a lot of the expenditure that is being projected apparently is based on possible and probable, and this is one of the probables that are not going to materialize. This is why all the experts in the field have been cautioning this Government about increasing recurrent expenditure especially, and a lack of proper commitment to capital and development which would enable us to regenerate funds and so forth.

Madam President, I want to agree with Sen. Seetahal, S.C. when she made the point about a number of special projects that were mentioned in the budget under the Infrastructure Development Fund but also under the Public Sector Investment Programme. The rationale for these special projects as the Prime Minister indicated is that traditionally implementation in the public sector has been weak and has faced serious challenges and because of skill shortages and cumbersome bureaucratic procedures. He said:

Over the last few years these problems have been exacerbated by the Government’s commitment to accelerate infrastructure development.

So in order to fast-track these plans, this Government has created 15 special projects—state enterprises to deliver accelerated implementation of approved Government projects.

I want to agree with Sen. Seetahal, S.C. and have a clear understanding and all of Trinidad and Tobago, of what is our policy with respect to these special enterprises and so forth. Is it that these ministries, the Ministry of Education, the Ministry of Works and Transport, and so forth—There are a number of special projects in education, community development, national infrastructure, rural development, sporting infrastructure, tourism, urban development, even agriculture. What are we really doing? The ordinary people of Trinidad and Tobago want to know because there are ministries that purportedly deal with all these areas of our national life and national development. Is it because there is a lot of money; increased revenues—our oil revenues were increased by over 78 per cent over the last fiscal year, according to the reports. Is it because there are all these revenues that we are going to spend them on these special projects and we are going to duplicate the work of ministries, the work of organizations traditionally dedicated

to these projects? Are we going to spend money to pay people in the ministries and spend money to pay people in the special projects? What is the policy, what is the plan? At a period where we would not have these increased revenues—

**Sen. Jeremie:** Just on the point. It is a delicate point but you were seeking to agree with Sen. Seetahal, S.C. I did not jump up when Sen. Seetahal, S.C. made the point with respect to non-computerization of the Magistracy but the truth is the State has provided vast resources to the Judiciary.

There has been a struggle between the Judicial arm of the State and the Executive arm over the years for autonomy in terms of resources and this Government has taken a decision to give more autonomy to the Judiciary. So the Judiciary now has more control in relation to its projects, that is to say, computerization as well as new buildings. As a matter of fact, there is an entire department in the Judiciary which is staffed by persons who liaise with town planners and so forth. They have their own IT resource personnel.

The difficulty is, as the Judiciary has been given more responsibility, they have not been able to discharge those functions, which are critical to providing the actual services on the ground which we are now working around, forging practical working relationships with the Judiciary to get these projects actually working. It matters not whether the State provides the money, whether the resources are provided by the Canadians, the Judiciary has all of the resources it requires to computerize every single Magistrates' Court in this country. The Government has done its job.

**Sen. Dr. J. Kernahan:** I do not think that was directed towards me; it was directed towards Sen. Seetahal, S.C. I was speaking to the issue of the duplication of the work of ministries in terms of education, in terms of infrastructure of these special projects. Initially, it was noted internationally that these infrastructure development funds in this case should be transparent. And with these quasi private companies that are going to expedite these projects, what level of transparency would we have, what level of parliamentary oversight would we have over these projects and how would we as parliamentarians be able to account to the people of Trinidad and Tobago for the expenditure of vast amounts of funds?

Madam Speaker, we are talking over \$2 billion through the Infrastructure Development Fund and these are going towards quasi private companies and this is an area of concern internationally as to the transparency of the spending of these funds. I have a serious problem reconciling in my mind the fact that that there are ministries that every year receive increased expenditure to do a certain

job and we are also setting up parallel organizations to do the same jobs. How do we rationalize that? You also have regional corporations that purportedly do the same jobs and other types of organizations like CEPEP and URP to do sometimes the same types of jobs in terms of infrastructure, rural development and so forth.

We need to streamline our spending, we need to rationalize our spending, we need to look at policy and, maybe, we would have to take some very hard decisions, somewhere along the line, but that is to be done in conjunction with the national community, in conjunction with the Opposition and the stakeholders, workers, unions and organizations, because we are going to have to look, at some point, at rationalizing our spending. We cannot continue like this just because we have a lot of money now.

What about intergenerational equity? The fact that there are all those parallel organizations spending a lot of money, most of the time without parliamentary or public oversight, and even when you have parliamentary oversight there are problems and people cannot account for vast amounts of moneys being spent and nothing comes out of it. A prime example of that is the health sector, as my colleague said.

The Commission of Enquiry into the Health Sector showed very clearly that there are serious issues with respect to value for money, with respect to the amount of money that is spent in the sector and the value that comes out of it, the services that are rendered to the people of Trinidad and Tobago who have every right to expect a higher level of service for the amount of money that is spent in these sectors.

Madam President, the Joint Select Committees would eventually come out with a similar horror story with respect to the functioning of the health sector. These are organizations and institutions that are under parliamentary oversight. We can ask them questions so therefore we are very much concerned that there are going to be special projects run by private companies and so forth that we would not be able to monitor properly. I am saying, for our future generations if we really want, they should look back on our term of office and, I as a Senator as part of this Parliament, would like them to say that we managed their resources well, that we left them with a Heritage Fund or a Revenue Stabilization Fund that would really do the job that it was designed to do, and be drawdown in periods of decreased incomes. If you inordinately increase your expenditure, if you waste resources, it is not going to do the job it is designed to do because you would have to drawdown too quickly and it would be depleted before the succeeding generations would have had time to reap the benefits of what we would have tried to save.



Madam President, all the experts are saying the same thing. They are saying control expenditure; they are saying rationalize your spending; they are saying do not depend on possible and proven resources; look at what you have now and tailor your expenditure to fit what you know you have because you cannot depend on what you are not sure about, and this Ibis Deep was a prime example of that. You cannot depend on any agreement with President Chavez for this oil and gas that you share in common; you have to depend on what you have now, on what you have in your hand; and as my grandmother always said, cut your cloth to suit.

This is my contribution on this debate. I have quoted better minds than myself in terms of economics and I hope that the Government eventually would be persuaded that for the benefit of future generations more than ever now, please leave them with some funds, leave them with resources that they would be able to carry on the development of this country when our oil and gas resources are depleted. Do not spend it all at once and think about the future.

I thank you.

**Sen. Brother Noble S.A. Khan:** Madam President, thank you for allowing me these few moments to share some thoughts on this Bill before us, to provide for the Supplementary Appropriation for the service of Trinidad and Tobago for the financial year ending September 30, 2006, the sum of the issue which was authorized by the Appropriation Act, 2006.

Madam President, I do not hope to be long. I think some very exhaustive and indepth contributions were made today but I will add my two cents.

The major thrust as I see it, is shifting money from the Exchequer and Audit account to provide for money to go into some long-term funds. I call them long-terms funds which are, the Infrastructure Development Fund and the Revenue Stabilization Fund. It seems to me this is part of the technique that the Government and past governments have adopted to ensure that our country moves forward, as has been said within recent times, from whatever status we are in, to a more developed or First World status, as some have said, and this technique has been here for some time. The efficacy of the question: Has it been relevant? How has it delivered the goods?

Even when the technique was first introduced as far as sustained development, and many years have passed, one gets the impression that as far as deliverables are concerned very minimal was done to the effect that one gets the impression we are running a backward race as far as roads are concerned and so many of the other infrastructure.

For myself, where I live in Laventille which is supposed to be a depressed area, and what has been referred to as the “back” road, the Old St. Joseph Road is literally a road that has become filled with potholes, water that is supposed to be delivered to people are draining out of the pipes. I am aware of that because I live there. I strongly suspect if you were to look at the television and the press, you would find that this type of activity that exists there is also in many parts of the country so it is more or less universal as far as Trinidad is concerned. I do not know much about what is taking place in Tobago but I would not be surprised some of this exists over there but I hope it does not.

I have raised the question about the relevancy of the funding. I do not want to think in terms of being sort of a humbug because as more money comes in there is need to bring in infrastructure, there would be more demands and regretfully you always have more demands than what you are able to satisfy, but this obviously has much more political implications and this is where the political interactions are—I am not speaking in any pejorative terms here—allowed to interact in the society.

With respect to this element, what to my mind, if we were to use the simple model from which the structure of finance emerged, the question of the recurrent capital expenditure, PSIP and so forth—forming part of the capital expenditure, you would find that possibly the funding mechanisms where you take money through the exchequer account and put it into these funds where you find an element of flexibility that would allow for spending.

So you find today we are moving money on the eve of the end of the financial year for a substantial amount of money into the Infrastructure Development Fund. As has been explained, it is not put there to spend now for now so to speak. So one could understand the mechanism. But once it gets there, what takes place? How does accountability as far as Parliament is concerned take place? This is a big question because it seems to me in modern day thinking where so much is made of transformation or development as far as sustenance is concerned, the question of what participation the people play in this if we are to think in terms of a democracy. Obviously, one hears of a very esoteric, I might say, what you call the Cabinet giving a dictum and you have a fleet of money being released from the funds, maybe to a ministry, passing through the Ministry of Finance and the money goes out to another agency that spends. This, basically, is one of the mechanisms of flexibility. So there you have a mechanism in place where transparency and accountability leave much to be desired in my humble opinion. This is an important factor if we are to think in terms of development.

The other part of it is that normally you would think in terms of the funds being used for capital projects and there is where your infrastructure would take place as has been said. But what passes for capital could very well be recurrent because of the pressures that would be brought on and the need for spending money to take pressures off—and here you would find that much of the recurrent on non-capital type of expenditure, which is supposed to be spent for the development in the country so that more development can take place. That is a layman's expression for what I surmise to be the use for those capital funds. At the end of the day though you are hearing much talk that we are a gas economy, we are an oil economy, we are all kinds of economy but I would like to think we still are a mono-economy, that is, we depend even as in the old colonial slave days on one product so to speak. Of course, you would hear that part of the thing is diversification where we would go into various areas; into education, and God bless, we hope that education is delivered. This is the major threshold in which anybody moves out of a hole and one hopes that would deliver in time to come. One feels strongly that the indications of that would be so.

But having spent this money in development which fails to deliver you would remain with a set of things on your hand where you would have to revert to the question of recurrent expenditure which is to meet your day-to-day ongoing things and even if you were to develop many capital projects, you would still have that recurrent expenditure if it is possible like in things of development. This again is supposed to be on a sort of turning around and this is where, I think, the mechanism we have here leaves much to be desired when it comes to the actual operations. To this extent using this technique without the management—I go into another area here—of systems being put in place which I strongly suspect we do not have—you do not get the impression what is coming through the different committees of the House—

**Madam Speaker:** Hon. Senators, we will suspend for tea and when we return the Senator will continue. We return at 5.00 p.m.

**4.30 p.m.:** *Sitting suspended.*

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

**Sen. Bro. N. S. A. Khan:** Thank you, Madam President, for allowing me to continue. When the Senate adjourned for the tea break, I was seeking to establish the question of development with respect to the systems of bringing to bear sustained development, that is, the establishment of an economy, which will be allowed to grow on itself and continue as far as advancing the country is concerned.

One of the techniques that were adopted for quite some years was the Fund technique. The Fund technique was established through the same Exchequer and Audit Act, which was first brought to bear in our country sometime in 1959 on the eve of independence. I would like, with your permission, Madam President, to pay tribute to those persons who had established this Act under which these funds and the law that is before us emanate. The Minister of Finance at the time was the first Minister of Finance in the home-based government, not yet independent, and those public officers who have operated the Act over the years, even to today, the funds that are before us, I would like to pay tribute to them for the sterling work they have done and continue to do.

The question now is of the system. We know we are what is referred to as a small open economy, that is, we are subject to the vagaries of whatever is around us as far as economies are concerned and that initially the laws that were promulgated sought to bring to bear what has been referred to as a closed system, in the sense that within the system there are controls that will ensure that what is set out to be achieved will be done.

It seems to me that is a tall order, especially against the behavioural patterns that existed and continue to exist. Even at that time the order was a tall one and much depended on the quality of the staff who operated the laws, and the systems by which the deliverables would be made to our country. From my humble position, I would say that a somewhat good attempt and substantial progress have been made through the operation of the system. However, there is a crying need, even as the need for development took place, there was parallel development in systems taking place.

The question of how far we have been successful in meeting those challenges of keeping abreast with what is taking place in the management of the economies of the world, how even the fiscal and the tax policies are managed, the monetary policies and relationships with the international bodies if we were able to match those and the need, even as will be required under these funds before us.

I recall that there was something like a green fund being established some time ago and whenever we asked, even as this one—some of this Stabilization Fund, the question of the rules governing it still remain outstanding. They are not before us as yet, but hopefully; we have heard that they are on the way.

On the question of the Heritage Fund, I think money, ultimately, would be shifted to that area. In the past, I have mentioned my feelings on this and I still hold it close and dear that this is possibly the way to go in that the putting away of funds that has been mentioned by the Minister in her contribution and even our

colleague Sen. Basharat Ali, the question of the inter-generational equity that is required; the moral, ethical and spiritual responsibility of us to ensure that what we do at this time when we leave Trinidad and Tobago, as we must, we would leave it in better hands. There is much catching up we will have to do.

On that point, the question of the putting away to that Heritage Fund, reference has been made to the Norwegian experience, but some of the other gas and oil economies have had experience much longer than us. Even their economies have been developed way ahead of ours, so it is not just a question of looking at the model and copying it, there are many lessons to be learned. I always like to go back to a simple model that if you earn, there is need to put aside. I always tell the young people that as soon as they start to work make sure that they put aside because there will be need to drawdown at some other stage if you have to progress. I think that this is a step being attempted here.

Putting aside from the experience we have had in the operations of the last set of the funding mechanisms we used, as soon as things became tight, the mechanism that was used was to shift the money from the long-term funds, bring it back into the Consolidated Fund and there you had it going through the regular budget. So you had a sort of masquerade as far as providing for development at that time. I strongly suspect that without proper controls this Heritage Fund that we are talking about, even by the experience that we see, the sum of money in relation to what we are spending now, I think if I have it correctly—I will just use a ballpark figure—it is about \$5 billion. Whatever it is and our budget is \$27 billion plus what-have-you, there is a relationship there that if a sink takes place, the need to drawdown, the \$5 billion will evaporate or will be inadequate. To my mind, that has to go across to meet the needs of keeping abreast.

The way I had thought it out was that you operate your system of economy while you put away so that your system of economy, what is taking place here is because of a surplus that is above our estimation, we are hiving off. I think it should have been deeper so that what will go into that fund will be more substantial. Also, the mechanism to take out of it, pull it back out or to put into investment—I know there must be grounds for establishing trustees for it, but there should also be, if you have to come back to this Senate, if you have to go to the people—I understand that takes place in some of the other countries where the mechanism is in place.

The major point is the responsibility, the accountability may not be here, but whatever we have for those future generations because what we are taking out, the gas and the oil, has been there for millennia. We are just passing through here and obviously we are using the accumulation. We are thinking in terms of Trinidad and Tobago extending beyond there and whatever we take out should have the

movement forward. The argument could be made that whatever we are building here is all for future generations, but it goes deeper than that. This is a bubble. It can be referred to—I am sure Sen. Dr. Gopeesingh can help me with that word—as a schoolboy, when we have bicycle tubes and we pump them, sometimes they would swell. You call it an aneurism or something like that? This is what is taking place.

We are coming in, we monetize the oil and gas, you swell and you have to go back out. That swelling we see taking place, we have to be sure that out of what goes out we will ensure the continuity that will exist at a better space. At the rate we are setting up here and the indications of what is here, in my humble mind, it will not go too far. So using the mechanism might be well and good, but there needs to be much more to be applied in that area.

I would like to go back to the question of management. Mention was made by the hon. Attorney General of one element of the computerization of the Judiciary. Again, my personal experience, last week I was down at the Licensing Office and I counted 89 big books—those books are manual. I give tribute again to the people who operate them. It provides work for the young people. However, if you think in terms of 89 books and getting your system going on that, today the question of computerizing and being a little more efficient, it is one of the first places that as far back as I can think, as far as computerizing goes, that was an area that was selected.

I seem to recall that it was a Swedish company they brought in. I do not know whom they have now; if anything is going, but I think we can drawdown on what has been referred to as Third World countries at a cheaper rate and technology, even our own home grown. So, there leaves much to be desired as far as the day-to-day management is concerned. I know the Judiciary, too, has brought in and it is working somewhat, but on the question, again, of management, I would like to bring the management in relation to the funds that are concerned. For example, even the types of audit that we do as against the modern techniques available, one leaves much to be desired and to be applied in this way. Toward this end, Madam President, I add my few words.

A very beautiful point made by Sen. Basharat Ali, I would like to underline, that maybe the systems we are operating and that might reinforce the point I am trying to stress here on the question of what systems you are operating; that the moneys that we are allocating that exist now, say the Heritage Fund, might not be what is really due and that may go back further to what is totally due to us under the system by having inadequate mechanisms in place.

Again, who benefits out of all of this? Though we are talking at a certain level, the end result is what our people get, particularly the man at the lower end. Today, the country, as far as I think, one of the major oil and gas organizations is the question of wages. Though they might be at the higher end of what wages are, the question is: Is that really fair? Of course, we have the question of the mechanisms of negotiations and I would really like to see some transformation taking place as to how that is being gone about.

In general, therefore, there is need to remodel the accounting system to develop proper linkages so that even between our companies, which, again, though we speak on the question of long-term funds—I use the term long-term funds for these funds here—the infrastructure and what have you—from there it goes to these agencies that do the spending. How good are they delivering? There is the question of transparency, accountability and involvement of the people in this developmental process. There is much need for that.

I will share some of my experiences I have had in growing up that it might be very difficult. One of my teachers said, speaking about the quality of having someone to deliver, if you can find in the area of business and use that term generically that after a storm, where the sea has washed a rock clear and a person can go on it and seek out the business prospect, that is the way that we can think in terms of developing our people to see where the opportunities lie and how best we can exploit them for the benefit of all.

Madam President, I thank you.

**The Minister of National Security (Sen. The Hon. Martin Joseph):** Madam President, I am forced to intervene in this debate because of part of the contribution made by Sen. Dr. Gopeesingh. During the tea break, I asked myself why we are here this afternoon going into this evening. It is really to debate putting away approximately \$3 billion. We are hearing talk about mismanagement and all kinds of talk related to the performance of the Government since Sen. Dr. Gopeesingh decided that one of the areas in which he wanted to highlight the areas of incompetence and inefficiency of the Government was in the area of national security.

He indicated to this honourable Senate that the Government, by way of the Minister of Finance and hon. Prime Minister, in the 2005 budget, indicated that it was Government's intention to procure three or four patrol vessels. He is asking, in 2006, where those offshore patrol vessels (OPVs) are. Those OPVs have not yet been procured and there are reasons why. I intend to indicate those reasons.

The approach the Government decided to use for the procurement of the OPVs was to put out RFPs and invite commercial tendering. Three suppliers were shortlisted:

- Vosper Thornycroft or VT of the United Kingdom;
- Bloom and Voss of Germany; and
- Fincanteri of Italy.

Those three companies had made presentations in response to the RFP with respect to certain speed and specifications that were required. After due consideration, it was felt that the speed to which these suppliers responded was inadequate on the basis of sound technical advice by the competent authorities. So we have to go back and increase the speed and you do not just increase speed. If you increase speed, then all the associated technical things must, as a result, be considered. That was done and the same three responded.

Madam President, we started to do the necessary evaluation and, at the end of the day, the preferred company was VT of the United Kingdom. As a result of that, Bloom and Voss of Germany started to make objections, so much so that Bloom and Voss was putting out in the public domain that the Government intended to use the services of VT, who turned out to be the highest bidder.

Obviously, the Opposition also got wind of that and on numerous occasions, in crosstalk, Sen. Mark was saying that this was going to be worse than the airport project; “that we are just waiting because we understand that the Government” and he started to ask me: “What are you getting for this, Minister of National Security?” and all those types of things.

Given Bloom and Voss’ response to the fact that VT was the preferred company, and taking all kinds of other things into consideration, which I cannot provide to this Senate this afternoon, the Government took the decision to abort the entire process, this, even after VT was informed that they were the preferred company and negotiations commenced with respect to proceeding.

It was very ticklish because VT could have done all types of things, including taking us to court. The Government took the decision that at the end of the day we would enter into a government-to-government contract; and we have done that. Four governments were invited to respond. Let me back up. We established a ministerial committee under the chairmanship of Sen. Dr. Lenny Saith, including other Ministers, and we decided to proceed along different lines—government-to-



government arrangements. Four governments were invited—the Government of the United Kingdom, the Government of Germany, the Government of Italy and the Government of Sweden—and we proceeded.

We are now at the stage where we are down to two governments—the Government of Italy and the Government of the United Kingdom. We are proceeding. We expect that by the 15<sup>th</sup> of this month, the current evaluation will be completed and the government will be selected and that by the 18<sup>th</sup> of this month the evaluation exercise would be completed, a report submitted to the inter-ministerial committee and the committee would submit its recommendation to Cabinet.

In the meantime, we have put measures in place for an interim arrangement. I have always been caught between a rock and a hard place in that the Minister of National Security, from time to time, is being called upon to come clean, provide the public with all the information, say this and that because people do not know what is happening. We operate in a national security environment and there are certain things that we cannot openly reveal, so we are caught.

There are some things, in the interest of national security, I cannot say. What I can say is that from the award of the bid, it will take about 18 months because the OPV is not on a shelf sitting there waiting for the Government to request and they pull it off the shelf and say: Here is your OPV. It has to be constructed to specifications, et cetera. If we do that, they are the same ones who will accuse us of mismanagement and spending the money badly.

Some interim arrangements will be put in place to cushion the length of time. Why do we need these OPVs? We do not need these OPVs, offshore patrol vessels, for just offshore patrol vessels' sake, you know? [*Interruption*] I am sorry. What were you hearing? I did not realize I was “tie tongue”.

**Sen. Jeremie:** She does not understand.

**Sen. The Hon. M. Joseph:** Madam President, I knew that there was a certain amount of it; I did not know it was that bad. OPVs—offshore patrol vessels.

Madam President and hon. Senators, just to recall, the number one challenge we face here is our location. We are smack between producers of cocaine—Colombia, Bolivia, Ecuador, et cetera—and the consumers in the north. We are a major transshipment point. We know that but, more importantly, intelligence has indicated that because of some of the activities taking place in the northern Caribbean, especially the Jamaican exercise, Operation King Fish, Trident in the United Kingdom, et cetera, displacement is taking place and, as a result, the drug lords are moving further south.

Do you know that it takes about eight minutes, with a go-fast boat, from Venezuela to Trinidad? So the OPVs are designed to provide the offshore patrol capability to police the Gulf. Related to that—because he also said that we were tardy—what happened to the six fast patrol vessels? We have agreed also that with the six fast patrol vessels, we will only engage activities associated with the procurement of those six fast patrol vessels after we have completed the OPVs.

Madam President, we are talking about tremendous assets. We are talking about assets worth millions of dollars. We want to make sure that we procure these things in the way in which we will get value for money as it relates to the utilization of taxpayers' money.

**Sen. Dr. Gopeesingh:** We greatly accept and appreciate the degree of clarification that the Minister is giving. The only point I want to make on that is that it should not have been the prerogative of the Minister of Finance to say that these would be completed within the year, knowing the difficulties that could be encountered during that process.

**Sen. The Hon. M. Joseph:** Madam President, with all fairness to the Minister of Finance, when we were saying this, we did not know that we would encounter these problems and challenges as we go through the procurement process. So that the six fast-patrol vessels will also be procured after we have completed the OPVs. I think we needed to give some explanations for that.

He also talked about the four helicopters. [*Interruption*] He did not talk about the airships, but I will talk about that. I am only responding to Sen. Dr. Gopeesingh. Let me deal with him first. He also talked about four helicopters that we were supposed to purchase. When we had indicated our intention to do that, at the time the suppliers had indicated to us the availability of those helicopters. When we looked at the cost, we felt that sole selective tendering could create problems. There will always be problems with sole selective tendering even though the Central Tenders Board Act allows for sole selective tendering as it relates to assets in the Ministry of National Security. In the atmosphere and climate that we are in, again, it was felt that we should go with respect to procurement and that there were at least four international firms that were capable of providing us with helicopters. That also has been responsible for some measure of delay.

He talked about the police barracks. We had taken a decision that we were not going to recruit any new police officers and let them train at the Police Barracks. We could not be talking about transforming the Trinidad and Tobago Police Service, about a new batch of recruits, five O levels, a new curriculum, et cetera,

and put them down there. We underestimated, but at the same time we did not estimate that it would take so long to renovate the barracks. Notice I say renovate. It is a historical site. We wanted to make sure we maintained that historical site and went inside to do some renovations.

**Sen. Dr. Gopeesingh:** [*Inaudible*]

**Sen. The Hon. M. Joseph:** That is the reason the first thing I asked is: Do you believe everything you read? I am sure you do not believe everything you read. You of all persons, given your recent experience—[*Interruption*] I do not know why you are trying to make that big distinction. I was also taken aback in terms of the article in the *Sunday Guardian*. However, hon. Members, it is not the intention of this Government to demolish that historical building. We are renovating it and you know about renovations. I can give you the details of what we encountered when we went to do the necessary renovations. [*Interruption*]

So much so that because it was going to take so long, we have to thank the El Dorado facility for allowing the 169 recruits to be trained at the facility. The next batch will come out on October 01 and we will still have to use that facility until the expected date of the completion of the barracks—November 30, 2006. Construction is now in full swing, with two shifts operating about 18 hours per day. We are moving with haste. When completed, the dormitory will house 168 males and 32 female recruits. There will be eight new classrooms equipped with appropriate multimedia equipment required for a modern training facility, so that we are looking at a completion date of November 30. Let me dispel any intention of the Government to demolish the barracks.

He talked about the five police stations that we are now constructing—Mayaro, Gasparillo, Belmont, Tunapuna and Toco. My understanding, again on the latest estimate is that Gasparillo will be ready for opening by December 2006; the same with Belmont, Tunapuna and Toco; and Mayaro will be ready by February 2007.

**5.30 p.m.**

Let me say something with respect to the challenge that we have been facing in the construction of police stations and other constructions. I have to be careful because I do not want the wrong impression to be given. We have been having a difficulty with respect to the current arrangements with the architects. When we get the architects, we do not get the full drawings. As a result, when we start construction, we do not know how long it would take to be completed. We cannot

continue to say or come here with excuses. We have to find solutions and if the solutions rest with bringing outside companies to help us to construct our police stations, we intend to do that.

**Sen. Dr. Gopeesingh:** Where is the construction of the police station, in the context of the 15 enterprises that have been brought on by the Government to fast-track the construction sector and infrastructure improvement?

**Sen. The Hon. M. Joseph:** We have not been able to locate that right now. We have to be careful, because I do not want to give the impression that I am badmouthing agencies that are responsible for providing us, but it is a common secret that the agency responsible for our construction in the Ministry of National Security is Nipdec.

We also have designs. We have been asking why it is that we cannot have models such as an A station, B station and C station. Those would be basic models and, depending on the location, there would be certain adjustments. In the case of every location, they have to start the drawings from scratch. Sometimes the drawings take three months. It is really holding us back and then we are blamed. You all get up and talk about it. You blame us for that.

**Sen. Dr. Gopeesingh:** You are explaining it now. That is good.

**Sen. The Hon. M. Joseph:** Sen. Dr. Gopeesingh, you know that. You were in Government too. We are grappling. Because of the fact that we found that we were having undue delays with respect to construction, we embarked on a refurbishment programme. In 2005, we refurbished 51 police stations. *[Interruption]* Not St. Joseph because it was due to be replaced. We have now found a new location for St. Joseph. Carenage Police Station is due for reconstruction.

**Sen. Dr. Kernahan:** What about Toco?

**Sen. The Hon. M. Joseph:** I would give you a list. We refurbished 51 police stations and we are continuing with the process in 2006; doing different things.

**Madam President:** May I put in a word for Cascade.

**Sen. The Hon. M. Joseph:** Between July—December 2005, we did 51 stations at a cost of \$8 million. Five sections in each station were worked on, namely charge room, reception area, kitchen, washroom/toilets, dormitories and the administrative areas.

In the second phase, we would be doing air-conditioning, electrical and some of those other things which we will continue to do to enhance the working environment for these police officers who operate in those stations, and also the public who also have to interface.

You asked about the airship. It is not a blimp. Let me correct you. No matter what you say, there is a fixation and once people put things out—I do not know if they do not know how to correct it—it remains. We do not have three airships, two and one-half airships, or two airships. We have one airship. The first airship that we acquired was an airship that was not suited for the climatic arrangements, et cetera. Apart from that, we were experimenting with the technology. It was too small to take on the surveillance equipment required. In those circumstances, we dispensed with the first one.

**Sen. Dr. Gopeesingh:** At what cost?

**Sen. The Hon. M. Joseph:** I will provide all those details. We leased the second one and we were satisfied. If you notice, the second one was much larger and it was able to take the equipment and provide us with what we needed. We wanted to be satisfied that the technology would provide us with the results we wanted. When we looked at it, it was going to be more cost-effective to purchase, rather than continue to lease. As a result, we have now made the purchase and we have only one airship. It is being refitted and provided with the various things necessary. Again, the reason for the airship is to provide us with surveillance capability for us to deal with some of the unacceptable activities. I do not want to give any more details about the airship. I am hoping that the national population will now know once and for all. Today I read where somebody asked a question: “Should the Government be buying a third airship?” They do it conveniently. There is only one airship and we are now the owner of one airship, because it is more cost-effective to own than it is to lease. People are asking about the results. We are starting to see the results of the airship in many ways.

I thought I needed to respond to some of the issues and concerns raised by my colleague, Sen. Dr. Gopeesingh. I thank you very much.

**Sen. Dr. Gopeesingh:** Thank you very much for the clarification on a number of those issues. We accept it and appreciate it in the light with which it was given. That is very honourable.

There are two important things with respect to the cost considerations in the OPVs. I do not know whether you might be predisposed to giving the information for the approximate cost of the OPVs and the helicopters. [*Interruption*] They are still in the process.

The other question is with respect to the company that was given the contract in the first place, out of the three that tendered. You broke the contract, would they be suing the State as a result of that?

**Sen. Jeremie:** No. What happened is that we terminated the contract and we paid them their out-of-pocket and that was the end of it. They agreed to walk away and they know that the Government of Trinidad and Tobago has business in the future and they wish to participate in processes with the Government of Trinidad and Tobago. They do not wish to enter into an adversarial relationship with us.

**Madam President:** Thank you very much. Sen. Juteram, were you going to speak?

**Sen. Anil Juteram:** Madam President, I would like to address a couple of important issues in our area, the northeastern costal areas, from the constituencies of Toco/Sangre Grande to Mayaro. This involves the coastal areas from Matelot to Mayaro. This has to do with infrastructure development. [*Interruption and crosstalk*]

**Madam President:** Let us give him a chance and hear what he has to say.

**Sen. A. Juteram:** I heard the hon. Minister of National Security say that he is unable to divulge certain information, based on national security matters. I distinctly remember several police stations being named in the last four or five budgets; namely the Matelot, Mayaro, Toco and Manzanilla Police Stations. I am aware that the Toco Police Station is presently under construction. Lately there has been a tremendous highway of illegal activities taking place on that entire coastal area, from cocaine, illegal drugs and narcotics and firearms, you name it. We are seeing where a lot of resources are being spent on many things that, I believe, should go into the detection and cutting down of all this illegal stuff that is happening along the coastal areas. For example, I would like to see the reimplementation of a combined unit of police, regiment and coastguard; an interagency coastal unit being set up through the Ministry of National Security to undertake serious apprehension of anything within that coastal area. We can sit and talk about buying vehicles and building police stations, but the major highway for the crimes coming in and leaving here is something that is not being dealt with.

Independent Sen. Prof. Ramesh Deosaran has a tremendous wealth of criminology knowledge in terms of dealing with these issues. I am hurt and saddened as a businessman who lives in the eastern area—I am not attacking the Minister of National Security in any way—to see how our goodly Professor is slighted in certain issues that are fundamental towards the issues of crime. That is one of the issues I am dealing with on the infrastructure.

Mr. Dumas—[*Interruption*]

**Hon. Senators:** Senator Dumas.

**Sen. A. Juteram:** Sorry, Sen. The Hon. Rennie Dumas, forgive me. Through you, Madam President, Sen. Dumas, with respect to our dump in Matura where we dispose of the garbage, I would like to recommend that your Ministry assist us in getting an incinerator. It has been shut down for almost five or six years. We have to send our big garbage to Aripo in Arima. We want an incinerator that would be friendly towards the ecosystem.

That is my little contribution here today. I thank you very much for hearing me.

**Madam President:** Members, I think we should congratulate the Senator on his maiden contribution. [*Desk thumping*]

I think, Madam Minister, you can wind up.

**The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo):** Madam President, let me take the opportunity to thank all my colleagues who made a contribution on this Bill. I know you are anxiously awaiting the budget. I know you would have a lot more to say in the very near future.

**Madam President:** You are warming up.

**Sen. The Hon. C. Sahadeo:** Rightly put, I am waxing and warming. Let me also take the opportunity to congratulate Sen. Juteram on his maiden contribution.

Madam President, a lot has been said on this Bill and, therefore, I would try to walk through, based on the various contributions. Sen. Dr. Gopeesingh, you seemed to have addressed quite a lot of issues and if I were to address them I would take all my time. Let me see if I can summarize them. First of all, you have a lot of concerns, in terms of what would be presented in the Heritage and Stabilization Fund. I did give you some assurance, but I know sometimes when we give assurances on this side they are not always easily digestible. I did indicate that this Bill would be laid, hopefully, on Friday and all the tenets and all the undertakings, in terms of policy guidelines, would be clearly outlined so I would not go there.

A lot was said in terms of the model. We use the Norway model. Very often, we jump on a bandwagon and want to talk about a model and how many years it has been in existence. Certainly, it is a delightful model. It is one we would certainly like to emulate. I want to assure you that when there is good intention that would go a long way in terms of how the Heritage and Stabilization Fund will be executed.

The big issue was, as it is said in Norway, improving the quality of life, which is so important. We put aside funds for future generations. Several of my colleagues asked: What about now and what do you put aside? I need to make a fundamental statement. When Sen. Dana Seetahal, S.C. got up she also indicated what the Judiciary wants. We have been in discussion for some time, because everybody is saying to contain your capital expenditure. Our newest Senator got up and indicated a host of things he wanted on the north coast. If you were to walk around this country and ask everyone what they wanted, you would see how big your shopping list would be.

As a government, you have to decide on your capital programme. When you look back, and if all of us were to take a look at what the capital programme is, we would realize we are trying to improve the quality of life and build our capital infrastructure, where we would attract even more investments and generate more employment and, therefore, further enhance the quality of life of its people.

Much was also said regarding how we are allocating these moneys. Particular reference was made to Caroni (1975) Limited. Because the statements that were made were so inaccurate, I think it is certainly incumbent on me to spend a few minutes to clarify them. The first issue stated that we promised to give these agricultural lands, we have the issue of high food prices and what are we doing to stimulate the agricultural sector. I have said in post-Cabinet and several other fora that in order to prepare leases you must have your land. The designs have been completed and we have commenced infrastructural work. Until the completion of your infrastructural work, if you decide to start issuing leases, you would have to call them back in and do modifications.

This is what this Government did. In the first instance, we did what is called a "paper assignment". That was not all. I want to assure you that I went to many of these arrangements where we met with the former employees. We did what is called a physical allocation, where we actually invited former Caroni (1975) Limited workers and they were shown where the various stakes were outlined. They were able to identify their plots. To this day, over 4,000 of these former Caroni (1975) Limited workers have taken physical delivery of these two-acre lots.

**Sen. Dr. Gopeesingh:** Would you permit one question on that?

**Sen. The Hon. C. Sahadeo:** Thirty seconds.

**Sen. Dr. Gopeesingh:** Have they got titles to these two-acre plots; possession titles?



**Sen. The Hon. C. Sahadeo:** I am getting there. As I indicated, you could only get title and a lease—there are many legal people around me—if you have a definitive area. Therefore, that cannot be done right away. Let me get there. Do not get so excited. I do not know why this brings so much excitement. As I indicated, as these infrastructural development works are completed, leases are being prepared and they would be assigned.

The issue is really what is happening. Up till now, approximately 4,000 of them have been physically allocated these two-acre plots and the rest is due to be completed by the end of September. In the interim, they have all been given letters, which the Ministry of Agriculture, Land and Marine Resources has agreed to accept, whereby they are deemed to be farmers, once they apply. It means, therefore, they will get all the subsidies and benefits of any such farmer.

In addition, agricultural development mechanisms have been put in place, so that they can access loan funding from the Agricultural Development Bank. Albeit we all know that you need a lease in order to authenticate the whole transaction, we have put measures in place, in the interim, to ensure—*[Interruption]* Exactly, and it is as good as a lease.

When those on the other side jump up and wave the flag that no one has received leases, what really bothers me is: are we taking time to say, “They are able to cultivate these lands. They are able to enjoy all these various measures that the average farmer can.” I want to challenge anybody here in this Parliament to tell me how to get over 7,000 two-acre plots surveyed, prepare leases and do all the infrastructural works. I am not saying that we do not have to hasten, or there is no urgency. Of course, there is an urgency but, in the interim, proper arrangements have been put in place.

That is not all. Again, the Ministry of Agriculture, Land and Marine Resources has put several measures in place. They have increased the number of extension officers so that they can service the additional number of farmers. Many training courses were conducted during the closure of Caroni (1975) Limited. I want to assure you, again, that a lot of emphasis was placed in this regard. For the record, I wanted to clear up that.

Much was said, in terms of these new Special Purpose State Enterprises and what is the transparency regarding these transactions. I think it was Sen. Dr. Kernahan who said it. Sometimes it is good to recall history but I do not want to distress my colleagues on the other side. When we formed these new Special Purpose State Enterprises, they were very specific. The mandate is certainly very,

very narrow. Somebody got up and asked why we did not have one Special Purpose State Enterprise to do all these things. Another Senator got up and said that there are approximately six tenders out there and how is one entity going to evaluate all of these tender arrangements. Again, each of these Special Purpose State Enterprises was formed in certain specific areas such as the Education Facilities Company Limited, National Infrastructure Development Company Limited and the Rural Development Company Limited. How are we going to ensure that we have proper accountability and transparency?

We talk about the Central Tenders Board and say if these projects were executed by ministries, they would be under the purview of the Central Tenders Board. Let me again remind my colleagues that the Central Tenders Board only looks at the tender procedures. It did not go beyond the tender procedures and talk about post-project implementation or the whole purchasing process. In this Parliament, we have laid a White Paper on the public sector procurement regime. If all of us took time and looked at that document what we would be hearing is a lot of high praises being sung on this side. We have formed these Special Purpose State Enterprises and we have introduced many of these measures. Are we going to enforce them? How are we going to ensure that there is governance? Madam President, as you know, there is the Companies Act under whose purview the state enterprises fall.

This White Paper reform has so many measures which would enhance transparency and accountability. It introduces a fully-decentralized, flexible and transparent procurement system. It even introduces a complaint mechanism to accommodate complaints from or about procuring officers or potential suppliers. It reviews all procurement projects, including the disposal of public property, the promotion of the use of pre-contract audits—I think Sen. Bro. Khan was discussing what are the enhancements—and development and introduction of new legislation, because it is a White Paper. When this White Paper is introduced, we should see additional measures in this area. A lot has been said about Special Purpose State Enterprises—[*Interruption*]

**Sen. Ali:** I am listening to the hon. Minister expressing generality. I, for certain, am familiar with the White Paper on procurement. I have asked specific questions and I expect to get specific answers.

**Sen. Dumas:** Why?

**Sen. Ali:** I am not speaking to you. [*Laughter* ] I spoke and I would like to get specific answers not generality.

**Madam President:** Would you give her a chance to see if she is answering your question?

**Sen. Ali:** I hope I would get specific answers and not generalities.

**Sen. The Hon. C. Sahadeo:** More than one of my colleagues indicated that the problem we have is in terms of the capacity for implementation. I think that was said by many of the speakers. Again, it is not a justification, but we are fully aware that we are in the public service and by and large they do not have the capacity. Even the Ministry of Works and Transport, which is an executing agency, in terms of delivery, history will tell you that they have outsourced major projects over the years.

During the tenure of my colleagues on the other side, TIDCO was used for road paving. Let us not go back there. Let us do things in a correct manner. That is what we are about.

Madam President, a lot of comments were made—*[Interruption]*

**Madam President:** What about Sen. Ali's question? He is waiting for an answer.

**Sen. The Hon. C. Sahadeo:** I am moving from one Senator to another. I would get to him.

**Madam President:** You are going well.

**Sen. The Hon. C. Sahadeo:** Let me move to the Senator, to see if I can ease his concerns. The first comment made by Sen. Ali was how we came up with the surplus of \$3 billion. The estimates we indicated were transfers to the Revenue Stabilization Fund, which will be based on the computation of these various types of oil revenues at the US \$35 and \$3.75 per MMBTU, against the actual or realized prices. The estimate for 2006 is based on US \$35 per barrel and a gas price of \$3.75 per MMBTU. We have taxes on income and profits from oil companies of just over \$15 billion. We have the supplemental petroleum tax, which was \$1.6 billion, petroleum profits tax of \$11 billion, production-sharing contracts of \$2.1 billion, property income and royalties of \$1.2 billion and other non-tax revenues called the oil impost and signature bonuses. The total revenue was estimated at \$16,204,971,491. What is now estimated for the end of this year is a total of \$19,364,952,043. This is the difference between the estimates based on the original US \$35 and \$3.75 and what is being realized now is tantamount to \$3 billion.

Let me add that for the first quarter, we had US \$63.87 per barrel of oil. In the second quarter it was US \$64.10. Let us note that, in terms of the gas, we were able to have a netback price of US \$2.95 for the first quarter and US \$3.40 per MMBTU.

What we inherited as a government were some very onerous contracts entered in the natural gas side, in terms of Train 1. There were other contracts which were entered into. Although you talk about a very high Henry Hub price, it meant that it was not in fact being realized because of previous contracts. That is why it is so important that we have the debates because the man in the street would be saying—or if one gets a little too much information and no clarification—that times are good. Times are supposed to be good, but it meant that contracts entered—again, during the time colleagues on the other side were in office, we had a little problem in terms of how these contracts were projected. It may have been that nobody anticipated such high oil and gas prices. I like to give people excuses sometimes.

Trains 1, 2 and 3 were onerous, but Train 1 was the most onerous. Certainly, we learnt our lesson well and we have taken those into consideration in terms of how we negotiate in the future.

Madam President—[*Interruption*] when I am finished with my statement I would let you go.

**Sen. Ali:** Madam—

**Madam President:** Please, Senator, give her a chance.

**Sen. The Hon. C. Sahadeo:** Revenue from the petrochemical companies is included under other companies and is not included under your oil and gas revenues. If we are talking about revenues from petrochemical companies, this is not included in this equation.

**Sen. Ali:** Thank you very much, Madam President. I am fully aware that the other gas is not in this figure. I am only working on the basis of wellhead prices for natural gas. I needed to have it clarified whether that is a mix of LNG back to there and actual sales contracts between the producers and NGC. The National Gas Company is basically the only company that is reselling gas.

**Madam President:** What is your question? Are you asking a question?

**Sen. Ali:** No, the Minister said that a certain natural gas was not included. I know that, I am not asking that. I am asking about direct revenue on oil and gas. I gave a figure. My average was US \$60 per barrel and for natural gas it was \$6.75 per MMBTU. Are they consistent with what she is saying or not?

**Sen. The Hon. C. Sahadeo:** I do not know if I am answering the Senator's questions, but the point I am making is that you have a netback price. It means that although the Henry Hub price may have been \$10 six months ago, if you negotiated a price of \$5, I would then deduct my expenses along the value chain and this means that the netback price would be substantially lower than what we would have anticipated, based on a Henry Hub price. This is the dilemma we face. It is also the reason why, sometimes, when you look at these figures the prices in the marketplace are what were in the contractual arrangements.

Let me add that all these major oil companies, you would appreciate, would also have efficient tax planning mechanisms. It also means what claims they would receive depends on how effective their tax planning is. I am now talking about proper tax planning, in terms of what has been their capital expenditure programmes were. This means if you have high capital expenditure programmes, you would have high allowances and, therefore, your tax take would not be as high as anticipated but over a number of years it will average out at the end of the day. In that regard, I hope I have answered some of those questions.

Regarding the concern of probable and possible reserves, you do not drill and put away the oil or gas. This Government fully recognizes that it must incentivize the various oil companies. Our tax legislation, which we have put together and the amendments we have, have a lot of incentives that would require further drilling. A lot of three-dimensional seismic researches have been done and we are quite optimistic in terms of the oil and gas prospects in Trinidad and Tobago.

I will come back to the issue regarding housing and the challenges to homeowners. How many times have we said, under this regime, that we have delivered? Up to this year we will be delivering just over 8,000 housing units. It pains me and I am sure it pains each of you here—what can we do to make housing more affordable? In that regard, this Government has put many measures in place. One of the more interesting ones we have put is the rent-to-own programme. You start off by paying a rent and you then capitalize part of that rent, which is tantamount to being part of your down payment and, therefore, encourages homeownership. This is an area where we must encourage our people.

We are looking at intergenerational mortgages. If you are over 50 years old and go to a mortgage company, you would be told: "I am afraid, you cannot get a mortgage." We are now looking at intergenerational mortgages where it means that your age almost does not matter. Many people will smile around here now. It means that you can get a mortgage almost irrespective of your age, 50 years or 55 years. You can still get a mortgage because of the intergenerational mortgages. This is where the mortgage passes on. Madam President, I see you are understanding it totally and enjoying it.

We also have subsidized mortgage interest rates. Again, we continue to look at this and make housing more affordable.

We continue to hear this thing about house-padding. Whenever I look at it I see people. I do not see colour or skin. Across there, I do not know if they are from the Congress of the People or UNC. [*Sen. Munro holds up sign with UNC written on it*] My friend across there wrote a tag indicating UNC, because I am not sure. It does not bother me. When I got up to speak I said “My colleagues”, because I see everyone here as my colleague.

In the same breath, if I were to ask right now how many of us have units at Aranguez Villas, I wonder what would be the cry here. I am almost tempted, with your permission, to ask how many people have units at Aranguez Villas. This is a Government housing project. In the People's National Movement, we will not tolerate this behaviour. [*Continuous interruption and crosstalk*]

It seems like the debate is still on and there is lots of excitement.

**Madam President:** The Minister is doing well and I would like to hear her.

**Sen. The Hon. C. Sahadeo:** A lot has been said about the Infrastructure Development Fund. I think various comments were made in terms of what is the level of transparency that we would see in this. When I was presenting this Bill, I indicated very early that this fund was established in 1997. It is not because they did it we would do it. The point is, as Sen. Bro. Khan said so eloquently, this fund affords a high level of flexibility. When you elect a government, it means you want that government to deliver to its people in a way that is acceptable. The Infrastructure Development Fund does allow that level of flexibility.

As we close our accounts what will happen is that what will be brought to Parliament would be a list of all the projects under the Infrastructure Development Fund and the funds that were assigned to each of these projects. Right now—although under the PSIP, we have assigned an amount to each of these projects—you can reallocate these funds, but you must come to Parliament subsequently. You can say that it is playing a game. You do not need to play a game, what you need to do is have that level of flexibility that will allow the Government to execute and deliver on its various programmes.

There was so much repetition, I was taken aback that nobody got up and spoke about the repetition. As I look through my list, I am seeing many items that were discussed in more than one area.

All Special Purpose Enterprises are state enterprises. The reason they were given the name “Special Purpose State Enterprise” is because, particularly the six new ones, they were established to execute on specific programmes. We named them that way so that a lot more focus can be placed on them. By and large, they are to deliver on very, very specific programmes.

In addition, these companies are subject to the Public Accounts Committee and Joint Select Committee. I think that question was posed in this House. I was taken aback when the question was again raised here about the scrutiny which will be available and how we can look at these companies’ performance.

You would also know during my tenure, we have indicated that all state enterprises must publish their final year-end accounts within four months of the end of the financial year.

When I look at these two allocations, as I enunciated, if we were to analyze this Government's spending, it is closer to \$32 billion. I indicated that the transfer to the Revenue Stabilization Fund is for investments. Questions were asked about how these funds were placed, what was the income and did we maximize or optimize the revenues earned. I agree that bringing this legislation is critical, because it would allow us to set policy guidelines for investment using various products that will allow us to earn higher revenues. At this point in time, it is a US dollar account held at the Central Bank which will narrow investments, so that the interest earned will not be as high as if you were to have a wider portfolio of investments.

Without talking too much about this Bill, which will be laid shortly—*[Interruption]* I am not talking about the Bill but what will happen when this Bill is brought. It means that the \$8 billion will have a home in terms of the various investment opportunities.

At this point in time, as I said before, I think it is worthy to note the statement that 100 per cent of the \$8.5 billion that will be in the fund—after this year's allocation of \$1.3 billion—will be transferred to the Heritage and Stabilization Fund.

Mention was made about the IMF. They went to Plipdeco and toured the city and were indeed very impressed with the infrastructure that they are seeing in this country. You just have to drive around, I am sure you do that, and you would be amazed at the level of infrastructure which is evident. In other words, the money we said we have appropriated is all visible in tangible assets.

With those few words, I beg to move.

**Sen. Ali:** Madam President—

**Madam President:** The Senator is finished.

**Sen. Ali:** No, I—

**Madam President:** Sen. Ali, please sit. The Minister answered some questions and she has finished her presentation. She cannot go back. What did you want?

**Sen. Ali:** I had a question for the second time and I said that I needed an answer before the vote. That relates to the Housing Development Corporation.

**Madam President:** Senator did you have any other information? No? Senator, she says that is all the information she had, so maybe you would have to wait when the Minister of Energy and Energy Industries is here and maybe he will be able to answer some of those questions. We cannot ask the Minister to answer something that she does not have the information on.

*Question put and agreed to.*

*Bill accordingly read a second time.*

**The Minister in the Ministry of Finance (Sen. The Hon. Christine Sahadeo):** 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.*

**CARIBBEAN EXAMINATIONS COUNCIL  
(PRIVILEGES AND IMMUNITIES) BILL**

[Second Day]

*Order read for resuming adjourned debate on question [September 05, 2006]:*

That the Bill be now read a second time.

*Question proposed.*

*Question put and agreed to.*

*Bill accordingly read a second time.*



*Bill committed to a committee of the whole Senate.*

*Senate in committee.*

*Clauses 1 to 3 ordered to stand part of the Bill.*

*Clause 4.*

*Question proposed, That clause 4 stand part of the Bill.*

**Sen. Dr. Gopeesingh:** We have some concerns with clause 4(2)(a) and I do not know if you want to address that.

“Members of the Council shall enjoy the following immunities:

- (a) immunity from legal process in respect of words spoken or written and all acts performed by them in their official capacity;”

That is superfluous, ambiguous and all embracing.

**Sen. Jeremie:** Which one is it? It cannot be superfluous and ambiguous.

**Sen. Dr. Gopeesingh:** It is not making sense.

**Sen. Seetahal, S.C.:** I think we want to cover both words and acts. It is like what you say and what you do. I think that is the way of doing it, actions as well as speech.

**Sen. Dr. Gopeesingh:** If somebody from the Caribbean Examinations Council writes something deleterious or negative, would you give that person immunity for that?

**Sen. Seetahal, S.C.:** If it is in their official capacity they have to be, but if it is outside—If they did something, for example, and defamed someone, it could then be considered outside of their job. It is like a police officer who has a weapon and uses it properly, but if he takes it and shoots his girlfriend then he is not covered.

**Madam Chairman:** Or like a parliamentarian in Parliament.

**Sen. Jeremie:** Sen. Dr. Gopeesingh, if you read the section you would see that it relates to all acts performed by them in their official capacity. Does that address your concern?

**Sen. Dr. Gopeesingh:** I had concerns about the fact that they can—

**Sen. Jeremie:** I know you had concerns.

**Sen. Dr. Gopeesingh:** Even in their official capacity they can write a lot of things that may be negative.

**Sen. Jeremie:** It would be in their official capacity, which will be covered by immunity.

**Sen. Seetahal, S.C.:** If they are marking papers and they write bad things in the paper—It is 6.20 p.m. by the way, sorry.

**Madam Chairman:** Yes, Minister, we need to take the—Should we finish it?

**Sen. Jeremie:** We could finish this.

**Madam Chairman:** I think we could finish it in a minute.

**Sen. Jeremie:** In one minute, I see 6.17 p.m.

**Sen. Dr. Gopeesingh:** I am sorry to detain you half a second again. Clause 4(2)(c) states:

“immunity from inspection and seizure of personal official baggage.”

Again, it has to be considered whether it is in the official capacity because anybody from the Caribbean Examinations Council can be going through a port or any—

*Senate resumed.*

#### PROCEDURAL MOTION

**The Minister of Community Development, Culture and Gender Affairs (Sen. The Hon. Joan Yuille-Williams):** Madam President, in accordance with Standing Order 9(8), I beg to move that the Senate continue to sit until the conclusion of the matter before us.

*Question put and agreed to.*

#### CARIBBEAN EXAMINATIONS COUNCIL (PRIVILEGES AND IMMUNITIES) BILL

*Committee resumed.*

**Madam Chairman:** Now, Senator, you may continue.

**Sen. Dr. Gopeesingh:** The same way that the first two parts have official capacity, perhaps, you may want to consider inserting that as well, because under national security matters anybody from CXC can walk through the port or do anything anywhere and they are immune from inspection and seizure of their personal and official baggage. What is considered official or not? Somebody would say: “My baggage is official” and they may have something in it.

**Sen. Jeremie:** This is consistent with the norms which apply under the Vienna Convention.

**Sen. Dr. Gopeesingh:** Is that the same wording?

**Sen. Jeremie:** This is less intrusive than the powers conferred and the immunities granted under (a) and (b), which relate to legal process and personal arrest or detention. This is just search.

**Sen. Dr. Gopeesingh:** That is fundamentally important.

**Sen. Jeremie:** Diplomats normally would have this type of privilege accorded to them.

**Sen. Seetahal, S.C.:** What is personal baggage? I think that is what the Senator is concerned about. Clause 4(2)(c) states:

“immunity from inspection and seizure of personal...”

However, before we go there, I think you should look at clause 4(4) which states:

“immunity under subsection (2)(c) does not extend to cases of *flagrante delicto*.”

I do not know if that is meant to address the issue. I know what *flagrante delicto* means in law, in the normal course of things, but I am not sure what it means in a diplomatic sense. What does it mean here?

**Sen. Gift:** Caught in the act, violation of—[*Interruption*]

**Sen. Seetahal, S.C.:** It probably might mean—

**Sen. Jeremie:** Hear him out please. He was about to continue.

**Sen. Gift:** *Flagrante delicto*, in that context, means that a crime has been committed and that the person who committed the crime is detected on this part; in other words, the evidence is clear.

**Sen. Seetahal, S.C.:** If you have drugs in your bag you would not be immune. I think if that is what clause 4(4) qualifies, clause 4(2)(c), then it would—[*Interruption*]

**Sen. Jeremie:** The immunity is not as broad as it seems. It is an immunity which allows the person in the employ of the CXC to pass without let or hindrance, so that you do not have a situation where you say: Is this personal baggage, is this not personal baggage, should we search this? Unless the burden is thrown the other way and unless you know for a fact that they have a packet of something—I do not know about these things—falling out or exposed.

**Sen. Dr. Gopeesingh:** I want to draw to your attention that there is a contradiction between 4(2)(c) and 4(6). Clause 4(2)(c) states:

“immunity from inspection and seizure of personal and official baggage;”

Clause 4(6) states:

“Where personal baggage is to be inspected...”

There is a contradiction there. We have to make up our mind as to what to do.

**Sen. Seetahal, S.C.:** A contradiction does not exist because of clause 4(4). As the Minister just explained, in cases of *flagrante delicto*, where it is obvious that there is evidence, you can still do it. That is what he was saying. That is why I drew 4(4) to your attention.

**Sen. Jeremie:** The immunity is not as violent as you think it is.

**Sen. Seetahal, S.C.:** That is why you have to read the whole thing in the context.

**Sen. Jeremie:** That is the explanation. We can go around in circles.

**Sen. Dr. Gopeesingh:** *Flagrante delicto* means caught in the act. Nobody who has a personal baggage and is granted immunity from inspection of that personal baggage—you would not be catching them in any act.

**Sen. Seetahal, S.C.:** It does not mean the same thing in the normal public way. In this way, that is why I asked at the beginning, it means, as Minister Gift explained, if you are going through and there is suspicion that you have drugs.

**Sen. Jeremie:** It drops out.

**Sen. Seetahal, S.C.:** Then you can search. An example could be weapons. I think that is what you are saying.

**Sen. Jeremie:** It is drafted as it is for a reason. Could we put the question?

*Question put and agreed to.*

*Clause 4 ordered to stand part of the Bill.*

*Clauses 5 to 8 ordered to stand part of the Bill.*

*Question put and agreed to, That the Bill be reported to the Senate.*

*Senate resumed.*

*Bill reported, without amendment, read the third time and passed.*

**6.30 p.m.**

**ARRANGEMENT OF BUSINESS**

**Madam President:** Hon. Senators, before we take the adjournment, I wish to return to an item on the Order Paper and that is “Bills Brought from the House of Representatives”.

*Agreed to..*

**STATE LANDS (AMDT.) BILL**

*Motion made,* That the next stage be taken on Wednesday, September 20, 2006 at 1.30 p.m. [*Hon. J. Yuille-Williams*]

*Question put and agreed to.*

**The Minister of Community Development, Culture and Gender Affairs (Sen. The Hon. Joan Yuille-Williams):** Firstly, we were going to ask that this Bill be taken on Friday, but when I looked at that date, Friday is the official opening of Carifesta which takes place at the Hasely Crawford Stadium. We have a number of visiting parliamentarians here as our guests, and we would all wish to be there.

We are going to send out invitations to each one. I am hoping that we would agree to meet on Wednesday, September 20, 2006 to do the State Lands (Amdt.) Bill. At the same time, I would go on to do what we would usually do, and adjourn to Tuesday, September 19, 2006. The following day, Wednesday, I wish to add the Pilotage Bill. This is something special that we are asking of this Senate, to do the State Lands (Amdt.) Bill and the Pilotage Bill on Wednesday, September 20, 2006 at 1.30 p.m.

*Question put and agreed to.*

**ADJOURNMENT**

**The Minister of Community Development, Culture and Gender Affairs (Sen. The Hon. Joan Yuille-Williams):** Madam President, I beg to move that this Senate do now adjourn to Tuesday, September 19, 2006 at 1.30 p.m. when we would debate the Motion to increase the Contingencies Fund on the Supplemental Order Paper.

**Madam President:** Hon. Senators, before we take the adjournment we have a matter on the adjournment.

**Sen. Dr. Gopeesingh:** Madam President, I do not see the Minister of Health here. I think it would be unfair for me to raise the matter on the adjournment which is: the status of the Government’s Renal Dialysis Programme.

**Madam President:** There is a Motion on the Adjournment by Sen. Dr. Kernahan.

**Sen. Dr. Gopeesingh:** Okay.

**Ministry of Local Government  
(Special Projects Programme)**

**Sen. Dr. Jennifer Kernahan:** Madam President, thank you. I beg to move the matter to be raised on the Motion for the adjournment of the Senate: the status of special projects initiated by the Ministry of Local Government.

Madam President, in April 2003, the Minister of Local Government announced that the Government would be initiating 365 small, medium and large projects in communities across Trinidad and Tobago. The rationale for these projects cannot be faulted. I would expect the rationale to be as follows:

- (1) to give small contractors the jobs for infrastructural work in the communities;
- (2) to speed up these construction jobs in the communities;
- (3) to provide jobs for members of individual communities; and
- (4) greater interest in getting the job done if they were done by small contractors in the communities.

Madam President, in 2003 to 2004 there was an allocation of \$313 million: \$130 million for URP jobs and \$183 million for special projects. Madam President, what happened was that no special projects were initiated in that year and, in the following year 2005 to 2006, contractors had to reapply to do these jobs. In fact, what you had was staff in the offices and so forth assigned to these jobs. The staff was in place, but nothing was happening on the streets and nothing was done that year.

Madam President, what has happened is that in spite of the laudable intentions of the Government, with respect to these special projects, when you look at the tender document itself of which I have a specimen, I have a serious problem with the whole concept and the way in which the Government has approached this programme.

We have a tender document here and the language involved could only be interpreted by trained personnel like contractors, engineers and so forth who have vast knowledge and experience in the business of construction. Madam President,

the language is complex; it is difficult, and when you go to communities such as Laventille, Morvant and along the East-West Corridor, and if you want to give young would-be contractors the responsibility for executing certain types of jobs, it is almost impossible. It is daunting to ask them to sign tender documents such as these.

I just want to quote very quickly one or two paragraphs which appear here, and to put it to this honourable Senate that it is really unfair to present young contractors and ordinary people in these communities who would perhaps just have some experiences working on a project or working with a contractor doing some kind of masonry or construction work and so forth, and you then tell them: "I want you to be a small contractor, I want you to sign this document; and I want you to do this project for me", without any training or understudy from the larger contractors and so forth. What they are actually doing is defeating the whole purpose, because you are daunting these people before they even get off the ground.

Madam President, for example, one of the clauses in this tender document reads like this:

At the time of opening of tenders each tenderer will be presumed to have inspected the site and to have read and to be thoroughly familiar with the drawings and tender documents, including all addenda and satisfy himself as to the nature, extent and practicability of the works and all other points which can in anyway affect the Bill of Quantities and Appendices.

Madam President, this is meant for the ordinary guy who may have some experiences in construction and small jobs and so forth. This is the kind of tender document that they were asked to read, sign and commit to.

Madam President, I am sure that you would have had the experience of inviting a carpenter to your home or a mason to your home, and that person who has the experience would have been able to do the job practically, but he cannot do the measurements. They cannot tell you exactly how many bags of cement you would need and how many pieces of equipment you would need and so forth, because they did not have that training. This is exactly what has happened here.

Many of these young men are not able to go on a job site and determine what is necessary like the quantities of materials and so forth. That is Greek to them. From my information, they had to go to an engineer who would actually do the work for them and advise them on what they needed to get and so forth, and they had to give them money in order to get that help. The language of these

documents and the way they are presented are totally unfair and unrealistic of the Minister to expect that small contractors in these communities and so forth would be able to deal with this. They would have to approach it in a totally different way.

Madam President, I have in my possession a list of contracts that were awarded to a number of would-be contractors across these communities. We have the construction of Sapodilla Trace in Laventille; Dawn Trace in Trou Macaque, Laventille; Symphony Pan Theatre; a box drain in Laventille Road; Thomasine Street landslip; a construction of a box drain in Toussaint Street and so forth. There are number of them.

In my area, I know for certain that there was supposed to be a box drain contract to be given to a certain contractor in Jubilee Crescent in Gonzales. It was tendered to one Broderick Gale. Madam President, do you know what happened? This contract was closed after two weeks, because of the social and economic situation that obtains in these communities.

As a small contractor, when you get a contract, immediately, the gang leaders flock around. They come to your site and they demand work, and they have guns in their waist and you cannot deny them work. Madam President, when you engage these people they do not work. They have guns and so forth so they demand work by force, and they do not even work. They do not intend to do anything. So, therefore, you have all these people that you have to pay on the job. There are persons who would be willing to work, but cannot get on the job, and then you cannot do the job, because you cannot employ anybody else, so right away the job stops. After two weeks the job stops.

Madam President, this is what is happening right across the East-West Corridor, because of this Government's failure to deal with the situation of gangs, drugs and guns in the communities. That is basic. So whatever you try to do after that—how many good intentions you may have to develop infrastructure in these communities and so forth—you cannot do it, because these young men would not allow you to do so. You have to understand the psyche and the history of these things.

Madam President, these young men have learnt over the years that you do not get respect; you do not get a hearing in this society unless you use force. There are many young men out there who are writing letters and trying to do the right thing, and who are trying to get a hearing, but they are not heard. They are invisible in this society, and they are unable to reach the ears of the authority.



What they have learnt by trial and error over the years is that when you are bad and you use force and you have a certain number of ghosts—this is what they call it when they have killed a couple of people—that is when you get some respect.

So, when you walk into the ministry and so forth and you have 10 ghosts or 15 ghosts and so forth, you are a bad man and you would get the respect that you want and you would get the economic benefits of that. It has become a culture. Whether they want to recognize it or not that is the reality in the East-West Corridor; that is the reality in these constituencies; and that is the reality in these communities. Madam President, none of these projects that I have mentioned here—none of the projects that the Government had these good intentions about offering small contractors job to build infrastructure in these communities—none have come to fruition and none have come to pass.

Madam President, Erica Street suffered the same fate as the Jubilee Street gang. You know, you have all these bad boys coming around, so the contractors have to run for their lives, because they are unable to control the situation; they are unable to do any work; and they are unable to get the job going.

Madam President, at the end of the day, what you have is a vicious cycle. So, at the end of the day you have a community that is neglected; a community that does not have the necessary infrastructure; there is lack of equity; and people do not see any qualitative improvement in their lives. The youths—that is when they get the feeling that they live in a ghetto and they live in a depressed community and nobody cares about them—who are not directly involved in these gang warfare issues and so forth—you have an enormous amount of resources being wasted. While all this is happening on the streets or not happening on the streets, you have people sitting in office and getting paid every fortnight for work that is not being done. You also have these contractors being left with a sense of inability to perform, and inferiority complex and so forth. Sometimes some of them really want to perform; they really want to do the work; they really want to advance the communities and so forth, but they are unable to do so and they are left totally frustrated and defeated.

So, Madam President, I would suggest to the Government that they have to approach this situation in a holistic manner. You cannot do anything in these communities unless you deal with the basic problem of getting the gangs and drugs off the streets and controlling them.

I do not understand why we have a police service and why we have a Minister of National Security, and so much money being spent in national security when basic security of workers, contractors and people in the communities seem to be a

non-issue. Madam President, first of all, they have to deal with that matter, and then you have to go on to the question of getting your communities to function in the way, traditionally, they are supposed to function. Up to a few years ago, it was not like that.

I lived in Gonzales and I know it was not like that. I know that ordinary persons could have gone to a URP job site or whatever it is and work and earn their money and so forth but, presently, it is chaos and it is totally out of hand. I do not know if the Minister is aware of the causes for it and so forth, but they are supposed to know.

Madam President, I am also suggesting that if you really want to rehabilitate young contractors and if you want to get them more skilled and so forth, you would have to put them through a training process. You have to make sure that they have an apprentice training scheme under bigger contractors and so forth, and then you could teach them to be able to interpret these documents like Bill of Quantities and Quantity Surveying and so forth, so that they could actually go to the sites and identify what their needs are, and be able to do a job instead of having them feel—they have a job to do—inadequate and they are unable to perform.

Madam President, I am saying two things: we need to train the young contractors and put them through a system whereby they could really perform and do the jobs that they are given to do; and in order for them to perform in these communities we have to clean them up. We have to get rid of the gangsters. The Minister of National Security said that he knows how many gangs are there and how many gangsters are there—he knows everything about it—and clean up our communities, and let our communities go forward and prosper, and let the infrastructure be at the level that ordinary citizens can live a better quality life.

Thank you. [*Desk thumping*]

**The Minister of Local Government (Sen. The Hon. Rennie Dumas):** Madam President, I want to start the gentlest way that I can by saying thanks to the Senator for at least admitting that the Government had a good intention, and that the programme was a laudable one. I think after that the information got a little scary, because it is just simply not true. There may be a project or two that was stopped, but the general tenor of the argument is not correct nor are the figures given.

Madam President, the truth is that the special projects of the URP were introduced during the fiscal year 2003 to 2004 with an approved budget of \$50 million. The budget for 2004 to 2005 was \$75 million. The programme targeted the underprivileged communities and the development of entrepreneurial skills of the individuals and communities, as well as the community infrastructure.

The special projects work were categorized as small, medium and large representing 60 per cent, 25 per cent and 15 per cent respectively of the allocation provided. Small projects ranged from under \$100,000; medium projects, \$100,000 to \$250,000; and large from \$250,001 to \$500,000.

It was a general policy that under the special projects component of the URP, contractors should seek to employ at least 60 per cent of their workforce from within the region of the contract, and general and specific guidelines were developed with respect to the contract arrangements and procurement of goods and services.

In 2003 to 2004 there were a number of labour-only contracts, with the ministry providing the materials and so forth. That created some problems and, therefore, we changed the policy in 2004 to 2005 to full contracts with the contractors providing the labour, material and equipment. During fiscal year 2003/2004 the Ministry awarded 174 labour-only contracts at a contract price, excluding the materials, of \$18,496,772. In 2004 to 2005, 445 full contracts were awarded with an estimated price of \$69,432,231.30.

The focus of the Special Projects Programme was aimed, not only at the physical upgrading, rehabilitating and enhancement of the community infrastructure, but also treating with the entrepreneurial skills. In that respect, contrary to what was just suggested, the National Entrepreneurship Development Company Limited (NEDCO), the Business Development Company (BDC) and even the business section of Scotia Bank came in and had their hands in training and talking to these would-be contractors as to how we would treat with them and how they are supposed to treat with their businesses, et cetera.

There was also the recruitment of trainers in terms of contract management; in terms of how you make bids; and all of that because it was a very open situation. We put the request for tenders in the newspapers, and we had 600 and something responses, and these persons were all invited to the training. It was all there; it was shown.

What is not correct is that you had this high rate of failure. Of those 445 projects, we had 24 projects that were not completed in that year; and 12 projects were aborted because of issues like that. That is 12 across the country from 445. Even WASA has more difficulty going into some areas; the garbage trucks also have a difficulty going into some areas. It is not correct that that behaviour is characteristic for the rest of the country, or even of the specific areas that you talked about.

We have hundreds of these contracts that were being completed. In fact, 421 contracts were completed. [*Desk thumping*] That meant that in every single—I make the boast and I make no apology for saying that—community in Trinidad

and Tobago had at least one URP special project. The Leader of the Opposition had URP projects in his constituency that he asked for. [*Crosstalk*]

The Special Projects Programme targeted critical community infrastructure, and that would include road work, drains, pan theatres, kindergarten schools that needed help—any kind of community infrastructure—bridges, retaining walls, public buildings, police stations, schools, play parks, hard courts, netball courts, pan yards, box drains, curb and slipper drains and V drains. In other words, I want to suggest to you that I want to make the boast that this is the single programme that gave every community and those with aspirations to be small contractors an opportunity.

This programme was advertised across the country on the day on which we thought registration should occur. It was a programme in which you had, again, hundreds of persons having the opportunity to act as leaders in their communities and building community infrastructure under their own speed.

Madam President, do you know what is interesting? We would normally hear that URP is something feeding money towards guns, gangs and drugs. I am quite happy that the Senator has come around to acknowledge that at least one programme in URP has some merit and was, in fact, serving the communities and the group of persons whom we were out to serve. Senator, having acknowledged that, I am willing to forgive all the other mistakes that you may have made.

Even as beautiful as the programme is, we thought that we needed to look at it again. The Senator did make a good point. It may be that some of the documentation may require some simplification, and we can go along with that as long as we are able to tie the person that we have contracted to performance. As a Government, we are clear that we do not want to give a person a contract and then that person walks away and we cannot hold that person to account. They must be held to account. Even as we go into the communities—now we say that the small entrepreneurs should be given a chance as in our larger model in which we are saying that a certain percentage of the Government's expenditure should go the communities—we are saying that this programme is one of the training programmes in that direction, and in this programme people shall be held to account. In other words, the ghosts that you talked about are perhaps the ghosts of people who died but, certainly, not the ghosts who were working on these programmes. The evidence is there that they were all built out.

We had a few problems where contracts were given and people attempted to extort from the contractors, and you were right, because the minute that came to light we closed them down. We did not encourage anybody leaching off the contractors who were given contracts and, therefore, to the extent that we could

give them that protection, we gave them that protection. Where the community had an opportunity to select the programmes that were done, the contracts that were done and the particular and specific works that were done; we attempted to work with the communities whether it was through the local government representatives or the MPs.

We agree that there ought to be some training available and, I think, the URP working with the Ministry of Science, Technology and Tertiary Education and other organizations will, in fact, be looking at that training.

Madam President, again, I want to suggest to you that this was money well spent, and there was work and benefit to show for the work; both in terms of the entrepreneurs who were contracted; the workers that were employed; the community-based enterprises from which they bought their products and goods; as well as the beneficiaries who enjoyed the improved facilities. We thought that there were problems and, therefore, we are not suggesting that they are without an issue to fix.

As a Cabinet, we have already agreed that the project should be re-looked, re-branded and, possibly, removed from the URP and done as a project maybe of the Ministry of Local Government and spread it throughout the country. When that is done, more would be said.

I want to suggest to you that we in the Ministry and, certainly, the Government consider the special project component of the URP to be a successful programme that brought a lot of benefit to the country.

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

**The Minister of Community Development, Culture and Gender Affairs (Sen. The Hon. Yuille-Williams):** Madam President, I want to crave the indulgence of the Senate again, please. I know that I have asked and we have been granted leave to meet on September 20, 2006 to do the State Lands (Amdt.) Bill, but there is one other piece of legislation that we hope would not lapse—I understand that it was introduced last week—and that is the Pilotage (Amdt.) Bill. It is a short Bill. I would hope that the Senate would agree to do that Bill as well on September 20, 2006.

Madam President, thank you.

*Question put and agreed to.*

*Senate adjourned accordingly.*

*Adjourned at 7.00 p.m.*