

THE
PARLIAMENTARY DEBATES
OFFICIAL REPORT

IN THE FIRST SESSION OF THE NINTH PARLIAMENT OF THE REPUBLIC OF TRINIDAD
AND TOBAGO WHICH OPENED ON DECEMBER 17, 2007

SESSION 2007—2008

VOLUME 5

SENATE

Monday, October 06, 2008

The Senate met at 10.00 a.m.

PRAYERS

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

LEAVE OF ABSENCE

Mr. Vice-President: Hon. Senators, I wish to inform you that the President, Sen. The Hon. Danny Montano is currently acting as President of the Republic of Trinidad and Tobago.

I have granted leave of absence to Sen. The Hon. Martin Joseph who is out of the country.

SENATORS' APPOINTMENT

Mr. Vice-President: Hon. Senators, I have received the following correspondences from His Excellency the President, Prof. George Maxwell Richards and His Excellency the Acting President, Sen. The Hon. Danny Montano:

"THE CONSTITUTION OF THE REPUBLIC OF TRINIDAD AND TOBAGO

By His Excellency DANNY MONTANO, LLB,
BComm., C.A., Acting President and
Commander-in-Chief of the Republic of
Trinidad and Tobago.

/s/ Danny Montano
Acting President.

TO: MR. FOSTER CUMMINGS

WHEREAS the President of the Senate has temporarily vacated his Office of Senator to act as President of the Republic of Trinidad and Tobago:

AND WHEREAS the Vice-President of the Senate is acting President of the Senate:

Senators' Appointment
[MR. VICE-PRESIDENT]

Monday, October 06, 2008

NOW, THEREFORE, I, DANNY MONTANO, Acting President as aforesaid, acting in accordance with the advice of the Prime Minister, 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, FOSTER CUMMINGS, to be temporarily a member of the Senate, with immediate effect and continuing during the period that Senator Danny Montano has temporarily vacated his Office as Senator.

Given under my Hand and the Seal of the President of the Republic of Trinidad and Tobago at the Office of the President, St. Ann's, this 6th day of October, 2008."

“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. JOEL PRIMUS

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

NOW, THEREFORE, I, GEORGE MAXWELL RICHARDS, President as aforesaid, acting in accordance with the advice of the Prime Minister, in exercise of the power vested in me by section 44 of the Constitution of the Republic of Trinidad and Tobago, do hereby appoint you, JOEL PRIMUS, to be temporarily a member of the Senate, with effect from 6th October, 2008 and continuing during the absence from Trinidad and Tobago of Senator Martin Joseph.

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 3rd day of October, 2008."

OATH OF ALLEGIANCE

Senators Foster Cummings and Joel Primus took and subscribed the Oath of Allegiance as required by law.

Appropriation Bill (Budget)

Monday, October 06, 2008

**APPROPRIATION BILL
(BUDGET)**

Bill to provide for the service of Trinidad and Tobago for the financial year ending on the 30th day of September, 2009, 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. [*Hon. M. Browne*]

Question put and agreed to.

PAPERS LAID

1. Draft Estimates of Expenditure for the financial year 2009. [*The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne)*]
2. Draft Estimates—Details of Estimates of Recurrent Expenditure for the financial year 2009. [*Sen. The Hon. M. Browne*]
3. Draft Estimates of the Revenue and Expenditure of the Statutory Boards and Similar Bodies and of the Tobago House of Assembly for the financial year 2009. [*Sen. The Hon. M. Browne*]
4. Draft Estimates of Development Programme for the financial year 2009. [*Sen. The Hon. M. Browne*]
5. Draft Estimates of Revenue for the financial year 2009. [*Sen. The Hon. M. Browne*]
6. Social Sector Investment Programme—2009. [*Sen. The Hon. M. Browne*]
7. Public Sector Investment Programme—2009. [*Sen. The Hon. M. Browne*]
8. Public Sector Investment Programme Tobago—2009. [*Sen. The Hon. M. Browne*]
9. Supplementary Public Sector Investment Programme—2009. [*Sen. The Hon. M. Browne*]
10. Review of the Economy—2008. [*Sen. The Hon. M. Browne*]
11. Annual audited financial statements of the Trinidad and Tobago Mortgage Finance Company Limited for the year ended December 31, 2007. [*Sen. The Hon. M. Browne*]
12. Provisional Collection of Taxes Order, 2008. [*Sen. The Hon. M. Browne*]

13. The administrative report of the Tunapuna/Piarco Regional Corporation for the period October 01, 2006 to September 30, 2007. [*The Minister of Local Government (Sen. The Hon. Hazel Manning)*]
14. The annual administrative report of the Diego Martin Regional Corporation 2006—2007 [*Sen. The Hon. H. Manning*]

**APPROPRIATION BILL
(BUDGET)**

The Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Mr. Vice-President, I beg to move,

That a Bill to provide for the service of Trinidad and Tobago for the financial year October 01 2008 to September 30, 2009, be now read a second time.

Mr. Vice-President, this is a money Bill and it was approved in the other place on October 02, 2008. The Bill provides for the issue from the Consolidated Fund of the sum of \$44,206.3 billion under the various Heads as indicated in the Schedule of the Bill.

Mr. Vice-President, I am privileged to have been assigned the responsibility for presenting this budget statement for the financial year 2008/2009 to this honourable Senate.

The budget is anchored in a medium-to long-term policy framework crafted and enunciated over the last seven years. My colleagues and I will continue to refine and adapt the National Strategic Plan also known as Vision 2020 in the context of current international and domestic conditions.

I remind this honourable House that Vision 2020 was developed from considered contributions by persons drawn from a diverse cross-section of our society and represents a general consensus as to where we would like to be, when and how to get there.

Mr. Vice-President, in this regard, the National Strategic Plan identifies the following five development pillars for the achievement of the vision:

1. Developing innovative people;
2. Nurturing a caring society;
3. Enabling competitive business;
4. Investing in sound infrastructure and the environment;
5. Promoting effective Government.

Vision 2020 is an overarching goal, one in which we see an improved future for all our citizens significantly enhanced over our current reality. Our citizens will have access to the wide range of services and goods on terms and conditions which are similarly available to citizens of developed countries.

We have been reshaping our economy since 2002. This 2009 budget statement is based on the theme: “Shaping Our Future Together”. We invite the national community, the business sector, civil society and all non-governmental organizations to continue to build on the strong economic and financial foundations that have been set as we seek to strengthen the long-term growth of the economy. We are of the firm view that this can only be achieved with collaboration and participation by all.

Mr. Vice-President, we take the opportunity in presenting the annual budget in this House to articulate our plans and programmes to the national community. Our programme of action is built on the following key policies:

- prudent and sustainable fiscal stances;
- consistent monetary policies;
- major structural reforms in the area of taxation and public institutions;
- commitment to public savings through consistent transfers to the Heritage and Stabilisation Fund;
- exchange rate flexibility which will provide the domestic economy with a cushion against external shocks; and
- investment expenditure as we create the physical, financial and social infrastructure for a modern economy.

Mr. Vice-President, in this vein, the detailed plans and programmes are set out in the following documents which were laid in this House:

- Review of the Economy;
- Public Sector Investment Programme;
- Public Sector Investment Programme for Tobago;
- Supplementary Public Sector Investment Programme;
- Social Sector Investment Programme;
- Draft Estimates of Revenue; and
- Expenditure for the Development Programme.

Appropriation Bill (Budget)
[SEN. THE HON. M. BROWNE]

Monday, October 06, 2008

It would be remiss of me, Mr. Vice-President, if I did not pay public tribute to those who assisted me in the preparation of this budget statement: the Prime Minister and my colleagues in Cabinet for their guidance and advice; the civil groups including those representing business and labour; the citizens of Trinidad and Tobago who have consistently called upon me to ensure that the plans and programmes put in place by this Government since 2002, should remain inclusive, in particular, for the vulnerable and the disadvantaged.

We live in turbulent times and we cannot ignore the difficulties being experienced by countries more developed than ourselves. We need to take careful note of the market volatilities that continue to unfold and be cognizant of the potential and in some cases, the expected fallout that may impact us.

10.15 a.m.

In this regard, most of the world is grappling with the twin problems of persistent inflation and slower economic growth. Various approaches are being implemented by countries all over the world in an effort to address these weaknesses and bring stability to their economies. The situation in the US which, if not expeditiously addressed, can have systemic contagion effects globally. This could exacerbate the effects of the rapid increases in the prices of internationally traded commodities, in particular those that are used pervasively throughout the world: oil, food and steel. The general consensus is that the prevailing uncertainty will continue for some time. However, economists at the IMF still project positive world economic growth though at a much slower pace.

The fundamentals of our economy remain strong and sustainable. The Trinidad and Tobago record is impressive, to say the least. Gross domestic product has almost tripled since 2001; from \$55 billion it has reached \$152 billion in 2008 and is projected to reach \$165 billion in 2009. The non-energy sector continues to register rapid growth and for the first time in many years grew at a faster rate than the energy sector. Growth in the non-energy sector has been broad-based and diversified. Construction activity; manufacturing; tourism; wholesale and retail trades and financial services, are all expanding.

Economic growth is evidenced by increasing employment levels. The unemployment rate at the end of June 2008 is 4.2 per cent. Since 2002, the economy has created 75,000 new sustainable jobs and is now considered to be at full employment. This is unprecedented in our country's history and compares favourably with levels in developed economies, such as the United States and the UK, which are experiencing unemployment levels in excess of 6 per cent. [*Desk thumping*]

The balance of payments has continued to strengthen, reflecting high oil and gas prices. This has resulted in the growth of external reserves which now have reached US \$8.52 billion, the equivalent of 11 months of import cover. Public savings as measured by the Heritage and Stabilisation Fund have increased. The balance of this fund now stands at US \$2.46 billion. This amount, which is not included in our official external reserves, represents more than 10.2 per cent of GDP and is considerably higher than the level of our external debt.

External debt continues on a downward trend and it now stands at 6 per cent of GDP. Public sector debt is also trending downwards; it is now 28 per cent of GDP, down from 58.3 per cent in 2000.

We can all be justifiably proud of this economic performance and it has not gone unnoticed by international observers or foreign investors. In August 2008, Standard and Poor's rating services raised its long-term currency sovereign credit rating of Trinidad and Tobago from A-minus to A. In announcing the rating upgrade to the marketplace, the highly reputable international rating agency advised that "the upgrade reflects the continued strengthening of the Republic's fiscal and external accounts". Our international credit rating is important as it signals to the world that Trinidad and Tobago is an attractive destination in which to do business, a reputation which has consistently acted as a catalyst in attracting capital inflows into our major productive sectors.

Keeping inflation in check represents a cornerstone of our public policy. We are mindful of the importance of price stability to the growth process. We recognize also that the country cannot be insulated from the increased inflationary trends prevailing amongst our major trading partners. Headline inflation, which includes the effect of food prices, in August 2008 was measured at a rate of 13.5 per cent, with food inflation being the main catalyst, given that core inflation which excludes the impact of food prices was measured at a lower rate of 6.3 per cent. The rise in inflation in Trinidad and Tobago has resulted from both external factors as well as strong domestic demand. Accordingly, we are tackling inflation and the inflation level from several different angles.

On the demand side, to address the domestic buoyant demand conditions, we are collaborating with the Central Bank on liquidity management to reduce the amount of money in the financial system and as a consequence, to dampen the demand for goods and services. We have also embarked on an aggressive strategy to ensure that our planned expenditure is undertaken more efficiently.

On the supply side, we are actively collaborating with the private sector to expand food production through small and large farm projects in an effort to reduce the impact of high prices of food imported from abroad. We have also eliminated, or significantly reduced, import duties and value added taxes on a wide variety of food items so that prices charged to consumers for these food items will be reduced. Our intervention in key productive sectors, as well as our investment in infrastructural works, ensure that our long-term economic growth is maintained and enhanced, but this objective could only be achieved on a sustainable basis through consistent investment expenditure that contributes to the development of our people.

A sound education system is the strongest catalyst for broadening opportunity, for reducing poverty and for building an inclusive society. This budget prioritizes a number of initiatives in school building and early childhood education:

- (1) To our existing 19 completed early childhood care centres we will add an additional 150 centres and increase that number to 600 by 2012 to cater for an expected population of some 40,000 three-to four-year-olds, thereby achieving universal early education care;
- (2) The school feeding programme is being expanded to cater to 75 per cent of the targeted school population at a cost of \$240 million;
- (3) The text book loan programme is being reviewed to increase its efficiency and this would benefit 300,000 students;
- (4) The University of Trinidad and Tobago is expanding its course offerings to include programmes in security systems, theatre arts, fashion design and management, criminology as well as a series of professional engineering programmes, and responding to the need for more skilled persons in the food production area it is introducing a Bachelor of Science degree in Biological Sciences and Food Technology at its Centre for Biosciences, Agriculture and Food Technology.

The University of the West Indies, the Trinidad and Tobago Hospitality and Tourism Institute, the College of Science, Technology and Applied Arts of Trinidad and Tobago and the University of Trinidad and Tobago, are spearheading the national effort to increase the percentage of tertiary graduates from just under the present 50 per cent to 60 per cent of our school population by 2015, the average of most developed countries.

The provision of quality and affordable health care for our citizens is an unquestionable right. The \$4.3 billion allocation to the Ministry of Health is reflective of our focus on improving the operational capability of the sector and on

sustaining improvements in the quality of health care. Within this broad framework of health care, the Chronic Disease Assistance Programme (CDAP) was further expanded to provide free blood glucose testing machines and strips to insulin-dependent diabetics. The partnership between the Government, John Hopkins Medicine International and the University of Trinidad and Tobago is already paying dividends. Academic programmes at UTT will build managerial capacity in the health sector.

A hospital strategy, the planning for which is under way, will optimize resources to provide the critical clinical mass to deliver high quality care to our citizens and research facilities will expand the scope of the delivery of health care.

A more than 65 per cent decline in the number of AIDS cases and the 50 per cent decline in AIDS-related deaths has been achieved by the implementation of the strategic plan for reducing the incidence of HIV infections and mitigating the negative impact of HIV/AIDS on persons infected and affected.

We continue to expand the availability of dialysis treatment. We have increased the number of dialysis machines at public health institutions and have facilitated access by patients to the facilities at private institutions. At present, 577 patients are being dialysed, an increase of 32 per cent over 2007.

We will continue to build our communities. Within this framework, a number of organizations and institutions will play key roles: Village and community councils; the National Commission for Self-help; the Best Village Trophy Programme and the National Steel Symphony Orchestra. We will continue to provide financial and technical support to our national sporting organizations on the terms and conditions which have yielded substantial benefits. The effectiveness of this support is measured by the excellent performance of our athletes at the last Olympic Games.

Turning now to the issue of national security: The fight against crime will be reinforced through the strengthening of institutions and the enhanced mobilization of resources. The Special Anti-Crime Unit of Trinidad and Tobago (SAUTT) has expanded its capability in forensics, in developmental training for law enforcement and in lending operational support for the Trinidad and Tobago Police Service and other law enforcement agencies. A national drug control system was installed in 2008 with a capability to trace the movement, nationally and internationally, of precursor chemicals and to serve as a main platform within the Caribbean Basin to minimize the risk of any illegal diversion of these chemicals.

Appropriation Bill (Budget)
[SEN. THE HON. M. BROWNE]

Monday, October 06, 2008

Between 2009 and 2010, Trinidad and Tobago will take delivery of three offshore patrol vessels which are now being constructed in the United Kingdom. These vessels will be supported by six fast patrol craft which are now being built in Australia with delivery dates again between 2009—2010. In addition, we are now in the process of procuring four helicopters. We are in no doubt that we will benefit substantially from the transition which is now taking place in law enforcement. Progress is being made and I want to place on record, the appreciation and debt of gratitude to all our servicemen whose lives are at risk on a daily basis.

The sustained economic growth of this country over the last 14 years has created the fiscal space for scaling up financial assistance to the most vulnerable and defenceless groups in our society. We recognize that economic progress must go hand in hand with social progress. Our economic policy aims at the equitable distribution of the fruits of our development. Accordingly, we will continue to foster social development and integration on multiple fronts. We will provide a network of integrated, effective and accessible social programmes and services, including the following:

- (1) The targeted conditional cash transfer programme which is now being expanded with levels of cash transfers being increased by approximately 35 per cent;
- (2) the partnering with international agencies such as the European Union and the United Nations Development Programme to execute a more cohesive and aggressive approach to poverty reduction;
- (3) the establishment of a social services delivery agency to ensure the efficient delivery of social services.

We are firmly of the view that the private sector has a pivotal role in driving and enhancing growth. This Government continues to consolidate pro-growth policies in many key sectors and in the process ensures that the growth which takes place will always be inclusive, providing more and enhanced opportunities for our citizens. As we move to facilitate an enabling competitive business environment, we have targeted the following seven strategic industries for national focus and industrial growth and diversification:

- The food and beverage sector;
- Printing and Packaging
- Maritime
- Yachting

- Sea Food
- Film, and
- Entertainment.

10.30 a.m.

We are aware of the potential for these strategic industries to contribute to the expanding opportunities and draw the underprivileged and working poor into the mainstream of economic activity. We are reasonably assured that they will become substantive contributors to our gross domestic product and pillars in shaping our future. We will facilitate the development of these sectors, but there is a key role for the private sector involvement and investment.

The energy sector remains the main engine of our growth. We initiated its expansion and diversification in the early 1990s, as a measured transition of the economy from an oil-based to a gas-based position. Our significant gas potential makes continued oil and gas exploration an imperative. The 2008 *Ryder Scott Report* has underscored this position. As a result, over the medium-term our energy policy agenda will focus on the provision of incentives for increased oil and gas exploration to maximize the benefits which would accrue to all citizens of Trinidad and Tobago.

Exploration will continue in the upcoming fiscal year. In addition to the 14 wells drilled under the existing production sharing contracts and exploration and production licences, more drilling is anticipated. We intend to maintain a judicious balance of gas and oil reserves to production ratio.

The underinvestment by the private sector in agriculture is being addressed. The Government is moving rapidly to expanding food production and to accelerate agricultural development. An unprecedented \$1.7 billion has been allocated to the agricultural sector for the financial year 2009. In addition to taking steps to improve the institutional arrangements within the sector and to promote the realization of our goals in this sector, we are doing the following:

- From a land availability perspective, approximately 20,000 acres of land have been made available and are now being brought under agricultural production by the Caroni Agricultural Lands Programme, where each former Caroni worker has been allocated two-acre plots for farming and by the 15 large farm projects.
- From a financing perspective, the Agricultural Development Bank has been resourced with an allocation of \$125 million. This is solely for the support of private farmers and does not include funds for the large Government sponsored farm projects.

Appropriation Bill (Budget)
[SEN. THE HON. M. BROWNE]

Monday, October 06, 2008

- From a marketing perspective, the National Agricultural Marketing and Development Corporation (NAMDEVCO) will continue to address institutional inefficiencies through the creation of farmers' markets to bring producers and buyers together.
- From a production perspective, the National Agro Business Development Programme is facilitating the preparation and implementation of industry development plans for several commodities. It is also facilitating the organized and coordinated planning, development and growth of the agri-business sector. This programme will also collaborate with the new roads authority to upgrade and expand the road network to farmlands throughout the country.

The tourism industry continues to generate substantial growth. In 2007, there were more than 560,000 visitors to our shores. In 2008, figures already indicate that this figure will be exceeded. New hotel capacity is being created and existing room stock upgraded to internationally competitive standards. The Hyatt Regency was created with over 500 high quality rooms in 2008. The Holiday Inn Express created 83 rooms in 2008. The Carlton Savannah when completed will provide 165 rooms. Star Hotel when completed will provide 120 rooms. The Academy for the Performing Arts when completed will provide 52 five-star rooms and the Trinidad Hilton is undergoing major upgrade which would increase its complement to 420 rooms. There are at least four other major hotel projects on the drawing board. We are well on the way to creating a diversified and sustainable tourism product in this country.

Turning to financial services, the Government is moving steadfastly to support the establishment of an international financial centre, as a key component of the financial services sector. This is another pillar of our industrial policy framework. Our financial reputation, legal system and location make this country an attractive site for international banks and investment firms which are interested in fostering linkages with the wider Caribbean and Latin America. The Trinidad and Tobago International Financial Centre will create a wide range of employment opportunities in the financial services sector and other ancillary services. It will provide an enabling environment for the local and international financial institution specializing in the following areas: commodities trading; asset management; insurance and reinsurance services; international loans syndication and insurance back office activities.

The provision of the infrastructure services is the most challenging issue on our agenda. We are well aware that from an economic perspective, an adequate supply of infrastructure services is a key ingredient in promoting economic

development, growth and equity. Therefore, we have confronted the issue and dealt with a number of bottlenecks retarding our progress in this area and we intend to accelerate our rate of progress, in the coming year. We will continue to create integrated and wholesome communities. The centerpiece of this agenda is the provision of acceptable and affordable low income housing. Since 2002, we have initiated more than 32,000 housing starts.

Our investment in modernizing public transportation will reshape our urban and rural landscape. Our road network will fall under the remit of a roads authority and the modernization process is under way. In early 2009, the elevated west to south bridge from the Churchill Roosevelt Highway to the Uriah Butler Highway will be completed. This will alleviate the significant traffic delay from Port of Spain to San Fernando or the south land.

Construction of the remaining sections of the interchange when completed will do away with the traffic lights and traffic conflicts at that junction and with the flyovers and service roads at El Socorro and Aranguez, south bound traffic would be unimpeded.

In December 2008, the water taxi service between Port of Spain and San Fernando will be launched with four interim vessels. The service will be subsequently expanded with docking areas at Point Fortin, Waterloo, Invaders Bay, Point Cumana and Chaguaramas.

In April 2008, the Trinidad and Tobago Rapid Rail Transit System was initiated with the execution of a contract with the Trinetrain Consortium. The completion of Phase 1, planning and design in February 2010, would establish the alignment station locations and sizes, as well as rolling stock for the Trinidad and Tobago Rapid Rail Transit System, the construction of which should begin immediately upon completion of Phase 1.

The Fleet Expansion and Modernization Programme of the Public Transportation Service Corporation (PTSC) has brought 300 new buses to service existing and new routes. The number will be increased to 450 as PTSC completes its expansion programme and puts itself in a position to satisfy travel demand during peak hours.

A comprehensive review of the new national highway grid which will be constructed over the next eight years would allow our citizens to travel from one area of Trinidad to any other in less than two and a half hours. The technical work relating to the procurement for the 13 major highways is now being undertaken.

Appropriation Bill (Budget)
[SEN. THE HON. M. BROWNE]

Monday, October 06, 2008

We are also establishing a drainage authority with full oversight of all drainage networks throughout the country and with the mandate to find effective solutions to the country's current drainage problems.

In the context of waste water and water master plan, we are committing more than \$10 billion over the next five years to complete eight major water production projects. When completed, these projects would provide our citizens with a safe and reliable supply of water. Among the projects will be five large desalination plants; the construction of the Moruga dam; the completion of the Beetham waste water re-use project; the establishment of a national water transmission grid which will be combined with universal metering.

The Trinidad and Tobago Electricity Commission is now reviewing all existing power generation plants with a view to ensuring that the infrastructure is in place to meet and surpass the present and future demand for electricity.

In the area of telecommunications, the process for transforming Trinidad and Tobago to a knowledge and technologically driven society is under way. During the period 2009—2013, the Telecommunications Services of Trinidad and Tobago, in addition to providing residential and mobile services, will evolve into a company providing modern technology and a new service paradigm including access to eservices; video and entertainment; video conferencing and security. The fulfilment of these needs will be effected by the expansion and availability of bandwidth throughout the country. Obsolete copper cables will be replaced by optical fibre cables to provide advanced services, so that by 2013 our citizens will have access to state-of-the-art advanced telecom services.

As we modernize the country with improved infrastructure, we will continue to maintain and upgrade the environmental integrity of Trinidad and Tobago through the following: the establishment of an independent statutory authority within the Ministry of Local Government to administer the waste recycling system; through the recovery of waste including recycling, re-use and reclamation and the restructuring of the Solid Waste Management Company Limited (SWMCOL) to focus on waste management including waste water management. This function would be transferred from the Water and Sewerage Authority. There will also be the transfer of the Community-based Environmental Protection and Enhancement Programme (CEPEP) to a special purpose state enterprise to be established. Through the Green Fund, grants to community-based organizations and non-governmental organizations for remediation, re-forestation and conservation projects.

The technical work relating to the reform of the pension arrangements for the public sector of Trinidad and Tobago is almost complete. The final design of the pension system will be subject to extensive consultation with the major stakeholders and should be completed in 2009, to allow for implementation in 2010.

Four years ago we introduced reforms about income and corporation tax, so as to make the tax administration as efficient and user-friendly as possible. We are in the final phase of that reform exercise.

The property tax regime as exists is antiquated. We operate currently on 1920 levels of taxation. Therefore, we expect to put in place a new property tax regime by January 2010.

We are committed to develop sustainable local communities rooted in the principles of robust participative democracy. A local government transformation and modernization programme is an essential component of Vision 2020. Early in 2009, Parliament will consider local government reform legislation. The objective of this reform is to encourage the widespread participation and involvement of all citizens in the community, as well as to develop such communities. Also critical to the process of achieving Vision 2020, we are according high priority to the achievement of seven information and communication technologically driven measures as “egovernment”, “ecommerce”, “ehealth”, “security”, “elearning”, “eculture” and “eservices”. We are making substantial strides in advancing “eservices” within the public service and state agencies, in particular, in the area of procurement.

10.45 a.m.

The expanding of “eauction” within the state agencies represents an alternative procurement method for generating substantial plus savings within an efficient, open and transparent system. In the last most recent “eauction” event, more than 10 state enterprises participated.

With respect to Tobago, it has experienced tremendous progress and prosperity due to the collaboration between the central government and the Tobago House of Assembly. In fiscal 2009, the Tobago House of Assembly will have access to budgetary resources of \$2.6 billion, up from \$2.2 billion in fiscal 2008.

Let me now turn to the budget measures for 2009. The budget this year is calibrated on an assumed oil price of US \$70 per barrel and a gas price of \$4 per million metric BTUs, a projected growth rate of 5.5 per cent. Officials of the IMF as recent as September advised, in relation to the international oil market that—and I quote:

Appropriation Bill (Budget)
[SEN. THE HON. M. BROWNE]

Monday, October 06, 2008

“Market supply demand balances remain tight. Strong demand growth—fuelled by the acceleration of activity in resource intensive emerging economies—sluggish supply responses, and declining inventories and spare capacity are likely to keep prices high and volatile.”

Based on these assumptions, total revenue is forecast at \$49,465.2 million comprising energy sector revenue of \$19,924.6 million and non-energy revenue of \$29,540.6 million. The total expenditure to be appropriated from the Consolidated Fund is \$44,206.3 million, of which \$5,100 million will be transferred to the Infrastructure Development Fund. In addition, we estimate \$6,750.8 million as direct charges on the Consolidated Fund and \$496 million from the Unemployment Fund and the Green Fund.

The key figures are summarized as: total revenue, \$49,465.2 million; total expenditure, net of capital repayments and sinking funds, \$49,445.7 million, of which \$44,206.3 million is to be appropriated from the Consolidated Fund and the balance to be expended by way of direct charges and withdrawals from other funds such as the Unemployment Fund. A moderate fiscal surplus of \$19.5 million is being projected.

I now turn to the fiscal measures for the budget. The Government proposes to increase the rates payable on motor vehicle taxes based on the vehicles cc rating in the following order:

<u>Engine size</u>	<u>Motor Vehicle tax</u> <u>per cc rating</u>
1599 cc and under	\$ 0 to \$5
1600 to 1799 cc	\$ 4 to \$8
1800 to 1999 cc	\$ 8 to \$15
2000 to 2499 cc	\$21 to \$25
2500 to 2999 cc	\$25 to \$30
3000 to 3499 cc	\$30 to \$35
3500 cc and above	\$45 to \$50

This measure will require amendment to the Motor Vehicles and Road Traffic Act and become effective from September 23, 2008. It will result in increased revenue collections of \$525 million.

The Government is in the process of expanding the distribution of Compressed Natural Gas (CNG) as we move to a cheaper and environmentally-friendly fuel system. As a consequence, in order to accelerate the move to the use of CNG, we propose to remove the customs duty and value added tax on conversion kits for modifying from gas to CNG. Further to this measure, the Government proposes to convert all public service vehicles to CNG use. The Government will also put measures in place to increase the number of service stations and the geographic distribution of these stations offering CNG over the next two years.

The Government proposes to increase the price of premium gasoline from \$3 per litre to \$4 per litre. This measure took immediate effect from September 25, 2008. The price for other grades of fuel will be retained. We reiterate that there should be no increase in the cost of transportation by maxi-taxis and buses as the majority of taxis and other transportation vehicles use diesel and super unleaded for which the prices will remain the same. It will be noted that the closeness of the specifications of the super and premium grades creates a reasonable choice for consumers. The savings from this measure is estimated at \$200 million.

The Government recognizes the challenges faced by our retired citizens and as a result we propose to introduce a free ferry pass to persons 65 years and over for travel between Trinidad and Tobago. This measure took effect from October 01, 2008 and is estimated to cost \$5 million.

The Disability Grant was increased with effect from October 01, 2007 to \$1,100. The Government now proposes a further increase to \$1,300 at an estimated additional cost of \$40 million. This measure took effect from October 01, 2008 and will require amendments to the Public Assistance Act. It will benefit an estimated 17,000 of our citizens.

In order to provide relief to the economically challenged in our society, we propose to increase the Public Assistance Grants as follows:

One person households	from \$650 to \$850
Two person households	from \$900 to \$1,100
Three person households	from \$1,100 to \$1,300
Four persons and above households	from \$1,250 to \$1,450

This measure is expected to cost an additional \$50.4 million and will benefit an estimated 21,000 individuals. It will take effect from October 01, 2008.

In October 2007, the maximum Senior Citizens Grant was increased by \$300 to \$1,650 per month. The Government has reviewed this distribution and made the following enhancements:

Appropriation Bill (Budget)
[SEN. THE HON. M. BROWNE]

Monday, October 06, 2008

- An increase in the income qualifying ceiling of an average monthly income from \$2,500 to \$2,800 per month;
- an increase in the maximum Senior Citizens Grant from \$1,650 to \$1,950;
- an increase of the Senior Citizens Grant from an individual whose monthly income is \$100 or less by \$300, from \$1,650 to \$1,950;
- an increase in the Senior Citizens Grant of an individual whose monthly income is greater than \$100, but does not exceed \$1,000 by \$300, from \$1,550 to \$1,850.

Individuals whose average monthly income exceeds \$1,000 will receive a Senior Citizens Grant equal to the difference between the qualifying income ceiling of \$2,800 and the income received. For instance, if an individual is in receipt of an average monthly income of \$1,500, his qualifying Senior Citizens Grant will be \$2,800 less \$1,500, equivalent to \$1,300.

The estimated additional cost is \$240 million and will benefit an estimated 80,000 persons. This measure takes effect from October 01 and will require amendments to the Senior Citizens Grant Act.

To provide further support to fixed income earners, the Government proposes to increase the minimum pension payable to retired public servants from \$1,650 to \$1,950. This measure will take effect from October 01, 2008 and is estimated to cost \$70 million and impact the lives of more than 27,000 of our citizens.

In this fiscal year, we propose to increase the allowance for contribution to pension and annuity plans from \$25,000 to \$30,000 to further encourage persons employed to increase their savings for their retirement. This will cost an estimated \$25 million and will require amendments to the Income Tax Act.

In light of the continued rise in domestic property values and recognizing Government's objective of making housing affordable for all our citizens, we propose to further increase the qualifying property value applicable for the levy of stamp duty from \$450,000 to \$850,000. This means that property valued in excess of \$85,000, but less than \$1,250,000 will attract a stamp duty of 3 per cent. Properties valued in excess of \$1,250,000, but less than \$1.7 million will attract a stamp duty of 5 per cent. Properties valued in excess of \$1.7 million will attract a stamp duty of 7½ per cent. This measure is estimated to cost an additional \$30 million and will require amendments to the First Schedule of the Stamp Duty Act, Chap. 76:01, under the heading "Conveyance or Transfer on Sale of any Property". It will take effect from October 01, 2008.

Through the Government Assisted Tertiary Education (GATE) programme and the Higher Education Loan Plan (HELP), the present allocation for post-graduate students at private institutions is 50 per cent per year up to a maximum of \$10,000. Since this allocation was made, the cost of many programmes of study has increased. Accordingly, we propose to increase this allocation to \$20,000 for the Master's level programmes and to \$30,000 for the PhD level programmes. This measure is estimated to cost an additional \$40 million and took effect from October 01, 2008.

Mr. Vice-President, this Government recognizes the critical importance of academic research to this country's development. We encourage our best and brightest to continue their studies and to expose frontiers in the interest of personal and national development. We propose to grant Trinidad and Tobago citizens who have attained first class honours degrees at undergraduate level, scholarships up to the PhD level at any local or foreign institution of their choice.

These scholarships will be limited initially to students graduating from the University of the West Indies, the University of Trinidad and Tobago, the University of Guyana, the University of Southern Caribbean and St. Georges University in Grenada. However, all current and future government scholars, including open and additional scholarship winners, will also be eligible. These scholarships will be available to all citizens of Trinidad and Tobago and to persons who hold dual citizenship from Caricom Member States.

Mr. Vice-President, it is the Government's intention that these scholarships will be granted on the condition that recipients return to provide service equivalent to the length of study, in Trinidad and Tobago or in any other Caribbean country in either the public or private sector. In addition, the Government will implement an internship programme at all government Ministries and agencies to employ all recipients of national scholarships.

We are in no doubt that the economy of Trinidad and Tobago is sound and sustainable. While we are firmly integrated in the world economy, we are convinced that we can weather the cross currents and headwinds blowing our way. There are challenges ahead, but this budget prepares our citizens for that eventuality. We have set in place the architecture of good governance. We have crafted a budget which is prudent and realistic. We are helping young people to educate themselves. We are helping our vulnerable and defenceless and all our citizens as they seek to cope with higher world commodity prices. That is the hallmark of good governance.

Appropriation Bill (Budget)
[SEN. THE HON. M. BROWNE]

Monday, October 06, 2008

11.00 a.m.

The details of the tax measures are provided. In closing, to summarize this budget, this budget has a twofold purpose. First, to continue to build on the foundations that have been established since 2002 and to narrow the gap between our current state and the future, as set out in our Vision 2020 document.

Secondly, to continue the fiscal measures that promote the well-being of our citizens through education and the provision of social services.

Mr. Vice-President, I beg to move.

Question proposed.

Sen. Wade Mark: Thank you, Mr. Vice-President. This Government does not have a clue about the concept of a national budget. A key function of a budget is to maintain that which is right and to put right that which is wrong. This Government has not understood that it is wrong to increase spending and escalate the inflation rate to a level that is causing social harm, when the Governor of the Central Bank, among all people and the International Monetary Fund, among all institutions, keep advising the Government that they are on the wrong path. It is time for the nation to pause and take stock.

This budget is nothing short of a paradise for the rich and favoured few, a hell house for the poor and working class and a disaster and virtual nightmare for the middle class in this country. Only the rich and the powerful elite can support this callous fiscal package. The budget is supposed to stabilize the economy. However, far from stabilizing the economy, this budget will make interest rates and the inflation rate the highest they have ever been in our economic history. A budget which spends such a large sum of money, is supposed to make people happy. At no time before has so much been spent and associated with so much grief, anguish, discontent and harm to the economy and the population. People are hurting as wages and salaries are being eroded by inflation. Prices are rising astronomically for basic goods and services. We need to bring back fiscal sanity to our country.

Let us examine some quality of life indices. Does this Government really understand the meaning of the term “development”? In a developed country, babies who are born will live. What have we seen since this Government assumed office? We have witnessed the following horror story: infant mortality rate, according to Dr. Petronella Manning-Alleyne, stands at a whopping 40—45 infant deaths per thousand per year. When the UNC was in office, the infant mortality rate stood at 17 per thousand per year. Life expectancy under the UNC was 74

years; life expectancy under this regime has fallen to 69 years. For every year that this Government has been in office, the average citizen has lost a year of life expectancy. Is this development? Under this Government, we have dropped from number 49 to number 59, in terms of one of the best countries to live in today. When the UNC was in office, we were number 49. Today, under the PNM, the country has dipped and slid almost to 59, being beaten by countries like St. Kitts and Nevis, Bahamas and Barbados; and small island countries in the world such as Malta, Cyprus, Iceland; and Singapore. In the fight against human poverty, our country was ranked number two in the world in the period 1996/1997; today, we are ranked number 12, under this regime, according to the latest human development report.

This country is now ranked number 5 in murders per 100,000 in the world. We are close to having 14 murders per 100,000 persons. By way of comparison, the United States, with its crime-ridden cities, has a murder rate of 40 murders per million persons. In a developed country, people have a quality of life that is enviable. Government is for the people and not for the royal couple or a select few. The institutions of the state are all geared towards the promotion of the welfare of all citizens, particularly the least well off. It is clear that this country is moving in the wrong direction. This Government does not have a clue as to what development entails. We are moving in the wrong direction, in respect of the quality of life in the areas of comfort, peace and security. The people are “fed up” and dissatisfied with the treatment being meted out to them by this callous Government.

The Government is spending the resources of the country and not only are we not getting anything for it, but we are living under miserable and squalid conditions. Every indicator of the quality of life has displayed a massive deterioration. Only in this country, is it possible to witness a level of expenditure, increasing from \$13 billion in 2001 to \$52 billion today and at the same time, to witness every indicator move in the wrong direction. The paradox is that we are spending and not only getting nothing, but we are spending to make ourselves miserable and impoverished.

Never before in the history of this republic have we witnessed the anomaly of the largest fiscal package ever presented and at the same time witnessed so much dissatisfaction and disappointment by an overwhelming majority of the working people. Citizens are disgusted with the Government’s approach to solving their problems. Working people are bracing for a serious fall in their already low standard of living. They know that with the limited crumbs falling from the

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

master's table, not much advancement would be recorded in their standard of living. Whether this country is in recession or in boom, the poor man suffers the most. The ravages of inflation will witness the small man's income purchasing less and less of the basic necessities of life. This Government does not care about the poor and the effect of rising inflationary levels. Inflation will soon hit the 15 per cent mark, no pun intended, given its current trend.

The time has come for this Government to index the Senior Citizens Grant to inflation. We want to remind this uncaring and heartless Government that transfers are not gifts, for which the recipients must be forever grateful, but an entitlement which they have justly earned and deserved. The pension payments of retired public officers have remained fixed and what we have witnessed is this Government providing them with a transfer of a few dollars. This does not provide these people with the kind of quality of life that they deserve.

I want to look at the industrial relations front. The year 2009 will be a long, hot summer on the industrial relations front. With inflation set to reach 15 per cent shortly, and an economic growth rate targeted at 5 per cent over the next four years, wage and salary demands will be in the region of 30 per cent and above. These demands will undoubtedly lead to massive labour unrest, strikes and industrial relations instability. Unorganized labour will require at least 100 per cent increase in the national minimum wage from \$9 per hour to \$18 per hour, just to keep pace with the astronomical increases in the cost of living. The urgent need for the social partners to coalesce in the interest of the economy and the country cannot be overemphasized. A national social compact must be hammered out to avoid economic and social catastrophe.

The Government's pro-business and anti-labour stance has got to be revised and reviewed. It is necessary for the Government to explain to the national community, its manifest bias towards big business at the expense of the working class and the poor people.

The Government, for some inexplicable reason, has allocated the sum of \$250,000 in its 2009 budget, to two powerful and reputable business organizations. This is under the estimates of expenditure for the Ministry of Trade and Industry. These organizations are the TTMA and the Trinidad and Tobago Chamber of Industry and Commerce. They have received, in this year's budget, amounts totalling \$250,000 each; half of a million dollars, while this Government has not allocated one red cent to either NATUC or FITUN. This was repeated in fiscal 2008. They gave to TTMA as well as the Trinidad and Tobago Chamber of Industry and Commerce \$250,000. In two years, they have gotten \$1 million; these two organizations that are

profit-driven. You have two important trade unions in the country that have not been given one red cent by this Government. This is a pro-big-business Government. This budget is a paradise for the rich and hell for the poor in the country.

Having brutalized the working class, the Government has now turned its weapon on the middle class in our country. It was frequently the case that the Government could ignore the poor and helpless people, but middle income people would find themselves protecting their positions on account of their activities and by their own efforts and to develop a nest egg or pool of resources which they could dip into, in the event of unforeseen circumstances.

What we have witnessed in this package is a crude attempt by the Government to systematically erode the independence of the middle-income class in this country. The middle-income earners are going to find it virtually impossible to put any savings into their annuity concession, which the Minister mentioned a short while ago. How many middle-income earners can allocate out of their fixed income, the sum of \$2,500 to take advantage of this so-called annuity plan? It appears that this Government is hell-bent on pushing the middle-income earners into the category of the work poor.

Mortgage payments have already begun to rise for this class. The fixed income of the middle class will be further eroded by rising food prices. They have to eat too. It is going to be eroded further by the gasoline bill and if they choose to use the cheaper super unleaded gas for their cars, by a higher repairs bill. The middle-income earner is now paying an additional tax on his income, which has been levied directly by the Government.

11.15 a.m.

The Government claims that the income tax rate remains at 25 per cent, VAT at 15 per cent, but with an inflation rate or an inflation tax of 15 per cent per annum, the middle income earner is only taking home about 45 per cent of his gross income. Out of this 45 per cent, the middle income earner is being called upon to pay an additional 5 per cent mortgage rate increase.

Mr. Vice-President, a middle income earner with a gross income of \$10,000 is going to have available at the end of each month some \$4,000. The middle income earner is struggling to keep his home with high inflation rate, high mortgage rate and high interest. In these circumstances, the niceties of life will become more and more difficult and impossible and even unaffordable for this middle income earner. This is callous, insensitive, objectionable and totally

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

unacceptable. The middle income earners may find themselves being plunged into the ranks of the working poor. What we will soon witness is not only a pauperization of the proletariat, but the pauperization of the middle class in a manner which can only be considered as vindictive on the part of this Government.

We wish to caution this Government not to think it would be successful in intimidating the middle class, because since it is not planning for them, be assured that the middle class would be planning for them. The onslaught against the middle income earners does not end there. The Government has now served notice that it intends to implement a new property tax regime by January 2010. This Government without thinking the problem through has now indicated that it is going to revise the property tax regime. This, if ever implemented, will be the final death blow to the independence of the middle class.

This Government does not have a clue about the history and context of the property tax in the North Atlantic jurisdiction. This property tax is going to be taxed on the value of a property independent of the income of the owner of the property. As such, a middle class individual who has acquired his property and who has seen the property value increase owing to a buoyant economy or inflation or an increase in the demand in general, will now be called upon to pay tax on this property as a portion of its value. For the middle income earner who is struggling to keep up with his mortgage payment, this new measure is not only oppressive, but repressive and criminal to say the least.

For the middle income earner who has just retired on fixed income and cannot even meet his monthly needs, this measure is going to be equivalent to the Government seizing one's property, because this retiree would have absolutely no means of paying this tax. The effect of this measure is simple—we are surprised that the Government would think this way. The measure will ultimately convert a number of property owners into renters of homes. This measure represents the biggest threat to the middle class and their just aspirations in this country. Instead of encouraging people to own homes, the Government is now introducing a measure that will force persons to surrender their homes and live instead in Government houses.

In fact, it is a reversal of the Government's policy which up to two years ago was actually encouraging people to acquire their own homes by granting a mortgage allowance which it has since removed. Mr. Vice-President, is this not ironical? The position of the Government is very clear. First it was the removal of the interest allowance and now it is being followed by a tax on property. We have

the increases in motor vehicle taxes, automobile prices, gasoline prices, interest payment on mortgages and inflation. This is clearly a declaration of war on the middle class by this callous, brutal and uncaring Government.

This has been the most anti-middle class budget in the history of this republic. It is very surprising that this Government will consider and impose such an unfair, onerous and reprehensible property tax on the middle class and the working people of this country. On this measure alone the PNM should go!

This Government continues to place little emphasis on revenue collection in the domestic economy or collecting what it should collect from VAT, PAYE, custom duties and the slew of other taxes which exist. The Revenue Authority which is going to be in name only will make little difference in the efficient collection of domestic revenue. Instead of focusing on efficiency, the Government is simply looking at the middle class and the working people as virtual cash cows. We serve notice that if the Government introduces this property tax, a UNC-A government will reverse that property tax on the middle class and the working people of our country.

Sen. Piggott: When is that?

Sen. W. Mark: Mr. Vice-President, the middle class along with the working class would be further affected by the Government's pension reform scheme. The announcement by the Minister to reform the pension system for public officers and retirees represents a hammer blow to the already battered and brutalized body of the middle class in this country. Whilst information is limited, the details of the new arrangement coming out of the International Monetary Fund indicate that the Government has accepted their proposals. This Government has already abolished old age pension which was recommended by the IMF, and they have harmonized NIS with old age pension and it is now called a Senior Citizens Grant, putting workers at a severe disadvantage as it relates to their just entitlements.

Mr. Vice-President, the IMF recommended the following measures which we understand have now been accepted by the Government. Firstly, the introduction of a fully funded pension plan which would be a defined benefit plan administered and managed by the private sector.

The elimination of early retirement, including retirement with permission before 55 years; that has gone. The increase in the compulsory retirement age from 55 years to 65 years is coming.

The reduction of the accrual rate from 2 per cent to 1 per cent of final salary for contribution periods following the implementation of that measure to come

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

and eliminating the ceiling on the replacement rate contribution period exceeding 33 years, which currently are not accounted for when calculating pensions.

The aim is clear. It is to reduce expenditure on public service pensions by half per cent of GDP by 2020. Savings will also come from the elimination of early retirement and the increase in the compulsory retirement age from 55 to 65; the reduction in the accrual rate from 2 per cent to 1 per cent of the final salary. They want to eliminate all tax advantages on commuted pensions. They even want to reduce your gratuity in the public service. This is a danger signal for the public service and all public officers in the public service.

In addition, the IMF has recommended to the Government that it should not proceed with the introduction of a new pension plan for daily-rated workers. The IMF has suggested to the Government that given the protection already afforded these workers by the pension retirement fund or contribution from the NIS which is now \$2,000 and the Senior Citizens Grant, there is no need to bring into being a new pension plan for daily-rated workers. I call on the Minister of Finance to lay in this Parliament the report by the consultant on the Public Service Pension Reform Plan.

Mr. Vice-President, in addition to undermining the middle class and the working class, the Government is on a mission to destroy the public service. In its drive for absolute and untrammelled control over all independent institutions under our Constitution as well as to facilitate corruption and large scale theft, the Government has embarked upon a campaign aimed at undermining and dismantling the entire public service and associated public service commissions using Executive authority.

The University of Trinidad and Tobago and a company called the Human Resource Service Company have also been drafted into this Government's diabolical plan. The ultimate aim is to politicize the entire public service through the instrument of contract labour as well as the dismantling of well-established public service organizations into tools and instruments of the Executive. So, you do not have to alter the Constitution. The Government has found the means at generating not efficiency in delivering goods and services, but more designed to facilitate corruption and political control.

Let us look at some of the measures introduced in this budget to accomplish this objective; the dismantling of the public service. They intend to establish a Revenue Authority. It means that Customs and Excise gone! Inland Revenue gone! Hundreds of public officers will now be on contract and the Revenue Authority will report to the Minister of Finance. They will appoint an authority appointed by the Cabinet, so they would politicize this new authority.

They want to establish a roads authority, so the entire Highway Division in the Ministry of Works and Transport and the Ministry of Agriculture, Land and Marine Resources gone! Those public officers gone! And the whole system will now be politicized by the Government.

They want to establish a drainage authority, so that whole Drainage Division within the Ministry of Works and Transport gone! The monthly-rated workers will now be on contract and they will now become tools of the PNM.

Mr. Vice-President, you have something called the University of Trinidad and Tobago (UTT) that is also facilitating this particular measure. To date, this particular institution or organization has brought under its direct control NIHERST without any parliamentary authority, COSTAATT, the Institute of Marine Affairs, Cariri, the Valsayn Teachers College, the Corinth Teachers College, the John S. Donaldson Technical Institute and San Fernando Technical Institute amongst others.

These developments have occurred in the last five years with billions of dollars of public funds and with little or no systems of accountability. They have also established a company called the Human Resource Service Company to recruit contract labour for ministries and departments.

Mr. Vice-President, if you are not aware, recently the Civil Service Regulations were amended in order to facilitate the extension of the working life of Permanent Secretaries and heads of departments from 60 years to 65 years. That is going to politicize the public service. It is going to have a negative impact on upward mobility and promotional opportunities. I understand to date they have had no consultation with the PSA and limited consultation with the Public Service Commission.

Whilst this assault on our workers and institutions continues at a frenetic pace, waste, squandermania and large scale corruption particularly at state owned special purpose companies or enterprises through the mechanism of cost overruns continue. Corruption lies at the heart of the huge cost overruns at several Government projects. Corruption prevents development and it undermines the democracy and governance and the rule of law. It distorts markets and stifles economic growth. It is a key obstacle to development and poverty reduction. Corruption increases social injustice and human insecurity.

I have examined the SPSIP for 2007, 2008 and 2009 and the following facts have been revealed on just eight projects: Port of Spain International Waterfront Project, initial estimate, \$1.7 billion; the revised estimate, \$2.1 billion; further revised estimate, \$3.2 billion; cost overrun \$1.5 billion.

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

The Brian Lara Cricket Stadium, the initial estimate \$166 million; revised estimate, \$550 million; further revised estimate, \$850 million; cost overrun, \$714 million. In addition, \$31 million in stadium seating has gone missing. Mr. Manning, where the \$31 million gone! Maybe we can ask Mr. Calder Hart, who could provide us with some answers. A stadium seat at this particular stadium upon completion will cost taxpayers and I between \$50,000—\$150,000. That is a world record. The average in the Caribbean is between \$7,000—\$12,000.

11.30 a.m.

The Government Campus, initial estimate \$2.3 billion, revised \$2.7 billion, cost overrun \$330 million; the Ministry of Public Administration, initial estimate \$42.6, revised \$115 million, cost overrun \$72 million; the Ministry of Education Towers, initial estimate \$368 million, revised \$611 million, cost overrun \$243 million; the construction of the Chancery Lane Administration Complex, initial estimate \$487 million, revised \$648 million, cost overrun \$161 million; the Scarborough Financial Complex, initial estimate \$89.7 million, revised \$176.2 million, cost overrun \$86.5; and to refurbish the Hilton and Conference Centre, initial estimate \$220 million, revised \$484 million, cost overrun \$264.

The company involved in these projects is UDeCott. All of these projects are under the control of UDeCott either directly or indirectly. These are just eight projects and do you know what is the cost overrun? The overrun is \$3.1 billion, just for eight projects and you are coming to increase gasoline prices for poor and middle class people. Could you imagine when a proper analysis is done involving UDeCott and other special purpose state enterprises which are now engaged in over 150 projects the final cost could run between \$10 billion to \$20 billion in this country. This is a national scandal! It requires a criminal investigation. While the Minister of Finance offers crumbs from the master's table to the working class and middle income earners, nothing is done to stem the rising tide of waste, squandermania, wanton and rampant corruption. This is a national scandal that requires the people who are involved to cut a serious jail and I hear jail "ain't" nice.

Mr. Vice-President, a company by the name of Bolt Trinidad Limited, which we understand is owned by the wife of the Minister of Works and Transport, was recently pre-qualified by UDeCott in record time and with a minimum amount of documentation. I have done the research; I have the evidence here. The company was incorporated on August 29, 2008. There are two persons as directors, Susan Williams-Imbert—and I do not want to give her address, but it is Hillsborough—and a businessman called Allan Brammer—I have his address and I would not

give it—a civil engineer. The registered offices of Bolt Trinidad Limited is Abercromby Street, its mailing address is Rosalino Street. Do you know when I tried to call that office what I got? A number 644-0707, the other number is 648-3060, one in Rio Claro—and one in a place called Aripere after Rousillac. This is a fly-by-night organization with no credible or proven track record of performance. However, it was given overnight approval by UDeCott when genuine local and foreign companies have had to wait for long periods and had to provide mountains of documentation, and even that can take years before the final prequalification is given. Yet this little known fly-by-night company called "Bolt", I thought was Usain Bolt when I looked at this thing but I realized they bolted from Abercromby Street and went to Rio Claro.

We have no problem with people getting contracts once it is done fairly and squarely. All we ask today is, why this fly-by-night company was able to secure prequalified status within such a short space of time? Could the Minister of Planning, Housing and the Environment—who we understand has provided the Prime Minister with so much evidential documentation on Dr. Keith Rowley, which I heard on the news today; this is what Dr. Rowley said I did not say so—be kind enough during her contribution to tell this honourable Senate how many projects this Rio Claro-based Bolt company has enjoyed from the accommodating and benevolent hands of UDeCott?

Could this explain why the Minister of Works and Transport has been so passionate in his defence of UDeCott? What is the role of the Minister of Works and Transport in this whole scandal? This is not only nepotism and favouritism, but it appears to be bordering on corruption which ought to be properly investigated. We therefore call on the Minister of Works and Transport to come clean on this matter. Let him come here and declare his interest in this particular company today.

I was a former Minister of Public Administration and I want to share with you an experience. During my tenure as Minister of Public Administration there was no vote, hon. Minister of Finance, for donations. In the current dispensation I have looked through the estimates of expenditure, there is still no vote for donations. Yet we have been reliably informed—I have the evidence here—that under the stewardship of this current Minister of Public Administration who was a priest and now turned politician and Minister, a donation of \$40,000 was made by his ministry to a prominent Port of Spain-based trade union. It was done not through the normal process as when you go to community development, but it

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

was done through a law firm known as Lex Caribbean Limited which acted on behalf of the ministry—it is in writing in black and white—to make a donation to this particular trade union to host an event.

I have no problem with a trade union getting money to host an event. I have the evidence in writing in which a law firm, acting on behalf of the Ministry of Public Administration, cut a check for \$40,000 to this trade union. This represents the grossest violation of the principles of accountability in the public service. On what basis can a law firm—Lex Caribbean Limited—make a donation on behalf of any ministry of the Government? It has to be that the Ministry of Public Administration is using private sector firms to promote the agenda of the Government to deceive and hoodwink this population in exchange for business contracts with the Government. This is a dangerous development! It is tantamount to fraud, and therefore several questions arise from this illegal transaction which I want answers for. How will Lex Caribbean Limited be reimbursed? They have cut a cheque for \$40,000 and they said they did it on behalf of the Ministry of Public Administration.

The next question is how many times in the past has Lex Caribbean Limited provided advance payments on behalf of this ministry? How many other ministries have been engaged in similar activities through Lex Caribbean Limited, or any law firms or any private entities? Is the Ministry of Public Administration in the business of providing donations to trade unions and NGOs? Is Lex Caribbean Limited being used as a slush fund to pursue other illegal and corrupt activities? I cast no aspersions. In the prevailing circumstances however, we call on the Minister of Public Administration to clear the air on the relationship between his ministry and Lex Caribbean Limited. We need to be satisfied that this close relationship is not just one example of the manner in which the Government and the private sector, together, combine to manipulate and control the labour movement, civil society and the country in general.

In view of the gravity of this development, I intend to write to the Chairman of the Integrity Commission, the Director of Public Prosecutions and the head of the Fraud Squad seeking an investigation into this matter. We also call on the President of the Law Association to investigate this law firm to determine whether it is in breach of the legal code of conduct as well as the Legal Profession Act.

On page 20 of the budget statement reference was made to T&TEC in the context of power generation. We were told in that document that T&TEC will complete the installation of a new digital electricity meter through the advance metering infrastructural project. What the Minister did not tell us were the persons involved

in this installation process. Information has reached us that an employee whose name I have, has a relationship with a company called Shades of Green, a company contracted by the company that won the contract called Itron to install the meters. This employee was granted leave—contrary to their instructions and manuals as it relates of conflict of interest—by the administration of T&TEC and is now currently engaged in that project which is contracted by T&TEC. This is contrary to T&TEC general instruction number GM20/0806 in respect of conflict of interest.

This employee is managing the installation of 100,000 digital meters in the eastern region at \$40 per meter, totalling—we understand—some \$4 million. We understand that the workers on that job are being paid a meager \$15 to install each meter. The following questions arise. I cast no aspersions: What is T&TEC's rule as it concerns ethics? Why is the clause affecting conflict of interest not being invoked by T&TEC? These are very serious issues which require a thorough investigation which should be conducted immediately to determine these matters. This is unethical, it is corrupt and we believe action should be taken immediately by the commission and the line Minister in order to address this situation.

[Sen. The Hon. M. Browne stands]

I will give you a little chance just now.

Mr. Vice-President, I want to indicate to you that information concerning this commission has reached me. It concerns the issuing of a public tender for the supply of mobile electricity generators. The purpose of these generators is to serve as backup systems in the event of a national disaster. My information is that there were two final bidders, namely a local contractor and a foreign-based contractor located in Miami. The local contractor's bid was \$16 million whilst the foreign contractor's bid was \$39 million.

At a board meeting of the commission there were heated arguments when the chairman of the board attempted to persuade other members of the board to support the bid for \$39 million. They strenuously objected and the meeting was deferred. At a subsequent board meeting that was convened when some of the board members who initially objected went abroad, the chairman sought and this time gained approval for the tender to be awarded to the foreign-based-company for \$39 million against a local contractor for \$16 million.

The local company obtained information on developments which transpired at the board meeting and directly approached the Trinidad and Tobago Chamber of Industry and Commerce which subsequently raised the issue at that time with the

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

country's Acting Prime Minister—I have been informed—who promptly promised to look into the matter. A report was submitted to the hon. Acting Prime Minister. On the return to the country of the board members who had initially objected, information was received that the tender had been awarded to this foreign contractor and they decided to go directly to the line Minister, the Hon. Abdul-Hamid. Following these developments the Minister of Public Utilities issued instructions to the chairman of the board to halt the awarding of the tender to this foreign contractor.

11.45 a.m.

Mr. Vice-President, if this is true I believe the time has come for the Government and the Prime Minister to launch an independent commission of enquiry along with forensic personnel into the operations of the Trinidad and Tobago Electricity Commission (T&TEC) for the period 2002 to 2008.

Mr. Vice-President, there is too much manipulation taking place at this commission. Information has reached me that the Tenders and Contracts Committee in 2006 suspended the purchase of wooden poles for several reasons including the durability, reliability and risk to the environment. However, in June the Chairman of T&TEC ordered the Assistant General Manager at that time who was acting as General Manager to purchase—

Mr. Vice-President: Hon. Senators, the speaking time of the hon. Senator has expired.

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

Question put and agreed to.

Sen. W. Mark: Mr. Vice-President, the gentleman who was the Assistant General Manager—his name is here, but I would not call it—was acting as the General Manager at the time. They purchased \$3 million worth of CCA poles which is known as Copper Chromated Arsenic from Klumb Lumber Company in the USA.

Further investigations have revealed this is the same company that is the main supplier of lumber products to Chan Ramlal, whose owner we understand is the Chairman of T&TEC. Contrary to T&TEC's tendering rules, the assistant manager corruptly violated the process by proceeding to split up the \$3 million purchase orders into seven separate orders. I have evidence of it here, signed by this gentleman, \$500,000, seven separate orders in order not to go to the board for approval. And the splitting up of this \$3 million order into seven smaller orders was done, as I said, to avoid board oversight.

Appropriation Bill (Budget)

Monday, October 06, 2008

Mr. Vice-President, prior to 2005, T&TEC always—from my information—used one and a half inch diameter pipes to fabricate its Street Lighting Luminaire Arms (SLLA). Suddenly, in the tender for the supply of SLLA for the national street lighting project which begun in 2005, two-inch pipes were specified and approved. So they moved from one and a half inch to two inch. The reason for the change, we understand, was to accommodate a company called Kamus Mufflers Limited which had an excess supply of two inch pipes.

This same Kamus Mufflers Limited is where the SLIU is located. We understand that Kamus Mufflers Limited is owned by the Chairman of T&TEC as well. This change in specification was facilitated with the support of a senior engineer whose name I have in writing, and he was responsible for writing tender specification.

As a result of this corrupt transaction, Kamus Mufflers Limited—and I have it here for anybody who wants to see it—was able to realize a sum of money amounting to some \$54 million because they supplied 2-inch pipes instead of one and a half inch pipes.

Mr. Vice-President, this same Kamus Mufflers Limited which I understand is owned by the Chairman of T&TEC, and where the Street Lighting Implementation Unit is located, rented from T&TEC at a cost, in other words, T&TEC pays a renter a rent of \$83,330 per month. We understand to date, this company has received over \$1 million from T&TEC.

We would like the Minister in his winding up to tell us whether Kamus Mufflers Limited is owned by the Chairman of T&TEC, a “fella” called Devanand Ramlal. We know that the street lighting programme right now is over \$750 million and it is rising.

We have information again that between July 10, 2005 to August 04, 2005 Roopnarine Hardware which we understand is owned by the aunt of the Chairman of the Board of T&TEC, and I have documented evidence here showing where this particular company received \$13.4 million from T&TEC. And do you know what they ordered? Face basins, washing basins and tubs. I thought they were providing material for the street lighting programme. I do not know they had to provide all these items. If you see the list I have here amounting to \$13.5 million, and this took place under the stewardship of the Chairman of T&TEC.

Mr. Vice-President, if this is so, I call on the Minister and the Prime Minister to launch an independent commission of enquiry into the operations of T&TEC under the stewardship of Mr. Devanand Ramlal. This is clearly a conflict of interest and an abuse of power and the evidence is available.

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

I intend to write to the Integrity Commission, the Director of Public Prosecutions (DPP), and to the Fraud Squad making available to them all the authentic evidential documentation on mass scale corruption at T&TEC involving this chairman and some other senior officials. This is a national scandal and an abuse of office.

Mr. Vice-President, I do not know if the hon. Acting Prime Minister at the time was aware that the chairman of this board is like a god unto himself, he is a lord unto himself. You know for good corporate governance practices, you will shed yourself of certain responsibilities because you want to maintain accountability, transparency and good governance.

This man, Devanand Ramlal, is the Chairman of the Board, Chairman of the Tenders and Contracts Committee, Chairman of the Audit Committee, Chairman of the Pensions Committee, Chairman of the Provident Fund, Chairman of the Personnel and Industrial Committee, out of 12 committees he is in charge of six. Do you know what he does? He puts all the board members on the Tenders and Contracts Committee so there is no oversight. Is it any wonder that T&TEC has now become a loss-making entity? Is it any wonder that the struggling workers of T&TEC have not had their negotiation settled after four years?

What is the relationship between Mr. Devanand Ramlal and our Prime Minister, I ask? Is Ramlal holding secrets for the Prime Minister, I ask? Why have the Prime Minister and the Minister of Public Utilities not intervened to stop this “tiefing” taking place? Why? There is sufficient evidential documentation in my possession—and the police will get it shortly—in order to make out a prima facie case against this particular person. [*Interruption*] We appoint him? Fire him! We say fire him and bring him to court if we appoint him.

Mr. Vice-President, if the Government does not act, we will. We will write the Integrity Commission, we will write the DPP and the Fraud Squad. We give you an opportunity to respond. Therefore, we call on the Prime Minister to take action on this matter.

Mr. Vice-President, the hon. Minister in his statement made reference to what he called one of the seven industries that they are targeting, yachting is one. As we are talking about yachting, I would like the hon. Minister to investigate the sale of a yacht called “The Ace of Harts” to the head of Genivar, one Mr. Ali Ettehadieh, who resides in Canada, but frequently visits his office on Sackville Street.

The number of the Ace of Harts is BEYU5060CY9Y/XA060; this was sold by an agent called Adventures in Paradise Incorporated, 3511 Silverside Road, Suite 105, Wilmington, Delaware 19810 USA. It was sold to Mr. Ali Ettehadieh of 4696 Victoria Avenue, Montreal, Quebec, Canada. Do you know how much it was sold for? Close to a million dollars, \$850,000.

Since that transaction, Mr. Ali Ettehadieh had landed big project management work with UDeCott. He is the project manager for:

- Breakfast Shed;
- The Education Tower;
- Brian Lara Cricket Stadium;
- Restoration of Stollmeyer's Castle;
- Red House restoration;
- Mille Fleurs restoration;
- Rehabilitation of the Central Business District of Port of Spain;
- Chancery Lane Complex; and
- Design phase of the Prime Minister's official residence.

I would like the Government and the Prime Minister to investigate the cosy relationship between this man from Genivar and the Chairman of UDeCott.

Mr. Vice-President, information has reached me and I cast no aspersions, I just draw it to the attention of this honourable Parliament. It has been brought to my attention that some \$9,466.66 was received as travelling allowance by an individual for the period November 07, 1995 to March, 1996.

During this time, the particular individual, who is now a senior Cabinet Minister was not the owner of any vehicle, which was a pre-requisite for any payment of travelling allowance. It was only in March 1996 that a vehicle was transferred—I have the number of the vehicle—to her and on March 21, 1996, her contract was accordingly altered to reflect a travelling allowance.

The Airports Authority's policy then was during this period, the individual was not entitled to any travelling allowance as she was not the owner of any vehicle. I have the cheque in my possession, it is cheque No. 000940 in the amount of \$9,466.66 and it was cashed on March 21, 1997 at the Royal Bank of Trinidad and Tobago.

Appropriation Bill (Budget)
[SEN. MARK]

Monday, October 06, 2008

Several questions arise. Could the Minister in this Parliament explain to the Senate whether this allegation is true or false? I cast no aspersions. Could the Minister further tell the Senate whether moneys were received under false pretences? That is fraud. And could the Minister state whether she was ever employed as a Business Development Manager, Planning and Development Division, Airports Authority of Trinidad and Tobago? I think the time has come for the Minister of Local Government to provide answers to this Senate on these matters. I cast no aspersions on the character of the lady.

Mr. Vice-President, I watch with interest the failure of the Minister of Finance to file her declaration of income, assets and liabilities with the Integrity Commission but she later did it. Mr. Vice-President, there are two laws in this country; one for the PNM and one for the UNC. A Minister of Finance does not file, “nuten” happens to her; Mr. Panday does not file, or he files and leaves out an item, “he facing jail”.

In closing, this particular fiscal package is calculated to destroy a segment of our population upon which our progress depends. The middle income earner in any society is the citizen who contributes to the building of institutions, the creation of an educated labour force, the ownership of property, the building of vibrant communities and the sustainability of society.

12.00 noon

A responsible government is a government which aims at bringing the bulk of the poor people in society into the middle income earning stream. It is on this class a democracy ultimately rests and the attempt by this Government to undermine and marginalize the middle class segment of this society and ultimately reduce its numbers by pushing them into the ranks of the poor, is an indication that this Government with the current fiscal package, is committed to destroying the institutions in this country.

The Government is bent on desecrating and destroying the values and the capacity for independent thought and to make all of us in this society who have our sense of pride, lose our sense of economic independence and, consequently, our values and capacity for looking after ourselves. This fiscal package which makes the rich richer and puts the poor in the hell house and viciously attacks the middle class, proves, quite clearly, that this Government has absolutely no interest in developing the citizen but in frustrating all their aspirations to take charge of their own affairs.

This is perhaps the most worrying and frightening aspect of this budget. It has sought to destroy the society that we have worked so hard to develop. We, therefore, in the interest of the poor, the working class, the middle class, reject outright this fiscal package which is nothing short of verbal diarrhoea disguised as fiscal policy aimed at inflicting hopelessness and despair upon an otherwise tired and frustrated population.

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

Sen. Subhas Ramkhelawan: Thank you much, Mr. Vice-President, for giving me the opportunity to speak on this particular Bill. Since the presentation of the 2009 budget by the hon. Minister of Finance, we have heard in the media and otherwise, vastly divergent views as to its appropriateness and effectiveness. Indeed, our citizens find themselves at times confused after commentary on specific budget measures by Members of the Government and Members of the Opposition. It would seem that Messrs Mularitharan and Warne, both masters of spin in their own right, pale in comparison to the spin doctors in the other place and in this honourable Senate.

How is the ordinary citizen striving for a better life, able to sift the shaft from the grain to understand the issues and the budget measures as they affect him or her directly and the country in general? It would appear that the framers of our Constitution, in their wisdom, would have given some thought to this question of spin. As a consequence, in their considered judgment they thought it wise to institute the position of Independent Senators in the Senate in the expectation that these Independent Senators would rise above partisanship and political spin so as to impartially and conscientiously address these issues for the benefit of all our citizens. It is in this vein that I address the Senate and all our citizens today.

Since gaining our independence we have tended to view our investments, whether it be in education, health, security, savings and investments and infrastructure or otherwise, as separate buckets of expenditure which appear most often to be unconnected or at the very least, disjointed. If we are to hold true to the overriding philosophy, which is the welfare of all our people and their collective well-being, then we must view, as has been said in other places, all our citizens as clients of the State.

With this perspective, the overriding question will be: Are we satisfying the needs of our clients, the citizens of this our beloved country, in a sustainable manner? I think in seeking to answer this question, we need to put a different perspective, or bent, on how we address and how we satisfy the needs of our citizens in a sustainable manner. Modern science speaks to the human life cycle, or the citizen's life cycle and, indeed, that whole question of satisfying the welfare of the citizens has been a question that has been addressed way back from

Appropriation Bill (Budget)
[SEN. RAMKHELAWAN]

Monday, October 06, 2008

as far as the Vedic principles which spoke and tried to define the different stages of life of a citizen. That was separated way back then into the life of a student, a householder, of somebody who then goes on to provide community service and then into the life of the retiring person. So, as well, in the question of modern science, we speak to the citizen's life cycle and the various phases of that citizen, from sunrise, which is, again, that level of studentship; to growth and maturity which speaks to the householder and which speaks to the working class person or that person in work life, and then thereafter to the question of retirement.

In addressing the budget and in trying to make that connect with our citizenry, I am going to attempt to speak to meeting the needs of our citizens at the various stages of their life. I will focus today on about four areas. The first is the economy; the second, education as we collectively drive to that knowledge-based society; then to speak to the question of savings and investments in our society, then finally to the question of a sound infrastructure which is one of the underpinnings of Vision 2020.

But it would be remiss of me, in the context of the economy and financial markets, not to speak to the tumultuous events that are taking place around us internationally, as we speak; tumultuous in the sense that we have seen an unprecedented meltdown in the financial markets, something that we have not experienced in our living memory. This speaks to—or will certainly address—the question of within the last two weeks since framing the budget, how will these events impact us as we go forward over the current year. Internationally, we have seen the US \$700 billion rescue plan for US financial markets. This \$700 billion rescue plan amounts to something like just under 8 or 9 per cent of the GDP of the United States—or I should say of the outstanding debt of the United States. This would bring their debt to about 70 per cent of GDP. Put in context, our debt to GDP is just 28 per cent. So I think that we are in good territory.

The financial markets have declined across the world quite considerably, not over a protracted period of time, but in a very short space of two weeks, where markets have gone down by as much as 10 per cent. And internationally, from the beginning of the year, that is the beginning of the calendar to now, markets have gone down by as much as 28 per cent, depending on whether you look to Europe, the US or Asia. That figure seems to be common. If it is not lower, it is higher.

The events that have taken place have shaken the world. We have seen institutions that have been around in some cases for more than 100 years, collapse in a matter of mere days, whether that be in the US, in the form of Lehman or Bear Stearns or whether those who have had to seek solace by merging or being taken

over by other international institutions, whether that be in the form of Merrill Lynch or in the form of Wachovia. Large, well-known international institutions have crumbled and collapsed in the international tumult in which we are.

If you go across the pond to Europe, the situation is exactly the same. Just yesterday or the day before, Hypo, a large real estate mortgage institution in Germany would have collapsed and the injection to save that company was US \$68 billion. If you go to Asia, where the infection is not as strong, you are seeing significant implications on the markets. Even today, as at 10 o'clock, markets would have gone down by as much as 5 per cent across the world.

I put these facts to this honourable Senate to make it very clear that however strong our economy is, it will not be immune to what is happening out there. Certainly we are going to be very, very challenged by what is happening out there. And when we put it now in the local context, that is the context of Trinidad and Tobago, our budget has been premised on an oil price of \$70 and last year it was premised on an oil price of \$50 and the average oil price was \$93. Yet still, in what would have been one of our best years as an economy, what we found was that GDP grew by probably the lowest it has grown. For the last five or six years it grew by 3.5 per cent in real terms, and the oil and gas sector remained fairly flat, growing in real terms, by 0.4 per cent.

I make this point because this would have been one of our best years for oil and gas prices. So we come to this year where our budget of the country is premised on \$70, and even as we speak, oil prices have come down from a high several weeks ago of US \$147 to a figure of below \$90 and natural gas, which would have peaked at something over \$13 per million btu, has come down to a level of just about \$7. And even though we have premised the budget on \$4, our prices are not necessarily linked to world market prices because of the way contracts have been made with the various methanol companies, ammonia companies, and so on. Probably the only area might be in the LNG area where we look at Henry Hubs.

These are important points because we want to make the point that it is not business as usual and it cannot be business as usual in a world that is in a meltdown situation. Therefore, we would have to think or rethink what we do as we go forward.

12.15 p.m.

I believe that in this context, in the way the budget is structured we would hardly see anything left for the Heritage and Stabilisation Fund this year, because of the prices on which we are premised. You will recall that the saving that goes

Appropriation Bill (Budget)
[SEN. RAMKHELAWAN]

Monday, October 06, 2008

into the Heritage and Stabilisation Fund is on the basis of surpluses against budgeted revenue. It is hardly likely that we are going to find ourselves in a surplus position, where the world is on a cusp of prolonged recession. Let us not get caught up and confused. The world is now on a pathway to recession and it is being reflected in the financial markets.

I hope that the hon. Minister will take this into consideration, as he goes forward in terms of expenditure, even though he said that this is a money Bill and it has already been passed in the Lower House.

The last MORI poll asked questions of citizens as to what are the issues of greatest concern to them. Two areas stood out as they have been standing out for the past year and a half. One is inflation and two is crime. More than 80 per cent of the respondents put those two areas as highest on the list. The rest of them will pale in comparison because 20 per cent or less of respondents would have spoken to those areas. I will address this question of inflation, even though much has already been said about it in the other place and the media since the budget. Inflation at 13.5 per cent is something that we have to pay more attention to in terms of seeking to control. I know we said before that much of that is imported. I have said before as well that there are things that we can do in terms of the demand/supply configuration, particularly in the area which is most significant and adverse for us. It is in food.

We have the available arable land and it is taking too long for us to get the land into the hands of the right people, so that we can increase the supply of short-term food crops. Once you get that into the right hands, we should say that we would have taken significant steps to address the problem of food, to the extent that it is within our control and purview.

I will leave crime for later. I think much has been said about it and the level of satisfaction with crime. We seem to be going in the wrong direction.

I come back to the whole question of meeting the needs of our clients, the citizens of Trinidad and Tobago and addressing it in the context of education and our drive as a country and a nation to be a knowledge-based society. When you look at our population it is 1.3 million persons. If you take various cuts in the population you would see that persons who are less than 15 years old and in secondary school, or from 0 to 15 years old constitute 331,000 or 25 per cent of our population. From 15 to 19 years, which is secondary or at the point of going into tertiary education, we have 143,000 persons or 11 per cent of the population. At the other end of the scale we have persons who have gone into retirement or

about to go into retirement 60 years and over. We have 130,000 citizens 60 years and over. That will constitute 10 per cent of our population of 1.3 million persons. I make these points to show where our citizens are in the life cycle from sunrise to sunset. We have 36 per cent below 19 years or might now be able to enter into the working world; 10 per cent who have retired and the remaining 54 per cent are in or should be in the working world. That is in the age group of 19 to 60 years.

It is within this context that we can move to consider whether we are satisfying the needs of our clients on a sustainable basis. I think that the framework of Vision 2020 in satisfying the need for a knowledge-based society has been going along in a satisfactory manner. When we look at the life cycle I think that the Government has moved expeditiously to deal with the question of early childhood education and care. That they have not been able to roll out as quickly as possible, the infrastructure in terms of the number of buildings, they are in part responsible because the absorptive nature of the economy capacity is not such that we can redirect as a nation, our focus on building and construction in this area. At the secondary level, the move towards full secondary education for all citizens within that age group has been met. It is something that we should congratulate the Government on, in making that move to ensure that we move away from these schools which have double shifts to being fully able to satisfy the need for secondary education.

At the level of tertiary education, before our citizens 18 years and above go into the workplace, we have seen a significant improvement in the ratio of persons who are getting tertiary education. The figure that was mentioned was 45 per cent. Again, I say that we are in the right direction. Of course, we still have to address the question of hardware versus software and quantity versus quality. There are some deficiencies. One of course, is accreditation or the lack of accreditation for the 5,000 students who are going through the University of Trinidad and Tobago. The point is that we are moving in the right direction as far as education is concerned. No country at tertiary education level will have all its tertiary institutions being the Harvards, Oxfords or Yales of this world. There would be particular cuts.

However, it is most important to recognize that we move to ensure that we have full and proper accreditation for the various institutions in education. That is missing and it must be resolved. If we have to get the quality and recognition side of it properly fixed, it must be that we must move to accreditation at the fastest level. I do not wish to comment on the whole question of whether we are achieving that level of education effectively. Money is being sufficiently and

Appropriation Bill (Budget)
[SEN. RAMKHELAWAN]

Monday, October 06, 2008

efficiently well spent. I know that my colleague and friend on the Opposition Bench, Sen. Mark does quite a good job at evaluating that particular area, as to efficiency of expenditure.

One other matter which was mentioned in the budget was the question of PhDs and this Government funding them without any strictures and direction as to what these PhDs are going to do. We should focus on the areas of study that our society and system need at this point in time and over the next several years before we fund. As a nation we are making an investment in our people and investment should bear returns. Therefore, if properly directed, I do not see anything wrong. The question of whether it takes three years to do a PhD that they should come back and spend three years here is an inadequate framework for their service to the country.

It should be based on the investment that we have made in terms of the cost to support PhDs outside of Trinidad and Tobago and how long it will take for us to generate our return. It cannot be because you spend two years to do a PhD that you come back and serve two years. Suppose we spend \$5 million for two or three years in one case and \$1 million for five years in the other case, how do you justify it? It cannot be justified. We need to set up a proper framework which shows that we get a return on our investment, not only in terms of the amount we have invested in our human capital, but also in terms of the value added to our nation, in terms of what they bring back and the level of contribution they could make.

The question of education is being addressed in terms of the hardware or infrastructure. I commend the Government on this. The question of quality is an area where I feel more attention has to be paid. What is the level of training and the extent of training that we are putting in place for those people who are supposed to ensure the quality of the output of our human capital? I hope that the Minister responsible for education would be able to say that. What is the level of training for the teachers at the early childhood level? What is the level of training at the tertiary level? I did not hear her contribution in the other place.

Another point I will like to make on this matter of education relates to quality. I have seen some of the statistics on the dropout rate, albeit the updated figures going back to 2003. That appears to be very low. This is a measure saying that we have lost 37 or 39 children at various levels, whether it be primary or secondary. I think that we are losing more and more of our children. They might be dropouts sitting in the classroom. We are losing them. They are unable to come out of secondary school with a full certificate.

Mr. Vice-President: Hon. Senators, it is now 12.30 p.m. We will take the lunch break now. The sitting is suspended until 1.30 p.m.

12.30 p.m.: *Sitting suspended.*

1.30 p.m.: *Sitting resumed.*

Sen. S. Ramkhelawan: Thank you, Mr. Vice-President. I have spoken to the question of the economy, the dangers which lurk ahead for us and what we need to do. I have spoken to the question of education. I want to turn my attention now to the matter of savings and investment and focus initially on savings and investment for our citizens as individuals and then look at savings and investment from an institutional perspective at the level of the pension fund.

As a country, at the individual level, we are not saving as much as we should. Not if, but when the rainy day comes, it would leave us somewhat short as citizens. Nevertheless, I believe that it is the role of Government in such a situation to ensure that we incentivize and promote an expansion of the level of savings at the individual level.

I would like to make a few suggestions. I do not think that our largesse will last forever. If that happens, it means that we would not be, as a country, in the very fortunate position to provide for free education at the tertiary level for an expanded period of time. I would like to suggest that we give some thought to an education allowance or fund to individual workers saving for their children's education.

It is done in other jurisdictions where there is a tax allowance which enables persons to save in a long-term saving instrument for the benefit of their children's education. If we as a nation of individuals do not save on the level we should on a voluntary basis, we should have some incentives—Government should consider this—for a rainy day.

An education allowance may allow parents to save for 10 or 18 years as the case may be, putting that into a fund for their children, which could be drawn at some later date when they turn 18, for the purpose of education or some other stipulated purpose. It gives the child, when he gets to 18, even if we have free tertiary education that is availed of by all our citizens, a lump sum to start with, not only for education, but we as a nation could allow it for investment in other capital formation such as an investment in a house. At that level, we should seek to promote savings and investment.

It also creates a fund that could be invested, another long-term fund, by assets managers and others for the development of the country and for generating further investment and returns. The individual would stand to benefit. The individual is

not saving as much as he or she should, particularly in the middle class. That class is being buffeted to a great extent. It does not benefit from some of the housing support that is given, as it should, to the lower income grouping. If we can do something that helps to improve savings through a tax incentive that should go a long way in seeking to buttress savings at the individual level at that point in time and give a start-up to persons who become adults at the age of 18.

It is also manifest that when you look along the life cycle, that our citizens who are at the other end of the scale at 60 years plus have not on their own been able to save sufficiently for retirement. This is whether the individual is in the public service or not. In the corporate sector, there are a wide range of pension funds and even outside of the corporate sector there are provisions that have been made for individual savings and deferred annuities.

I would like to suggest that at the level of the public sector we are not saving enough to provide for pensions for our public servants and persons in the public sector. I believe that the Minister of Finance has put some estimate as to the present value of the liability for pensions in the order of \$21 billion to \$30 billion. At the upper end of the scale, this would amount to some 60 per cent of revenues for the year 2008. It is indeed a very significant amount and must be made up within the shortest possible time. There is therefore need on the part of the Government to ensure that there is sufficient savings at that pension funds level to ensure that our citizens, as they approach retirement, are taken care of even if it is on a rainy day.

It has been stated that some programme will start at some point in time in 2010 and I look forward to the Minister in his closing contribution giving some more details on how this \$30 billion will be made up and over what time frame. We do not want to wait for the point in time when our finances are in such disorder that we are not able to save for the rainy day. It also provides a benefit, which is another long-term fund for investment in the country or otherwise. I think it is very important that we move to that stage as early as possible.

I would like to talk a bit in the context of the low savings rate. I would like to talk to some other initiatives that we need to put in place to incentivize savings at the individual level. We talk about an international financial centre, but I have said before that charity begins at home. For us to get to the stage of an international financial centre, we need to strengthen the local financial centre and our claim of being a strong regional financial centre.

When you look at the local capital market, one can see that there are some extensive deficiencies. We can talk about the demand and supply side, but I am really concentrating on savings. The individual is under-represented in the stock

market in Trinidad and Tobago and in the wider Caribbean. Institutions, whether pension or insurance funds or otherwise, take up 70 per cent or 80 per cent of the investment space in terms of the equity market. I believe that there is room and need for us to incentivize our individuals to participate in an economy that is growing, through ownership of stock equities available on the market.

I reiterate a suggestion I made earlier and that is that we need also to incentivize savings at the individual level, at the equity level and at the stock level. We need to consider a tax allowance to the extent of maybe \$10,000, \$12,000 or \$15,000 to heighten the attention of individuals to the opportunities that are in the stock market to enhance their wealth.

It is a well-established fact that equity markets or investment in equities provide, over the long term—I say that in the context of what is happening today—a higher rate of wealth accumulation than deposits and debt instruments. The facts would show, if one were to look from the end of 2007 backwards, that the annual compounded return on equities in the local market would be just about 18 per cent to 20 per cent, and on deposits and other instruments, it would be below 8 per cent or 9 per cent.

It tells us the vast chasm that is there in terms of wealth accumulation if we can promote, amongst individuals in their life cycle, a higher level of savings, which translates, if all goes well, into a higher level of wealth accumulation. I put it to the Government that that area of savings in the individual sector is deficient and we need to promote that for the well-being of the individual in the long term.

The bond market as well, in terms of savings via investment in the bond market, there is a deficiency in the local bond market in that corporations can come to the market without a proper credit rating and raise money in the public domain. That should not be the case. If we are serious about developing company markets and marketing we need to ensure that there is proper transparency, disclosure and accountability. No one should be allowed to come to the public to raise money via a bond without being able to divulge their financial position, their expected financial position and their credit worthiness.

We have an institution called CariCRIS, which is a rating institution for the Caribbean and if we want to be an IFC of a regional player we must develop the infrastructure in the financial sector, not only for the purpose of raising local bonds, but also to raise the knowledge base of our citizens who participate in the financial services sector. There is a disconnect. When we go to the outside world for investment, we look for credit ratings; we look for all those infrastructural requirements that must be in place to invest in a bond, but we do not do it locally.

Appropriation Bill (Budget)
[SEN. RAMKHELAWAN]

Monday, October 06, 2008

I want to impress upon the Government that there is need, if it is going to consider being a strong regional player or being a player in international financial services, we need to make sure that our local act is at a certain level. It is already done in the Government sector. Government is moving to list all its bonds on the Trinidad and Tobago Stock Exchange subject to some documentary impediments.

1.45 p.m.

The next level, of course, is the level of the regional markets. For some time now, Trinidad and Tobago has been a destination for debt financing in United States dollars, not only for Caribbean countries, but for extra Caribbean countries such as those in Central America. They come here, via the banks, and they raise money in United States dollars. The challenge is, in terms of a regional market, when they do raise that, it goes into a black hole. Those bonds, raised primarily here, are not traded here. How do you develop the capital markets? How do you develop here as a regional centre, if you do not have trading, not only at the primary bond market level but at the secondary level? We have institutions in the region as well. Who—[*Interruption*]

Mr. Vice-President: Hon. Senators, the speaking time of the hon. Senator has expired.

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

Question put and agreed to.

Sen. S. Ramkhelawan: Thank you, Mr. Vice-President and my thanks to this honourable Senate. I was speaking to the question of building a regional financial services centre as an intermediate step or a step-up to the international financial services centre. I was saying that the whole question of raising money in Trinidad and Tobago, by other countries and other corporates in the region—it is being done in the Caribbean and Central America, but it is not being reflected in the financial services sector, in terms of a secondary bond market and in terms of trading. What is required? We need to have, essentially, a United States dollars trading platform, so that when those persons and institutions raise money in Trinidad and Tobago, in the form of bonds or in the form of equities, but primarily in the form of bonds, those bonds can be traded here. It develops the knowledge-base of the various players in the sector and it is something that must be done as the next step up to international financial services centre, or else we would have a preponderance of foreign professionals in the international financial

services centre. I am sure that is not what was intended, in terms of our aspirations to become a financial services centre. If it was intended, it should not be the case. Therefore, there is a learning process.

I think the former Minister of Education would know that if you want education, you have to go from pre-school to primary to secondary to tertiary. If you want to make that jump from international to financial centre, without ensuring that we, as citizens of this country, our young people, can participate at various levels, then we are making another mistake. I want to raise that point and impress upon the Minister in the Ministry of Finance, that there is need for us to push along that road and push along quickly because we need to close the gap and we need to connect the dots.

I want to talk about the question of an international financial centre and the question of investment policy as the next area. The Minister in the Ministry of Finance has quoted the magnificent seven as the areas for economic diversification. They involve yachting, merchant marines and a number of other areas that he has quoted. How much moneys are we investing in these areas to ensure that we can get a sufficient level of activity to achieve any kind of diversification whatsoever? I do not have numbers before me, but I know when you go to a billion dollar plant, you spend 2 per cent or 3 per cent in pre-feasibility and so on and initial investments to establish viabilities. I am not sure that we are investing at the levels that would ensure that whatever of these embryonic industries that we are considering, to give them a chance, they must get up to a certain level of economic activity; a certain economic threshold.

I certainly would like to hear from the Minister in the Ministry of Finance, what specifically are the levels of investment. We have heard the magnificent seven time and again, but we have not heard the kinds of investment. If it is that the investment, in some of these companies, whether it be the movies or whatever, is \$5 million, \$10 million or \$11 million—I have seen some of the financial statements floating around—I want to suggest that is insufficient to create the level of returns that you want. If you have a GDP of \$152 billion and you wanted it in diversification, one would say that a successful level of diversification from these magnificent seven would have to be maybe 10 per cent at the lowest level, which means, if you take a snapshot now, those industries should be adding \$15 billion to your economy. If you invest \$100 million expecting to generate \$15 billion, then you probably—I would want to join you, because if you are investing \$15 million to get \$15 billion, I want to know how you are going to do it. I would like to get into an investment like that; generating that kind of return. *[Interruption]*

Sen. Seetahal SC: I would too.

Sen. S. Ramkhelawan: I certainly would. We would hear from the hon. Minister in the Ministry of Finance. I am sure he would explain that fully.

Mr. Vice-President, we have been hearing about the Green Paper on investment policy to facilitate new investments. One of the ideas that come out of this is the facilitation of business. Well, I have been around for a little while and I have heard it couched and encapsulated in the term, one-stop shop, which goes back to the days of the Industrial Development Corporation. My colleague, Sen. Basharat Ali could probably say a lot more about that. Why has it not happened? What are we going to do differently to make it happen now? I certainly would like to hear that. I think investment policy and facilitation is an important plank to moving towards diversification of the economy, which I believe in our 2020 vision is an important statement; the diversification of our economy.

Magnificent seven on the one hand and investment policy on the other hand, moving to create this diversification of the economy, I certainly would want to hear more about it. I do not think that we have heard sufficient about these areas to make me and the citizenry convinced that there is a serious attempt to move the economy from being energy-centric for 46 per cent of GDP coming from energy into another area. That 46 per cent is from direct energy, because it is the energy flows which go into construction, the public sector and a whole number of other areas. If there is a turnaround, there will be a multiplier effect in reverse, in terms of some of these other areas that contribute to the overall GDP.

The last point I would like to make has to deal with the whole question of developing a sound infrastructure for the nation. It is a laudable objective and it is an objective that I do not think anybody in their right mind would disagree with. The way we go about it is a matter that also needs to get further clarification. When you add up the cost of investment in infrastructure development, I think the figures over the five years would approach about \$50 billion out to 2013; whether it be in transportation or highways—in transportation, the rapid rail system—in water, which is another \$10 billion, or whatever, the figures start to mushroom and balloon. Whichever way you do it, BOLT or whatever, the issue is that there will be a cost to financing. If your cost of financing, for simple terms, on \$50 billion dollars is 8 or 10 per cent, that is another \$4 billion or \$5 billion to interest cost.

I think that the Minister in the Ministry of Finance would want to explain in some more detail how we are going to effectively finance these various projects from our cash flows. As I have said, we need to put down a sound infrastructure.

There is no argument, but the financing of that infrastructure, in ensuring that our leverage or cost financing relative to our revenues does not get out of whack, because now is a time to be safe. Now is a time to be secure. Now is a time not to be spendthrift. Now is a time to ensure that you batten down the ships for an economic decline that is coming as sure as night follows day and one needs to be very, very safe at this point in time.

In summation, there is no way that we can avoid the backlash that is going to come from the economy. We need to ensure that our citizens are provided for on a sustainable basis; not here today, gone tomorrow. Whether it be in the area of education, in the promotion of saving and investment, expanding our economy and GDP, through the provision of a sound infrastructure, it is the responsibility of us all, generally, but in particular since the Government holds the purse string, they need to explain carefully and clearly, what and how they are going to do that. That has not been done fully and thoroughly at this point in time.

I thank you.

The Minister of Planning, Housing and the Environment (Sen. The Hon. Dr. Emily Dick-Forde): Thank you, Mr. Vice-President. Thank you to the Minister of Agriculture, Land and Marine Resources as well. I want to congratulate first the Minister in the Ministry of Finance for piloting the Appropriation Bill 2009 in this Senate and also the Minister of Finance for piloting the Bill in the other place.

I wish to contribute in three ways. One is to respond to some of the issues raised by Sen. Mark and also to just a few of those raised by Sen. Ramkhelawan.

Thirdly, I would cover some areas in the Ministry of Planning, Housing and the Environment, with respect to the plans for 2009, springboarding from our assessments of our delivery in 2008.

Mr. Vice-President, the very sensational contribution by Sen. Mark—I saw him tapping the desk for himself, because nobody else was hitting the desk. I felt that he tried to come with the same strategy as in the other place, where he tried to distract people from the budget. I am not going to be distracted, only to answer some of what he said.

2.00 p.m.

I want to thank Sen. Mark for providing a platform for us to outline the many programmes that the Government has in place that continue to offer all citizens the opportunities required to develop themselves and to work to shape our nation together which is the title for the budget 2009, “Shaping Our Future Together”.

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

We are looking at a budget that continues the process of providing that platform that people need to do so. Mr. Vice-President, among the budget documents submitted to this honourable House and the other place is the Social Sector Investment Programme that outlines the programmes in place to do just what I said, and I am going to cover a few of them.

One of comments that I heard was that crumbs were being offered to the poor, and it threw me right back to a story that we know in the *Bible* in John that said Jesus fed thousands of people with, I think, seven loaves and five fishes—[*Interruption*—five loaves and two fishes. Different gospels tell you different numbers. I am glad that you all are awake and listening. [*Interruption*] It does not matter whether it is seven, five or two loaves, but it was a little. After the little bread and fish that was used, He ended up with hundreds of baskets of crumbs. I am trying to figure out what crumbs the Senator was talking about when he said that we were giving crumbs to the poor.

When one looks at the Social Sector Investment Programme—I want to start with education and that is for a reason. All the sociologists speak to the critical and premier role of education as a source for upward and social mobility, and I am an example. Through education—my family and thousands of persons that I know especially having taught at the university—you see people progress through life. This Government's continued focus on providing sound education and training for the development of people continues to give people the ability to meet all of their basic needs and beyond. There is a cycle that I heard of recently called “learn, earn and return” where people go and learn by taking advantage of the educational opportunities; they earn to improve their quality of life; and then they return to the society by giving back. This is what this Government is talking about, shaping our future together.

In the recent history of Trinidad and Tobago, between 2001 to present, we have seen the PNM Government put in place a nationally developed vision and we consistently speak to that vision; consistently fund that vision; and consistently evaluate that vision. All the budget documents speak to the pillars in that national vision. It is indeed a national vision. When the Senator talked about crumbs for the poor, and when we look at education as an important foundation for upward mobility, that is not a crumb at all.

When one looks at the Social Sector Investment Programme, we see Trinidad and Tobago with very good rankings with respect to the education system. I do not like broad indicators, but these speak to a solid education system at the primary level, tertiary level and within particular subject areas—the quality of math and science education and so forth.

More than that, when we consider the focus and the continued investment in education from nursery to tertiary, we see a people being developed toward a sustained development path for Trinidad and Tobago. So, when one talks about programmes not being sustainable, one is in fact missing the point. Sustainability is not just about financial stability, it really is what kind of human resource you are building up in your society, and our education programmes build up solid citizens who are able to contribute. I am going to talk about that a little later when I try to address Sen. Ramkhelawan's discourse on the PhDs

I want to look at the tertiary education, science, technology and innovation section of this document. It says that the majority of the nation's secondary school students are intent on receiving tertiary level education and appear to be confident that they will be able to obtain this life goal. That is an important thing.

I remember when I was at secondary school most of us did not have a clue as to what we were going to do next, but our parents had a vision for us which was built on what the PNM Government had laid out, which is moving people through the education system from primary school, to secondary school and then to tertiary education.

In my mother's time, she was not able to go to a secondary school because she was told that they do not educate girl children. That was back in her time, but she made sure that her children—especially her girl children and all who were interested—were given that opportunity for social mobility. This note that secondary school children are confident of their life goals of getting to tertiary education is very important. This is an important indication of the confidence that young people have in the education programmes in this country.

I would not go into too many of the details, but one of the other things that I want to go to is the Poverty Reduction Programme which is mainly handled by the Ministry of Social Development, but part of it falls under the Ministry of Planning, Housing and the Environment in the sense that we help to facilitate the technical assistance and the international funding that supported the pilot project and that is a case in point.

Sen. Mark made a lot of noise about people not being able to buy basic goods and so on. In Trinidad and Tobago, we have the Ministry of Social Development that puts much emphasis on meeting the needs of people at the base level in the society. We note that the living condition survey was done in 2005 and it reported that 16.7 per cent of the population was poor. I know that Sen. Mark mentioned

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

many indicators, and he used the most negative ones. Indicators are there to point us to where we need policy prescriptions for improvement. They are not just there to try and pull the country down. It is research that is to be used for defining policy.

When you begin to think of indicators as something negative against the Government in power, then you might find a particular administration seeking to manipulate those indicators to make them look good. When one looks at indicators as a source for policy prescriptions then one is going to look at it differently. Sometimes he makes many mistakes with indicators and this has been proven. He would say one thing and when you look at the indicator it is something different, quite the opposite.

Mr. Vice-President, with respect to the Survey of Living Conditions, once this poverty level was understood major initiatives were undertaken in fiscal 2008 to address poverty and reduce vulnerability of citizens. So, a number of programmes were instituted. The first one that I would note is the Targeted Conditional Cash Transfer Programme. Now, before this, there were other programmes in place. The Ministry of Social Development is seeking to rationalize these programmes. What intrigues me about the Poverty Reduction Programme is that the programme is not just about meeting the basic needs of citizens at that level.

Another part of that programme—and I have seen the case studies coming out of it—is to give persons who are in that bracket and who are receiving assistance the training, exposure and counselling to help bring them out of poverty. So, the Poverty Reduction Programme is not only about meeting a financial need. Meeting that financial gap is one part of the programme, which is to meet their basic needs at this point in time. A big part of the programme is to move them forward so that they are able to employ themselves.

From some of the case studies that I have read, many of the participants are single females with young children and what was required was training in a particular skill that these women had. We are all gifted and we all come to this earth with a gift. What I have seen in this Poverty Reduction Programme is that people's giftings are identified and then they are being given training to actually develop stay-at-home businesses. In one case, this lady had skills in baking, but she needed not just additional formal skills, but the equipment to do her business from at home, and she is in fact able to do her business at home now while looking after her young children.

So, the Poverty Reduction Programme goes beyond that and it is not crumbs. There is a lot of money involved. It is funded by the European Union and quite a lot of money has been spent to meet their basic financial needs to give them a sustainable livelihood through training and exposure to business practices and so on. We reject totally that discussion about crumbs. That is just part of the programme.

A big part of the Ministry of Social Development's focus over the last several years and which they are very close to achieving now is the decentralization of the delivery of social services, and that is another exciting area in the social programme. What it does is that it seeks to meet the people where they are. Sometimes bureaucracy blocks programmes from getting to the people. In many cases we have seen, not just in Trinidad and Tobago, where you have nice ideas and programmes in place that are well funded and people are unable to access them, and a big part of that is because of centralized services in some cases, not all. In the social services, in order to meet people's needs you have to get them where they are and you need people on the ground in those communities. So the decentralization of the delivery of social services is a critical piece of innovation that is being realized in 2009.

Mr. Vice-President, there are a number of other programmes. What I find about this particular document—all the other documents are very important to educate the public, but I believe that people should acquaint themselves with the Social Sector Investment Programme. I am going to recommend it to Sen. Mark, because he would not have said those things had he read the document. The Social Sector Investment Programme covers a number of those things.

I want to speak to the issue of PhDs which is a little close to my heart. I heard a number of complaints about this PhD initiative. People started off saying that it is a nice idea, but. The “but” is usually around that we must prescribe what people do; prescribe what is relevant to the country and then lay out the areas and say what the PhD students should do, but I have a different view based on experience. My view is not what informed the decision, but the decision on how to go about this PhD funding programme for first class honour students was informed by our vision. When you have a vision and a national strategic plan as we do in Trinidad and Tobago, you have something to always refer to when you are going to make a decision.

2.15 p.m.

We have a pillar called developing innovative people. Now you cannot develop innovative people by prescribing and putting blocks around them and

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

constraining them within particular perspectives or even categories based on our limited view at this time. I want to humbly disagree. I want to give an example before I go into more discussion.

There is a young man called Anil Kokaran, he was at Cambridge with me in 1988/1989. Well, I was there in 1988/1989; he was a national scholar doing a first degree in some science subject. Just when we were about to leave he decided he was going to do his PhD and when he announced to the rest of us, Trinidadians and Tobagonians who were in Cambridge—quite a number of us were there and a number of West Indians—what he was going to do we laughed our heads off. He said he was going to do his PhD in Film Restoration. Really, Film Restoration, 1988/1989. We laughed. Do you know that Prof. Anil Kokaran—I think he is still at Cambridge and he is a professor now—won an academy award among other accolades, from that very weird sounding PhD that he did. [*Desk thumping*]. And he put Trinidad and Tobago on the map.

His research continues to be cutting edge. Out of his PhD—and it is his not his professor's work, his work—came the science of preserving film and restoring film from all the way back, Prof. Anil Kokaran. So had he been constrained to whatever we thought was necessary at that time—

Sen. Rahman: Might have done much better.

Sen. The Hon. E. Dick-Forde: That is the kind of limited thinking that keeps you over there. [*Laughter*]

My own PhD was in Environmental Accounting and when I was finished doing it I came back to the Caribbean and I said what am I going to do with this? I do not want to bore the Senate, but environmental accounting is the cutting edge of governance today.

So, I believe if we prescribe areas for PhDs we may be doing so through very narrow lenses. What we will be doing too is limiting our brilliant youth, and worse, limiting our nation's possibilities. Our possibilities would be limited if we were to try and say today in 2008 that this is what people should be doing PhDs in because this is what is relevant to us and that is too narrow. The PhDs for First Class Honour students is a well-conceived programme and it flows from the national strategic plan under the pillar of developing innovative people. Innovation requires a level of freedom that flows from vision and emotional maturity.

We cannot feel that as a Government we know it all and none of us knows it all. We are not God! Additionally, young people have imagination. This is the other thing I find. Young people have imaginations that take them outside of

where we are currently. When we were young we used to think up things and our parents thought that we were crazy. We have come into a world where we are actually able to shape those very things that we have imagined. So, if we were to prescribe and constrain, I do not think that is going to take us where we want to be as an innovative people and we are an innovative people in Trinidad and Tobago, very creative people as well.

Back on that same PhD topic I heard somebody say—I do not think it is in this Senate or even in the other place—what if people want to do a PhD in History, how is that going to help us? I almost fell, because the Father of our nation who laid a solid foundation for social programmes, for education, for a party political system, who liberated our minds from the kinds of stories that we were taught from the British historians, Dr. Eric Williams, had a PhD in History. I think it is a limited understanding of what a PhD gives a person, especially in subjects like History, that would make someone make a comment like, what if somebody wants to do a PhD in History how will that help us. We need to release our young people to go and do the best that they can, to go in whatever is their passion so that they can come back and contribute to a better Trinidad and Tobago.

I want to also say that some First Class Honour students do have trouble getting scholarships to do their PhDs. In 1995 when I went to do my PhD, you got scholarships because the EU was not yet as tight as it is. It was a little easier then, but it is much more difficult now, because now, in the UK in particular, they have to give first preference to their EU people before they give to people in the Caribbean, so we do have a problem. The UK still tries to make sure that they cater to the Caribbean but it is a little less than it used to be, so there is a need for a programme such as this. It is not every First Class Honour student who has it easy to get a scholarship. Once they can get a scholarship then there is no need to get this programme, and people will look for scholarships.

I want to look at some of what we sought to deliver from the Ministry of Planning, Housing and the Environment in 2008 and how we seek to address our portfolio in 2009. I will cover the environment and Sen. The Hon. Tina Gronlund-Nunez will look at housing and planning.

The Ministry of Planning, Housing and the Environment is a very new ministry within the context of the portfolios that existed before November 2007 and this new ministry, we felt, facilitated a very novel thing in Trinidad and Tobago and that is where we are able now to integrate the environment upfront in the planning process. It is something that we are working really hard towards. We are working towards really integrating the environment into the planning process,

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

so even if there is a time when planning and environment are not together, the planning process would have been so structured that it would continue to always have the environment upfront. That is important; the environment should never be just an add on as it might have been in the past. It was a very bold and courageous move by the hon. Prime Minister to put together a Ministry of Planning, Housing and the Environment.

Mr. Vice-President, we spent quite a lot of time trying to understand ourselves in this new ministry, seeking to put in place a proper vision and mission for ourselves which we did in-house. We did not go outside to do it. We worked within the ministry. We have an excellent, very professional and talented permanent secretary and her team of deputy permanent secretaries, heads of sections and staff, and I want to commend them for the work that they continue to do as we drill into the ministry with the vision and mission to set goals and objectives to ensure that we are able to deliver and to deliver well the targets set for us under Vision 2020.

I want to report though that all of our strategic priorities that we set for ourselves in 2008 were well advanced and some of them were actually accomplished. A revised allocation policy was approved by Cabinet recently. The operationalization of the Green Fund—which I will talk about later—we were able to complete that, among some other strategic priorities.

With respect to the environment. We have before us—not just Trinidad and Tobago but globally—a formidable challenge in climate change and prior to the Ministry of Planning, Housing and the Environment, the Ministry of Public Utilities and the Environment sought to have set up a Cabinet appointed working group to determine the implications of global warming, climate change and sea level rise. This working group's work was important to establish what our indicators were, where we were with respect to climate change, with respect to our emissions and so on, and to ensure that as a country we were in fact being responsible as a global citizen.

The work commenced on the preparation of the second national communication to the United Nations Framework Convention on Climate Change (UNFCCC) which includes a greenhouse gas inventory of emissions by sector for the period 1990—2006, and this is critical information upon which we can base proper policies and proper programmes to reduce our emissions as part of our responsibility to the global community and to ourselves.

Another study was the mitigation analysis aimed at identifying sectors that may need addressing. The preliminary research showed that transportation was one of the major areas where our emissions were very high. So we would have seen the beginning of some move towards—as the Minister in the Ministry of

Finance said when he was piloting this Appropriation Bill—the use of cleaner fuels beyond lead. Every time we do research we get new information. There was a time when we felt that just removing the lead from the gasoline was what we needed so that we would not get those lead fumes, but now we are moving to an even cleaner fuel in compressed natural gas.

Further, a sectoral vulnerability analysis to the current and projected climate variability and change, including, how it will affect agriculture, water, health, coastal zones and the tourism sector with a view to identifying those sectors that are most vulnerable to climate change. That is important as well in establishing mitigation measures—how do we mitigate for those vulnerabilities and how do we adapt.

The fourth area is an adaptation analysis aimed at identifying adaptation options for most vulnerable sectors, including the use, appropriateness and application of relevant technologies. For both the mitigation and adaptation analyses a policy framework for developing, implementing and integrating adaptation options into the national development framework is an expected outcome.

The issue of the increased use of compressed natural gas. There is still a great deal of work to be done with respect to the national ability to both provide the amount that is needed, and to be ready to use it. But what we are seeking to do is as we find more people using CNG we will be able to measure the emissions that we have been able to cut down from that use. One of the things that we have not covered yet in the budget but on which we will have to do some research and see how we can incorporate it into our everyday use, is the actual purchase of cars that are CNG ready. There are cars on the international market that are CNG ready. You do not need to convert anything with any kit, you do not need to do any conversion and we are seeking to see how we can best outline incentives to bring those kinds of vehicles into the country, and as I said, to give incentives to encourage that.

Our total emission was less than .1 per cent, but then we were highlighted for having a high per capita emission greenhouse gas. I have spoken about this before, not in this Senate, so I would like to put it on record that you do not emit per capita, it is an absolute figure and this notion of per capita emission is a very dangerous one, because it gives larger countries with large absolute emission an opportunity to say that they do not need to reduce because their per capita emission is low. Their per capita emission would be low because they have billions of people in their countries. So, it is a dangerous statistic that really we

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

reject out of hand but at the same time we have to work with the international community to ensure that the understanding of climate change and carbon emission is a proper understanding, which is, that the absolute emission is what is important and what is relevant in making decisions.

I want to say a bit more about CNG. CNG will give rise to less volatile organic carbon and it will decrease the risk of formation of elevated levels of ground level ozone. That is what causes the increased warming on the earth. Incentives for conversion from gasoline to CNG can have the following benefits: You can have lower fuel cost for consumers because it is cheaper than gasoline; lower greenhouse gas emissions, improved ambient air quality; decreased cost of provision of health care related to respiratory ailments; the removal of market distortions by removing subsidies on gasoline while offering alternatives. I am not saying that this is the policy. These are the benefits that you can get from moving to CNG.

2.30 p.m.

I just want to outline some of the work that is being done by the Environmental Management Authority (EMA) and the Ministry as it relates to our environmental responsibilities. One of the reasons that I find the ministry is well put together is that it promotes sustainable development which is really what any human being should be focused on. Sometimes you have extremists talking about kill out all the people and let the flora and fauna flourish, but that is not what God created the world for. He told man to have dominion and we are supposed to rule with responsibility; that is what dominion means.

So any development that takes environment into consideration, it must be sustainable development. Anytime we think about environment, we think about development: they must go hand in hand, working together to do things the right way to ensure a sustainable future both in terms of the use of our resources and in terms of the condition in which we keep our environment.

So, as mandated by the water pollution rules, the EMA began the implementation of the rules through the registration of approximately 500 emitters of pollution as well as issuing permits to the quarrying sector in the North Oropouche River catchment area.

In fiscal 2009, the Environmental Management Authority will continue the registration process and the issuance of permits to other economic sectors. The air pollution rules are close to being laid in Parliament. Additionally, in an effort to strengthen the legislative framework that will address air pollution during fiscal

2008, the EMA also continued the monitoring of ambient air quality at its air monitoring station at Point Lisas through routine collection of data.

The data collected from this station is currently being analyzed and will be used to inform the development of relevant legislation, but also it is the basis for a very important project that we are in the process of formulating, which is to do a carbon capture project in the Point Lisas area where we have a lot of CO₂ emissions. That is one of our main areas for CO₂ emissions and we are currently in discussion with the IDB to prepare a proposal. We have already gone from the initial mission that came to have a look to see what we need to do. So we are in fact, about to embark on a programme to arrange that scrubbers be put in to capture CO₂ emissions from the Point Lisas area.

It is going to be a big project for us in 2009, and we will not be doing it alone. It will be in direct cooperation with the Ministry of Energy and Energy Industries, and it will be part of a bigger project that sees us actually coming up with a clear climate change policy for the nation.

While we have quite a number of other things in place, we are putting all the pieces together. We do not have a climate change policy as yet because it requires quite a lot of information to make sure that we actually have the policy that suits our country. So we are working along with the IDB and the UNDP as well to get a climate change policy in place, and programmes, so we are not just looking at the broader policy only, but programmes to begin to address the reduction of our CO₂ emissions.

In fiscal 2008, the Ministry of Planning, Housing and the Environment also continued its work under the Montreal Protocol to phase out ozone depleting substances. In December 2007, we successfully phased out the imports of chlorofluorocarbon (CFC) into the country two years ahead of the stipulated phase out date, and for our national phase out effort, the national ozone unit of the ministry was also awarded the Implementers' Award by the Montreal Protocol.

In 2009, the ministry will continue to work on the phase out of other ozone depleting substances including HCFC that is hydrochloroflouric carbon, and metal bromide. The HCFCs were used as substitutes while we were phasing out the CFCs and now they are going to phase out the HCFCs as well. So we are in fact as a Government very cognizant of all of our responsibilities and we seek to ensure that we indeed meet those responsibilities. For some persons it might be slow, but for us, we are working towards what we need to get.

As a country with heavy industries such as iron and steel, methanol and cement production, the Government of Trinidad and Tobago has recognized its contribution, as I said before, to the greenhouse gases and cognizant of that, we

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

have in fact embarked on another programme with the UNDP to reduce carbon emissions and come up with a strategy and a programme to reduce those emissions as well. We are working with two agencies to do that.

In fiscal 2009, the Multilateral Environment Agreement Unit will lead in the examination of various aspects of the transportation, industrial and power generation section emissions. In fiscal 2009 as well, the ministry, through the EMA, will be conducting a national inventory on hazardous waste to determine the amount and type of hazardous waste generated in the country and the manner in which such waste is currently treated and they would be looking at the period 2004—2007 so that is already on the way.

The results of the study will provide the ministry with the information necessary to plan for a proposed management system for hazardous waste. I am pleased to report—because I know at least one Independent Senator had asked about the Beverage Container Bill—that after nearly 10 years of a Draft Bill for Beverage Container Recycling and Disposal, a proposal is before the Cabinet currently for a more comprehensive system to manage beverage container waste along with other waste streams.

The Government is giving consideration to adopting a First World system as a model to be employed in Trinidad and Tobago for the establishment of a general waste recycling system in the country moving away from developing a system for only one waste stream, namely beverage container waste. It is expected that this legislation will be brought to Parliament in early 2009 and the execution of the provisions in the legislation will be done in conjunction with the Ministry of Local Government.

One of the perspectives we have taken in the Ministry of Planning, Housing and the Environment with respect to our environmental role is that we must work with all ministries because we actually lay the foundation in terms of the policy and the legislation, but the implementation happens in other ministries, so whenever we speak to particular areas, we do so in conjunction with the ministry that will be implementing that particular legislation. And with respect to the waste resource, it will be the Ministry of Local Government.

In fiscal 2008, I think you will recall, the ministry enacted the Basel Convention (Regional Centre for Training and Technology Transfer) Act, No. 2 of 2008, in our commitment to participate fully in protecting not just our environment, but that of the global community and adhering to international conventions and agreements to which we are a party.

Under this Act, Trinidad and Tobago as host Government will be responsible for providing human and other resources to enable the full operationalization of the centre. The plan to operationalize the centre has been approved by Cabinet, and a significant achievement I find for the Ministry of Planning, Housing and the Environment—in fact the whole ministry thinks so—was the opening of a fully functioning Green Fund Office after nearly 10 years of accumulated revenue.

The Green Fund is one of the major funding mechanisms to encourage and enhance the involvement of community groups and organizations to undertake projects in the remediation, reforestation and conservation of the environment. The Green Fund is managed by the Green Fund Executing Agency and activities supported by the fund would make a significant impact on environmental awareness and the quality of the environment of Trinidad and Tobago. The office was established and began operations on September 02, 2008. Applications for grants under the fund have been received and processed, and a Green Fund Advisory Committee has been appointed by the Cabinet. The Advisory Committee comprises technical expertise in areas applicable to the objectives of the Green Fund, for example, finance, law, forestry and environment.

The primary function of the Green Fund Advisory Committee is to advise the Minister with responsibility for the environment on the certification of activities to be funded by the Green Fund. I want to mention—and this is important to the staff in the ministry—that the Green Fund logo that you see all over the place now is another example of our commitment to living the vision that we oversee. The Ministry oversees Vision 2020 and we believe in living it as well. The logo was designed in-house and emerged from a competition among staff members from the Ministry of Planning, Housing and the Environment. We encourage innovation and creativity of all our staff.

Within our ministry also, we are very excited about the possibilities of the Green Fund Executing Unit. Although at present we receive paper applications, we have in place a system—in fact, I think it should be ready within a short space of time—for only online applications, and by so doing we are in fact keeping in step as well with Vision 2020 for infrastructural development in terms of ICT where we encourage people across the country to use more e-processes as far as possible. Already, our housing applications are done largely online and so we piggyback onto that to provide the Green Fund application in an online environment as well.

There was an issue with the back office but at the end of the day, our Green Fund applications will be online in a short space of time and we are going to set up mobile units in the same way we do for the housing applications, link with

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

TTconnect across the country and also, have in our offices terminals where community groups can come in and apply online with assistance from customer service representatives at the ministry. This already exists under the housing programme and so we have piggybacked on that.

We go a lot further and see the Green Fund Unit as the ministry's pilot project to implement a green office policy throughout the ministry. We already have a Cabinet note in draft to roll out a green office policy throughout the public service. However, we want to pilot it at the ministry first, so that we will be sure we are ascribing as policy what actually can work and to show the savings as well. So the Green Fund Office is working to be as green as possible. Procedures and processes have been designed to minimize the use of paper, reduce waste, to conserve energy and water wherever possible. In the shortest possible time, applications will be accepted online only.

Mr. Vice-President: Hon. Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senators speaking time be extended by 15 minutes. [*Hon. B. Annisette-George*]

Question put and agreed to.

Sen. The Hon. Dr. E. Dick-Forde: Thank you, Mr. Vice-President. The Green Fund is a demonstration of our ministry's commitment to look for ways to manifest the central role that sound environmental management takes in all that we do.

I was about to say at the point as well, that we believe we must be consistent not just in name, but in practice as well. So we seek out ways to ensure that we are consistent with all of what the ministry is tasked to do. I want to speak briefly as well to public awareness which is critical to the implementation and sustained success of any environmental management programme. To continue its efforts, the EMA implemented public awareness campaigns on littering, noise pollution and disaster preparedness in fiscal 2008.

Public awareness campaigns will be intensified and will include a national competition for primary and secondary schools, the introduction of anti-litter campaigns and the maintenance of a biodiversity clearing house website. To complement the EMA's public education component, the ministry will also support its environmental policies with public education.

2.45 p.m.

In 2008 we observed World Environment Day and World Ozone Day with comprehensive statements on these internationally observed days and we received positive feedback from some members of the public. We also participated in the International Conservation Commission beach clean-up exercise at selected beaches around the country on September 20, 2008. Quite a lot of garbage was collected, including a significant amount of beverage containers, again supporting the view that public education, change of habits and proper legislation should come into place quickly.

I want to mention just briefly, the Nariva project which I should have mentioned under the Green Fund. It is quite an important one for our country. It is a landmark project to reforest and restore the Nariva Swamp and the forested area with plants that will preserve the original biodiversity of the area. One of the important things about this is that it is a project that actually is a collaboration across a number of different agencies and sectors. The Government, with the IDB, as well as the University of Trinidad and Tobago, the UWI and, indeed, I think there is some private sector involvement as well, would be seeking to look at the restoration and reforestation of the Nariva Swamp.

One of the main project leaders is Professor Agard from the UWI. The development objective is to contribute to efforts to restore and conserve the Nariva Wetlands through the recognition of the services it provides as a carbonsink and a biodiverse ecosystem. This is critical, because the carbonsink aspect of it, once properly restored, we should be able to measure how much carbon we should be able to sequester as a result. In fact, it is estimated that certainly we should be able to trade in more than 193,000 tonnes of Kyoto-compliant carbon dioxide as the project progresses, and this is something that the World Bank is also interested in.

I do not want my time to run out without saying something about UDeCott, the Urban Development Corporation of Trinidad and Tobago. I have said it before; I think it is quoted somewhere else. It is constantly being maligned and we are witnessing a corporation contributing significantly to the infrastructural development of our country. I want to just say something about some of the projects under their care. They have almost completed the Government Campus Parkade which is a modern and dynamic eight-storey car park in Port of Spain. Within the context of our planning, that is an important project, to seek to see how we can address traffic congestion in the city itself, and having parkades in particular locations should help tremendously.

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

The UDeCott has also played a key role in enabling competitive business through the completion of infrastructure for the Hyatt Regency, Trinidad, which opened its doors for business in January 2008. We have heard the phenomenal success of this nationally owned hotel with 22 stories and 428 rooms and ready to declare a profit within a year of its opening, which is tremendous. [*Desk thumping*] It is owned by the people of Trinidad and Tobago; it is an important bit of information to release.

Other ongoing projects which will continue in fiscal 2008 under the UDeCott are the Scarborough Financial Complex and the International Waterfront, Port of Spain and the latter project, when completed, will aid the development of our local hospitality and tourism sector and promote Trinidad and Tobago as a tourist destination and the financial and energy sector of the Caribbean. The UDeCott has also and continues to be involved in projects that would make us a knowledge-based society.

In fiscal 2008, the corporation continued its construction work on the new Ministry of Education Tower; the Scarborough Regional Library and the National Academy for the Performing Arts in Port of Spain and San Fernando. These academies will provide state-of-the-art acoustics and offer inspirational settings for the enjoyment of, and training in the performing arts and are projected to be completed in fiscal 2009.

I want to end by looking at something in the Social Sector Investment Programme for 2009. The MORI opinion survey which we are all familiar with, in this document they have reported on the most important behaviours of a fully developed nation. In here, a significant percentage—about 58 per cent to 90 per cent—of our citizens agreed that these behaviours that I am going to list are, in fact, the most important behaviours of a fully developed nation. They are:

- Children should be treated with love and respect—92 per cent;
- people should obey the law as part of being a fully developed nation—91 per cent;
- not to use drugs;
- foster positive values in children;
- show respect to the elderly;
- respect for women;
- know one's rights as a citizen;

- practise safe sex;
- keep your surroundings clean;
- conduct business fairly and responsibly;
- be a safe and courteous driver;
- know one's rights as a consumer;
- pursue a healthy lifestyle;
- respect the diversity of our people;
- provide timely and courteous service;
- improve one's skills;
- look after the environment;
- conserve water and other scarce resources;
- get to work on time every time;
- show respect for public spaces;
- save money;
- stay up-to-date with news and current affairs;
- speak well of other people—I will repeat that one; speak well of other people;
- help your neighbours when they need it;
- vote in the elections—is actually one;
- invest in the economy;
- use public transport where available; and
- not to support music and film piracy.

The reason I read these out and the reason I highlight these most important behaviours of a fully developed nation is to highlight something important. The title for the budget, aptly chosen by a Minister of Finance—*Shaping our Future Together*—requires behaviour that is not a Government-only responsibility. All of our citizens have to work together to shape our future together. This budget and all of the budget documents I commend to the national community so that we can

Appropriation Bill (Budget)
[SEN. THE HON. DR. E. DICK-FORDE]

Monday, October 06, 2008

have a look at what is on offer, not just this year but what was on offer before and what will continue within the context of Vision 2020. Shaping our Future Together requires a mature society behaviour that must precede any view of ourselves as being developed.

I want to thank you and I want to commend again to our citizens, the budget, an excellent budget that requires mature citizenship and civic responsibility. Thank you. [*Desk thumping*]

Sen. Cindy Devika Sharma: Thank you, Mr. Vice-President, for allowing me the opportunity to address the Senate today on such an important matter as the budget of our country. My ambition and objective here today is pretty simple. I want to lend my own layman's perspective on the situation as it is today. I decided to frame my opening in terms of what is happening on a global level and I noted that Sen. Ramkhelawan has done that quite adequately, but I also wish to lend my own unique perspective on it. In doing so, I wish to also put into place Trinidad and Tobago's position within the entire scheme of things and I would also, at the end of it, look specifically at certain areas that interest me, particularly education and the environment.

I wish to say, first of all, that I believe it is clear, and if it is not, it should be clear to all, that we in Trinidad and Tobago are living in unique times. When I say we live in unique times, we are living in an age that poses several unique challenges as well as gives us the possibility of great rewards in the future and we are reaping some of them already. However, I do feel it is important that we acknowledge that despite the fact that we are reaping quite a number of benefits from what is taking place in terms of the increased price of oil and gas, the global environment suggests that while we are getting quite a bit of bounty from that, it is also, perhaps, the Achilles heel of the global economy right now. It is that same high price of oil and gas that seems to be at the heart of what is causing the global economy to really suffer quite a bit, particularly from the effects of inflation, et cetera. So we are reeling from these record-high prices.

We also have an economy which people are speculating could very well turn out to have one of the worst recessions that we may have seen within living memory. Of course, this is something that we should all be concerned about because, clearly, no man is an island and while we might be physically an island, it does not mean we are isolated from the effects of what takes place

internationally. Therefore, we need to be extremely concerned about what is taking place within the US economy, within Europe, because at the end of the day at some point in time while we might seem to be a bit insulated from those effects right now, there is a great potential for us to become greatly affected by what is taking place.

Therefore, this poses another challenge for us today. We also face challenges in the form of natural disasters, which we know have affected several nations today, including the United States; we have Haiti suffering from the effects of hurricanes. Of course, we have yet to probably experience that type of devastation, but it is something to consider because of the nature of climate change as is being reported by scientists and it is suggested that we need also to consider this as a very probable challenge for the future. Of course, we know that one of the dangers that seems to have affected many of these nations is the impact of the flooding in the aftermath of the hurricane. We here in Trinidad, have not even experienced a major hurricane for a while and we have had some major flooding already. So I shudder to think of what could happen in the event of a hurricane actually posing a great danger to us right now. So we need to be really cognizant of that challenge as well.

We are also facing worldwide—and, of course, we here today are facing a severe and serious challenge in terms of food production and distribution. Of course, I might be no expert on the matter, but I do shop at the grocery and from month to month when I go with my mom I will notice prices might go up by \$2. I actually see people standing and looking; they will pick up a piece of cheese, look at it, looking very sad and depressed and put it back down. Yes, while there might be several different things in place to assist those that might not be as financially well off as somebody who might be earning a steady living with a monthly paid job, it is still a serious challenge and right now we need to ensure that we can put in place measures to deal with this challenge in a significant way, thereby minimizing how we are going to be affected by it.

Within this context, I believe it is at this time the nation needs to be able to depend upon a government that shows that it is capable of operating in a bipartisan way, dealing with tackling all the issues that affect every citizen, no matter the race, creed, party alignment, et cetera. There are certain principles—I believe, governance at that point in time—which should very clearly be adhered to and I would just outline a few of them.

One of them is, of course, following established ethical principles. That should be at the core in guiding every person in terms of how he or she goes about functioning and doing his or her duties. Each Minister in charge of planning in a

Appropriation Bill (Budget)
[SEN. SHARMA]

Monday, October 06, 2008

very significant way and establishing programmes and mechanisms to deal with managing our economy and society in Trinidad and Tobago—we need to ensure that we have people on whom we can depend and who are following these ethical principles.

3.00 p.m.

We also need to ensure that we have transparency and accountability in everything that takes place. At the end of the day that is a key to ensuring that whenever we engage in action and have projects on board, in the eyes of everyone—we should aim for that; we know that most likely, we are not going to achieve it—we should aim for having that perception that everyone is being treated fairly and no one is being treated in an unfair manner. We must ensure that when money is allocated for certain types of activities, that money could be accounted for clearly. If that cannot be done, we need to ensure that the people who had been given the responsibility suffer the full effects of that breach.

At the end of the day, one thing that we should also be considering in terms of being wise in governing at this point in time, is practising prudent financial management. I am saying prudent because while we seem to be enjoying the benefits of the ability to produce a \$49 billion budget for 2009, because of the global context and recession and where we are heading, we need to ensure that we cushion our citizens and economy as much as possible, so that when the crunch comes we would be able to tighten our belts a bit. Our citizens would not have to reduce their quality of living to such a degree that we would have mass poverty, or as suggested in the United States, people would be put out of their homes and live on the streets. We need to ensure that we do not reach that level.

I feel that these are some of the principles that should be guiding anyone in government at this point in time, to ensure a very bright future for all of us. As part and parcel of that we need to ensure that people and the Government have a firm grasp of what we are aiming to achieve. Of course, we know that there is the much touted Vision 2020 which has very laudable aims. I do not think any of the aims are anything that anyone should decry. Clearly, the Government believes that it has a plan of action to achieve these goals of Vision 2020.

While I believe that we are working toward achieving these aims, in attempting to achieve certain objectives, my perception is that there needs to be a greater degree of reassessment and evaluation of what you are trying to achieve; where you are today and where you should be today, in comparison with the benchmarks you had made. It requires that you take a step back at this point and

think very carefully about what you have been trying to achieve. If you are trying to achieve developed nation status, you have to consider very carefully what developed nation status means.

One school of thought might suggest that it means we must have the important symbols of development, whether it be a grand financial centre; certain types of structures; a metropolitan type of atmosphere in the capital; our cities must look a certain way; have certain types of businesses and be able to complete certain projects on time. Being developed means more than that. It might mean that some of these aims we are working towards are not working adequately towards us achieving those ends. In terms of addressing whether or not we are moving towards becoming a developed nation, we need to think carefully about if in having those symbols of a developed nation by 2012 or 2020, we have created at that point in time, that human resource that would allow us to take full advantage of the infrastructure that has been put in place.

The tertiary level education programmes are in place at this point in time. I will discuss that a little further in my contribution. We need to focus on not rushing them down in a way. I believe that these structures are important. I do not believe that we need to have them all at once. I think that there are simple things that could be done to improve the life of each person. Instead of building a massive sports complex at Tarouba for instance, I would have taken that same amount of money and created smaller structures in districts to facilitate development in that way.

In terms of education, and it is linked to education because many of the schools in different districts would be a resource base for students who want to develop their sporting talents. Having access to something like that might be important. We might need to reconsider how we plan to do certain things. I might not have persisted in doing all the major projects at once. I would have tried to complete them one or a few at a time and ensure that everything else is in place to supply the foundation that would support everything that is taking place. It is a little unfortunate that we have all these grand plans and projects in place and yet, there are so many people who complain about going to a hospital and are unable to get accommodation. They are not being treated in a timely manner.

We have problems in terms of the road infrastructure. I drive from Sangre Grande to Port of Spain and the roads, the main roads, in the East might appear to be okay. However, right now the Eastern Main Road is in a state of disrepair because of WASA works that are taking place. It is terrible to drive there right

Appropriation Bill (Budget)
[SEN. SHARMA]

Monday, October 06, 2008

now. There are many roads that need repairs. Something as simple as repairing the roads and ensuring that you do the drains at the same time and when you give people to do the drains, they are done in a way to function how they are supposed to do. Those are simple things that could be done to improve the lives of each and everyone.

This brings me to the point of being accountable and transparent. While I note that a great amount of funds have been transferred into the infrastructural development side of our country, I feel that is not the problem. The problem is ensuring that the people who have to build it in the first place are accountable for the product that they give us. I am speaking from what I have observed. If you have driven into the rural areas or poorer sections, how many times you might note the drainage system. You see a group of people working on a few hundred yards of a drain and then, that is it. It is either left incomplete or in a way that does not achieve the objective of proper drainage. Simple things like that could be done instead of having big projects being pursued at the expense of smaller ones that could probably have a longer and more lasting effect. On that point being developed probably means more than empty rhetoric and creating these large physical structures. We need to move towards using other ways to maximize that financial bounty we seem to be reaping now.

Being developed means that we have found a unique way to develop our natural resources, both physical and human. These major projects seem to suggest that we have them functioning in the same way as we have window dressing. They are very good to look at, but behind lies some weak foundation that could be shaken far too easily in the event of a major hurricane, a man-made financial disaster in the form of the financial crisis as in the United States.

To ensure that we do not head down that road, several pillars of our nation must be developed. There is much effort on the part of the Government to ensure that several of these pillars are worked towards being maintained, namely education, children and the environment. But can you say from the investment that you are making in each of these areas if it would have a significant impact on the development that we want in creating a sustainable economy? That is the question that we need to answer today.

In light of what I have been saying, I wish to examine the education sector and the allocations that have been made to it and the quality of the product that we are getting. As an educator, I have to acknowledge that there is quite a lot that is good in our education system. Our education system was not built up overnight, but has

been in place for a number of years. The public servants who function at the core of it—while they are changing at a certain pace, more slowly than when governments change—have been doing quite a bit to ensure that the system does not collapse. I am in no way suggesting that it is in a state of collapse at this point in time. Far from it. I know that there is much good.

We are able to offer full secondary education and universal secondary education, largely in thanks to a UNC government that came on and tackled the issue when other governments were not able to take on the challenge. Of course, in trying to rush through, as in rushing through with anything, mistakes were made. I am certain that this Government does not think it is flawless in its production of projects. I am certain that is not the case if you are being honest. There were flaws and mistakes were made. In the situation at that time it was a very bold move to have taken. Today, I am certain that the Government will definitely want to talk more about what it is able to offer, secondary education to all children in Trinidad and Tobago.

In addition to that, I have noted that there is a large focus on the establishment of a seamless education system, so that you start from pre-primary, then primary, secondary and tertiary. It is supposed to be a seamless system as opposed to something that is disjointed.

Because of my experience as a secondary educator, I will speak about what I have experienced. When I first came in to teach in 1998, I started teaching in one of the Secondary Education Modernisation Programme (SEMP) secondary schools in 2000. Because of universal education everyone was given the opportunity and the students who came in that year were sent in the education system. There were many problems of which a programme of retaining the remedial students for an extra year to ensure that they were raised in some level in their numeracy and literacy skills, was part of the plan. That has since been removed from the system. We do not have the case where students enter Form 1 in a remedial class and are held back for a year which is what originally occurred.

3.15 p.m.

Of course, there are a lot of problems, but there are a lot of benefits as well. The problem that occurred is that you try to mend the education system from the middle. The problem lay within the primary school system because there were students going through seven years of primary school education and still not mastering the basics of English, numeracy and literacy skills. I remember a student who was involved in a little fracas in school. The principal showed him a paper with the word “hat” on it

Appropriation Bill (Budget)
[SEN. SHARMA]

Monday, October 06, 2008

and he could not identify the word. This is a Form 4 student. That is to tell how serious the problem is and how easy it is for it to grow and not be remedied. In tackling the situation, the primary school system was not given that support.

What I see taking place is a lot of focus on the pre-primary system, with the Early Childhood Care and Education Centres. I noted in an article that the Minister of Education has announced a plan—the Minister of Finance also mentioned it—to produce 601 early childhood care and education centres. Within the last two years, the Government has constructed 19 and by 2012 aims to have 601. Also, there are 21 ongoing. So, I assume that by the end of next year, we will probably have 200 if we are going to meet some of these goals. I will probably ask a question to find out about that next year if I am still here. [*Laughter*]

The problem really is not there alone. The problem is with the primary school system. I feel strongly that more effort should have been placed on the primary school system because we have so many children still living and studying in primary schools within an infrastructure that has not changed for probably a couple decades.

If you go into a primary school—the last time I visited one, I was appalled at the conditions—there was a small Standard 4 classroom with 35 children, very overcrowded conditions. To say that you have produced a literacy environment that makes it easier for students to learn—it is difficult to do so in overcrowded classrooms, overheated because these classrooms are not air-conditioned. While we sit in the comfort of an air-conditioned room, can you imagine what some of these children experience? I remember the primary school I went to and I shudder to think about the conditions under which these children are being expected to perform. The fact that some of them do perform well is amazing if you think about it.

I know that in the secondary school I am in, we have a few classrooms that are air-conditioned. We have a few that have fans and it is big and spacious so there is some movement despite the crowded conditions and the overheating. However, many of these primary schools do not have that infrastructure in place to ensure that students are comfortable. This is the age when we should be focusing on making their lives comfortable. [*Interruption*]

The Minister is telling me that we need to have a seamless system. I understand that. However, in having a seamless system, you cannot have created 601 early childhood care and education centres and send these children from a comfortable environment to an uncomfortable one. You are perpetuating the problem and it is going to take another five or 10 years for these schools to reach

the standard they should. If we are concerned about developing a nation or human resource, we need to ensure that we give them the best conditions possible under which to study. So that is something I feel needs to be addressed otherwise it can act to stymie your own efforts in trying to achieve your objectives.

In terms of the secondary school system, I have to ask, as an educator, because of the poor numeracy and literacy skills of quite a number of our children, what is the current status of the remedial programme in terms of literacy and maths for these children? Right now, we have at our school, one remedial literacy teacher. Since 2007, we have not received one numeracy or remedial mathematics teacher. It is not because we did not identify people and send their names down; it is not because we did not try our best to cajole, convince and beg for something we should not have to beg for—these are not people you would give an entire classroom to; these were people who were supposed to work on an individual basis and coach each student who is weak and try to get them to improve their weak areas. I am asking and I hope I will get some answers.

I also know that there is this great thrust towards reform and creating this modernized curriculum. There is quite a deal of good in it and there has been some achievement in terms of the introduction of the curriculum, for example, the SEMP curriculum at the secondary school level. There have been attempts to create and put in place support systems and evaluative mechanisms that encourage the acceptance of the curriculum; the adaptation of it towards the holistic development of the child. I know much effort has been made in the past in that area. The problem still seems to me that we are focusing too narrowly, especially at the secondary school level, on the creation of an academic system. There is this thrust only towards learning in that area.

We had the introduction of technology education in secondary schools which was supposed to address the issue of having trainee teachers, people who are educated in creating ideas and being inventive, et cetera. I will tell you that since 2000 we have yet to receive a teacher in that department. I know that there are many schools that have that problem. Because the area is so specialized—I believe that the idea was taken from the Canadian system—that to find one person who can teach that wide range of skills and knowledge in that area posed and is still posing a serious challenge to the Ministry of Education.

Instead, we have an education curriculum at the secondary level that has practically eliminated agricultural science and food and nutrition from the curriculum, because these areas, which were previously a big part of the secondary school curriculum, do not exist under the SEMP curriculum between

Appropriation Bill (Budget)
[SEN. SHARMA]

Monday, October 06, 2008

Forms 1 and 3. I suspect that because of that we have a worsening of the sensitivity that children might have gained earlier about these areas. It is significant that we are living in an age where food production and distribution seem to be one of our principal challenges and perhaps in eliminating these areas without thinking carefully about what it might mean for the future generations, it needs to be revisited. If it cannot be done wholesale, it must be done in terms of what school-based management teams of secondary schools have planned. They have submitted plans to the Ministry for approval to gain funding to have projects that deal with developing curriculum areas, whether it be agriculture, et cetera.

I would like to find out today how many of those programmes have actually received funding; how many of the project plans submitted by these school management teams have been accepted by the Ministry of Education and have received funding within the past two or three years. That would indicate the level of success with which these teams have been performing. Often we give people the illusion of power. We tell them they are managing the school, but when you get down to the nitty-gritty of getting permission for projects, it takes a long time.

This leads me to the point that while a lot of money is being placed in the education system, there are many things that still pose a threat to the system. One of these is the school repair programme which still runs too slowly for my level of comfort and often there are cases within the school when repairs are being conducted and contractors are not doing the job they have been paid for. They are given the money and they do not do what they are supposed to do. The finishing touches are not there; basics are not there.

I will speak about the Manzanilla High School. A contractor had to build classrooms beneath one of our blocks. When he was finished, the entire block had cracks and was leaking. He still received the money and all he had to do was build a couple walls. The foundation was already there; the top was already there; the floor needed sanding; simple things like that they did not do. The classrooms were dusty; the tech-ed lab was dusty.

I am not saying that you can account for every single dollar that you allocate to a sector, but some system must be put in place so that when a principal complains about the conditions, it does not have to go through TTUTA. It should be that the School Supervisor is able to visit, treat with the situation immediately and put in place solutions very effortlessly. Simple things like that will make life much easier for everyone. Government needs to pay close attention to the product output that many of the contractors within the system bring. I think that they are not doing the job they are being paid to do.

Lastly, in terms of education, I understand that it is the aim of the educational process to effect, not merely the transfer of knowledge and skills to students and children, but we want to create a citizen who, at the end of the day, feels that he or she is a contributing member of the society in which they exist. I have to ask today: Can we say that we have achieved that objective, bearing in mind the widespread reports of young children being involved in delinquent acts?

I feel that because of the unique challenges of different communities, this problem must be tackled post haste. By simply adding a guidance counsellor to schools does not mean that the problem has been resolved. By having a mediation programme, which currently exists—I know that because we have at our school sent students to learn how to mediate in situations—my observation has been that the students who benefit the most are not the ones who need it. They are the ones who already have something that make them lean towards accepting the principles and values. They are the ones who have probably recognized that they lack the love and attention. They get a bit here and there and fall into it.

3.30 p.m.

Those are not the ones who are in crisis, but it is good that we are able to meet their needs. We need to focus on those students who come from those dysfunctional homes; homes where they are neglected and abused.

When our social workers are able to work individually with these children and move them from point A to point B, in terms of emotional and psychological stability, then we have achieved our objective. We would have achieved attitude and behavioural change and we would have done so in a holistic way. We would not have done it merely by counselling the child at school. We have to ensure that the child and the home receive similar attention. To say that is happening or would happen in the foreseeable future, I am not as certain as you might be about that. My own take on this situation is that at the rate we are going, that is going to lag behind other objectives that we want to achieve. For me, that is something that is more significant for us to try to eliminate and improve.

My next point relates to some of the solutions that could probably be used to address some of these issues. In terms of the fulfilment of projects that are done in schools, I think there must be a better accounting system. A contractor should not be paid when he or she does a shoddy job. You must have the school supervisor consult with the principal. Even though that might occur, you need to take what they say at heart and investigate for yourself as to what is happening. That is something that should be done. Of course, for that to be effectively done, we need to do that at the district educational level. We have enough school supervisors who can do the job.

Appropriation Bill (Budget)
[SEN. SHARMA]

Monday, October 06, 2008

In an educational district such as the northeastern educational district, there might be one or two secondary school supervisors and two primary school supervisors. That is just not enough. They do work extremely hard. But, because of the many challenges and the wide range of that area—the district is huge. To really treat with people in the way that they need to be treated and to make them feel that you are addressing their needs, you need to increase the number of school supervisors in those districts. If you cannot do that, at least provide them with subsidiary officers who can go out, gather relevant information and bring it back to them and they would assess the situation from that end in a quicker fashion. We need to have that and, of course, better training for our staff as well.

I will speak, of course, for the northeastern district. I hope that they will get their office at some point in time. I have been seeing a sign for a while stating that there is an area allocated for the structure of the educational office in the northeastern district, which is yet to be started. I am not sure if it would be started in 2009. I do not think I saw any money allocated for that. I would like to see something like that happen, because it would contribute greatly towards improving the success of the district, because it is one of the poorer performing educational districts in the entire country. That should, in itself, suggest that you need to work more swiftly towards resolving some of the challenges that they face.

I think, in order to achieve some of the aims that I have stated, we need to listen more carefully to what people are saying. I have read in the newspapers and many people are suggesting that the Government is not listening. Nobody seems to be listening. I would like to take a more positive position. I hope that you are listening. I hope you are not merely listening but hearing what the people are saying and take into consideration what they want. For example, Mr. Roustan Job, who is the current President of TUTTA said in an article in the *Daily Express* titled: TUTTA, Budget a Rehash, in a story by Sandra Singh on Tuesday, September 23, he said that he wished that the Government had consulted TUTTA. Why? So that it may bring some refreshing ideas on how education could be dealt with in the country. In addition, he stated that he hoped that in the next budget presentation, TUTTA, as a major stakeholder, will be consulted to give their contribution. This is the leader of one major union who is suggesting that there was some lack of consultation. I am not suggesting that the Government ignored the proposals or ideas of TUTTA. I am suggesting that, perhaps, they need to ensure that those persons who are in charge are made to feel a part of the process.

It is not the Opposition, of course, talking here again, it is the leader of a union representing quite an influential and knowledgeable group of persons who are directly

involved in the teaching process, that is the teacher. Of course, there is the principals association and you need to listen very carefully to hear what they want to see happen and their own ideas on how to achieve some of the objectives that you wish to achieve.

One of the things you can do is allow schools to have some input in the selection of contractors that you use and probably have more say, in terms of whether or not they are doing an effective job and the timing of repairs in the school. Give them more say in that way.

I understand that there is an effort to create homework centres within schools. I suggest that be done more speedily, not only in schools but community centres, temples and churches, which can also serve as homework centres; if you want to use all your resources. Sometimes there are children who come from Biche and Manzanilla and for them to wait after school is a serious challenge, because they would have to pay their own transport which can probably be \$8 or \$10. There is a mad rush to get home because they have to get the bus. They almost try killing themselves running down the hill to get the bus, believe it or not. We need to ensure that we can do something about that, in order to facilitate learning in a better way.

My next area is with regard to something we dealt with earlier this year, the Children's Authority legislation, which was passed. I understand that the office of the Children's Authority was supposed to have been established by the end of September 2008. I noted that there was money allocated in this year's budget for the establishment of the centre for the children's home, as well as five regional centres. I am definitely looking forward to the speedy completion of these projects. The problem is that you have the plan in place, but I want to make sure that you work towards achieving it in a very tangible way, so that our children can be affected by it. If the Attorney General would answer—*[Interruption]*

Sen. Anisette-George: Thanks a lot, Mr. Vice-President, to the Senator. It is the civil authority on the International Child Abduction Act, which would come into force by the end of September. In fact, that Act will be proclaimed by October 15, 2008. As far as the Children's Authority, that is expected to become fully operational some time in the course of next year. Right now they are sourcing a building and staff. There are two different things.

Mr. Vice-President: Senators, the speaking time of the hon. Senator has expired.

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

Question put and agreed to.

Sen. C. D. Sharma: Thank you, Mr. Vice-President and the honourable Senate, for allowing me to speak for an additional 15 minutes. I wish to thank the hon. Attorney General for clarifying that specific matter. Again, I am pleased to hear that there is some work being done in this respect. For far too long, of course, we have been under suffering. We have had many children suffering under this system, where we are not really tackling the issue in the holistic way that it needs to be tackled.

My own concern, however, is that I have noted that the sum of \$12 million has been allocated for the Children's Authority, along with its regional offices, plus funding for the establishment of an office to address complaints of child neglect and also for financial assistance to Credo Foundation for Justice for a facility to house these children. This same \$12 million, part of it, is to be allocated for a kitchen at the St. Dominic's Home, a dormitory for St. Jude's School for Girls, and the construction of a hall of residence at the St. Mary's Home for Children. I am really happy to hear all of that. What I am not happy about is the fact that we have not seen some allocation towards the Government constructing their own home. We know, in response to a question earlier this year to the hon. Minister of Social Development, that money in the sum of almost \$15 million is allocated to assist those NGOs that offer and provide foster care homes for children who have been abused or neglected and who need assistance in that area.

I am looking at it from my perspective, in comparison to what are some of your objectives. My own perspective is, if you can afford to fund large mega projects, a rapid rail, a waterfront project, Tarouba Sport Complex and Centre for the Performing Arts, why can you not build a foster care home to alleviate the overcrowding conditions in some of these homes? St. Jude's and many of these homes are overcrowded. I speak from my own personal observation and experience. One of my best friend's mother is a supervisor for a home "near by me". The amount of calling and runaround they have to do to get a space for a child, is really a tremendous problem. I feel you could do something as simple as that to assist, if in not every single district, those districts where the figures indicate the problem is great in the area. Do something to alleviate that situation. I am looking at it in a relative way. If you can afford to fund these things, why can you not afford to fund a home to alleviate these problems?

Let us face it, \$12 million in a \$49 billion budget does not seem all that much. It might suggest, at least to an onlooker, that perhaps this is not something important or something you are really and truly in touch with resolving. Maybe the kind of violence we are seeing out there, is actually the result of the neglect of

those children who should have been identified and received proper psychological behavioural treatment from trained professionals from early. If anyone here ever had to deal with a problem child, to get a trained person to deal with that child is a tedious process, because they are in such great demand. We need to have more trained persons. Perhaps, if you are having the PhD scholars, hopefully they would return to a good job in the social service sector. I hope that will happen. I am making that point as to how we could try to resolve the situation by doing something as simple as that. I saw no provision for that. Hopefully, next year, that might be something in the next budget.

One of my last points relates to the point that the Government wishes to develop sustainable communities. I believe the Minister of Planning, Housing and the Environment did speak a bit on how the Government is attempting to create these sustainable communities. I want to look especially at what it means to be a sustainable community within the context of Trinidad and Tobago. Every single community, of course, has a unique identity and, of course, that will lend itself towards a certain specific part of development. In order to be sustainable, it means whatever they are developing or whatever resources they have, it is something that can be reused and maintained for a certain period of time without running out, so to speak.

3.45 p.m.

I have noted that one of the ways that the Government is trying to do so is by making sure that there are sufficient allocations for certain infrastructural projects which would lend itself toward the rehabilitation of roads and drainage. According to what is reported, there is supposed to be the commencement of a flood alleviation project; the construction of retaining walls; and the refurbishment of recreational grounds and children parks. I feel happy to know that these areas have been targeted, but what I am concerned about is having this sustainable economy and sustainable communities within the economy.

We still have this extremely high dependency on programmes that are twofold; they are trying to assist persons who are suffering the effects of poverty and who do not have access to resources in a big way through things like the Smart Card, URP and CEPEP, and these are some of the ways that the Government is filtering down some of the benefits of the financial rewards from oil and gas to the lower levels of the workforce. What I feel is that if we are really going to create these sustainable communities, we should see a reduction in the need for these programmes over time as opposed to an increase. [*Desk thumping*]

Sen. Dr. Kernahan: That is a good point.

Sen. C. D. Sharma: To me, that is what is going to indicate that you have achieved some successes with your programmes. As far as I am aware, these programmes are supposed to have a training component. If I am allocating X amount of money for CEPEP or the Smart Card, I want to know that at the end of the day, I am not merely giving you the fish, but I am teaching you how to fish. I am not seeing a reduction in the funds being allocated for these programmes, and all I am seeing is an increase. We know that year after year these programmes have been in operation and the allocations have only been increasing, so something is wrong somewhere and I am going to tell you what.

I love the idea that you want to try to ensure that students receive breakfast and lunch every day. I am suggesting that might be the worst thing to do to our country. You give these children not only food but also books, and you are giving them the idea that they are getting everything and they do not have to work toward it. I am just telling you the evidence that I see. I think it is an extremely fantastic idea for students who are poor and who really cannot afford to buy meals and books, but I am just suggesting that when you are giving these things to think about the consequences.

I grew up poor and quite a few persons here may have experienced some level of poverty. My father was the only person working in my family and my mother was a housewife, and that did not mean that I did not understand from early the value of hard work. I suspect that when you have these programmes like CEPEP and the Smart Card, I am not sure if you are really fulfilling the objective of creating sustainable communities. If it is going to work, it would mean that at some point in time we really do not need it, but the opposite is happening. We are actually working toward increasing funding in these areas. I am in direct contact with children and sometimes you see the waste. Everybody is fussy about eating. The one thing that the children rush for is chicken. They would leave the rice in the box and the food remains there in the boxes, and I have noted this.

We have made recommendations about the type of meals that the children want to eat or that they favour and sometimes they do listen to us. I understand that there is this outlined nutritional programme that they want to follow, but there is much waste taking place. There is a concern on the part of these children for the free books that they get. They get the books and they do not even want to bring them in their bags, because they are too heavy to take to school.

I appreciate the fact that you wish to alleviate the problems that these school children are having, but unless they really understand in a very fundamental way what it is they are doing, it is going to be difficult. [*Desk thumping*] Now, I am

hearing that teachers should teach them this from young. I am not certain if the school is the only place that can achieve that objective. It is part and parcel of an entire system, because the child is spending a certain amount of time with us, and that child may come from a certain culture and brings that culture into the school. It is said that school is a microcosm of a society. So, we need to ensure that we can work toward reducing that amount of funding we are allocating to these projects, because they are not achieving the objective. They are not ensuring that people are trained to become independent so that we could create the sustainable communities which we want to work toward at the end of the day.

I just want to make one point before I close. Earlier Sen. Ramkhelawan noted that one of the things we need to consider is to ensure that we satisfy systems in a sustainable manner. At the end of the day, I just want to throw out these questions: Have we reached that point where we can say that the quality of life has improved for all of us? If that quality of life is indicated by the degree of security and comfort—I feel that a murder rate of 401 persons being murdered at this point in time, suggests that maybe we are not succeeding in that respect. Is it indicated by the degree of effectiveness by which our people can do things? I would suggest that we need to look at that. It takes a very long time to get a passport, and renewing your driver's permit means that you have to take a day off. If you live in the East and you have to head to Arima or Port of Spain and you do not reach in the line first, you are going to be there for the day, and if you are not in the first five or 10 persons in the line it is going to be difficult.

We need to ensure that the Government works toward resolving some of the problems and issues that are coming up in terms of how it is managing the society and the economy. My last point is for the Government to sit and reassess where it is and take heed to the warnings and advice given by everyone.

Thank you. [*Desk thumping*]

Sen. Dana Seetahal SC: Mr. Vice-President, thank you very much. It is my intention to deal with three issues that arise in this budget. Interestingly enough for me, these three issues pertain to three major problems as I perceive them in this country. The first is the traffic situation which was alluded to in both budget statements in the Senate and in the other place; the second is matters relating to crime; and the third is food prices. Clearly, that would cover the ambit of everything in the budget and I would select certain areas.

The first is the issue of public transportation. An amazing statement was made in the budget statement, that this Government believes that the public transportation is now reliable and efficient. In the light of this, the Government

Appropriation Bill (Budget)
[SEN. SEETAHAL SC]

Monday, October 06, 2008

made the decision to increase motor vehicle taxes on the importation of motor vehicles and it also raised the price of premium gas. It seems to be suggesting that in this way the public should go about using public transportation and forget about having a private vehicle, because it would not be expensive to use this efficient and reliable public transportation, but this is a problem. Every single person who uses public transportation, I dare say would tell you that they do not have a reliable public transportation system, and it is certainly not efficient. I do not know where that erroneous assumption came from. I have to say that whoever made that statement—and it was mooted by the Minister of Finance—has never used the public transportation system in this country. [*Desk thumping*]

I, myself, do not travel now by public transportation on a regular basis, but I used to travel for years right up to university. I recall the shoving, pushing, pickpocketing and all kinds of strange men leaning on you to get into a bus. I dare say that it happens to school children and other persons who use the buses.

I checked with persons—one of whom is actually here sitting in the Senate and who uses the public transportation system—to see whether or not we have moved any further and from the description given to me—the pushing and shoving to get a maxi-taxi or a bus and the fact that people do not care whether it is a school girl or a pregnant woman—the public transportation system in this country is still a nightmare. If the Government of the day is not aware of that, I would suggest that you probably go incognito with one of the persons with whom I speak and use the public transportation along the East-West Corridor and then you might be able to have an informed decision.

The bus system that the Government says the number was increased—I understand that the fleet has been increased by a large number and that is good—has not changed the nature of the game, and the reason for this is that either the buses are breaking down or the buses that should be used in certain routes are not used properly.

We have articulated buses being used in the inner city. Recently, I was travelling along Tragarete Road, and I saw one of these large buses attempting to turn on a small street and it blocked the entire road for about 10 minutes. This was about 4.10 p.m. So, you could imagine the amount of traffic we had as a result. Whoever is in charge of PTSC at this moment should at least be able to grasp as I have grasped, that you do not use large buses in the city. Apart from that, as I drive along the bus route, I see sometimes three and four buses coming at one time, and then I am told that persons have to wait more than an hour for the next bus. Something is wrong with the public transportation system as it relates to buses.

The only semi satisfied customers that I have heard of are those who ply the San Fernando/Port of Spain route. Everyone I asked on the East-West Corridor about the buses said that they would take the buses coming in to Port of Spain. Sometimes you can get a bus from Arima or La Horquetta maybe every half an hour or so, although it is not reliable. So, therefore, you have to get up at 5.30 a.m. to make sure that you get one, but they never take a bus going out of the city. Why? It is because of the line. I dare any Senator on the Government Bench to go outside PTSC at City Gate and see the lines to get these buses. They are all outside on the street, and no reasonable human being will want to take one of the buses or wait in that line, so they resort to the maxi-taxi.

The whole maxi-taxi system in this country is disorganized. Apart from having to pay a fee to use City Gate, there is no system in place. Do you know that if you live in Arima in order to get into Port of Spain on a daily basis you have to take at least two or three maxi-taxis? Do you know why? It is the same fare from Arima to Port of Spain. I found out this actually from a Member of Parliament on the Government side and I made enquiries. This is the exact fare and nobody can say why they are doing that. They are blackmailing people. They are telling them effectively that unless they pay two fares they would not be going straight into town.

4.00 p.m.

Do you call that reliable? Do you call that efficient? It does not sound like that to me and if the Government knows of this or is aware, then I do not know why it should foist on us this statement or argument that we have a reliable and efficient public transportation system. The travelling public is dissatisfied with this service, it is dissatisfied with the maxi-taxi service, it is dissatisfied with the PTSC.

Imagine if you are an OJT earning something like \$1,800 a month. Are you aware, Mr. Vice-President, OJT people get paid \$1,600 to \$4,000, but you get \$4,000 if you have a degree? A number of people in this country are employed as OJTs. So if you are earning—let us even say, more than \$1,600—\$1,800, do you know how much that is per month if you are living in Arima? You have to spend about \$400, \$500 a month in transportation alone.

I think I have said enough about that public transportation system, to tell you that no one who is aware of what is going on can tell you that we have an efficient or reliable system. I feel that anyone who perpetuated that myth or legend—I was going to say untruth or lie—to the Government, because I am sure the Government would not willingly say this if they knew better. The person who perpetuated that ought to travel on the transport system or ought to talk to people

Appropriation Bill (Budget)
[SEN. SEETAHAL SC]

Monday, October 06, 2008

who travel and come to us with some better solutions for the traffic problem, rather than increasing and penalizing you for having a private vehicle. All of us, the rest of the country who can afford it—people who probably have the better jobs—can pay for the premium gas. Do not tell me that most of the people could use “super.” That is such a fallacy because most people in this country use “premium”, whether it is they should or should not, they use it because they were told that is the thing to use in this country. I dare anyone to switch now from “premium” and mix it up with “super” and see what happens to your engine. I certainly would not.

Sen. Browne: Nothing.

Sen. D. Seetahal SC: But fortunately for me, I use diesel. [*Interruption*]

The point I am making—and I am moving on however—is that, there are other ways to deal with this situation rather than attacking persons who wish to own a vehicle.

Flexitime is nothing new. I am sure Members of the Government, the Opposition and the Independent have heard of it. I have seen it in operation in developed countries. There are people who work 6.00 to 2.00; 8.00 to 4.00—people who have to bring their children to school do that—and then you have 10.00 to 6.00 and it eases the traffic situation considerably. Added to which there is the possibility of giving tax incentives. Everyone is getting tax incentives, who are the business people—if they were to employ these measures—not to have them? So that would be one solution and that is what I can come up with, just from normal conversation. I am sure there are experts on the other side who can offer some better measures.

Mr. Vice-President, I turn to my second point. Crime, and of course there are so many things under that head that I will just deal with two issues. The first issue is S-A-U-T-T. SAUTT has been in the news of late and not in a pleasant way for them. SAUTT was established in 2004 by this Government and it was well intentioned; it was to assist the police in the crime fighting efforts. The problem, however, is that since that innovation, the organization has not been legitimized. The organization has been given more and more money every year but it is not constituted legally in this country. [*Desk thumping*]

Hon. Senator: A breach of law.

Sen. D. Seetahal SC: Mr. Vice-President, are you aware that the Ministry of National Security has been allocated \$4,038,000 this year; that is \$4.03 billion.

The entire police in this country—I have added up all of the figures—gets \$1.28 billion or \$1,285,000; the entire regiment gets \$653 million and SAUTT which comprises about 300 personnel is allocated \$384.79 million.

The entire 5,000 to 7,000 police service is allocated less than three times what SAUTT is allocated. The Minister of Finance—if not the Minister of National Security—in my respectful view when we are talking about a budget—one budgets, one knows how one spends one's moneys. I budget what I spend, you budget and we have to explain to ourselves, if not our spouses, our family, why we are allocating this amount and so much. I think the public needs to know and all of us need to know what this organization is doing with that amount of money as compared to the regular police. People are tempted to say—as one of my colleagues is shouting out—“Spies”. It can be argued that the existence of a unit of armed forces that reports directly to a politician—it is a source of disquiet—that it is akin to a political tool of the Government of the day.

Hon. Senator: Absolutely. [*Desk thumping*]

Sen. D. Seetahal SC: This is an argument that can be made. I am not saying that it is so, but since the 2004 budget when the organization was formed and the announcement was made that Brigadier Joseph was to be the head, nothing has been done to constitute that organization. In last year's budget we were told that it would be constituted by this year. This has not been done.

In the last year you may have seen, sometimes five whole-page advertisements saying. “This is what SAUTT is about” and you see some pictures as if it is in the movies. You know, those movies with trailers and undercover people with guns, about four of them or people jumping in an aeroplane and so on. It may well be what SAUTT is about, but under what authority does SAUTT hire personnel? If it is that it does not hire—which it cannot because it is not a company—and it is the ministry that does it, why is the advertisement deceptively suggesting that SAUTT is the one that is hiring? That is the first thing.

Another thing is, if SAUTT officers in the carrying out of their functions commit an illegality, who is to be sued? The individual? Does the individual officer from the coast guard, the regiment or the police know this? That is unfair to these officers and it is unfair to the public as well. Those are ensuing problems. I want to make it very clear that under the Police Service Act—originally—Regulation 11, the Commissioner of Police had power to constitute units of police officers. Under the Defence Force Act there is a recognition that you can have units. There is nowhere in the recognition that you can have joint units. So, when

Appropriation Bill (Budget)
[SEN. SEETAHAL SC]

Monday, October 06, 2008

people function, do you know what they do? They perpetrate a fraud that there is nothing wrong here, I am taking instructions from the second in command in SAUTT, who is a police officer and the others say I am taking instructions from the other, the head of the army who is a soldier, so therefore there is no conflict.

But there is, because these officers must function together. Ultimately, I am sure, you cannot have three heads or two heads; you have to have one head. If police officers under the current law take instructions from the head of SAUTT they would be in breach of the Police Service Act. Because underlying the Police Service Act is the assumption, there is a chain of command and the top of that chain of command is the Commissioner of Police and it is not the Minister of National Security.

The fact that SAUTT is not accountable to any law enforcement organization, in that it fails to report to the head of the police or the head of the defence force, makes it a law unto itself. [*Interruption*] It is open to be utilized as a political tool of the Government of the day. There are no safeguards in place to ensure that this does not happen. Whether this in fact is being done is another matter. You may have read the newspapers and heard the reports in the last week or so. Because SAUTT is as it is, everyone jumps to the immediate conclusion—it may be true or it may not be true—that when there is talk of a security agency investigating a member or monitoring a Member of Parliament that it is SAUTT.

Why is that so? Because the police cannot take instructions from a politician and the police would respond clearly that they do not monitor anyone. You make a report, everything goes to the police in the regular way, it is recorded in a station diary and then there is an investigation after officers are assigned. The defence force has no business investigating anyone. The coast guard will take a report and if there is a drug matter they will communicate with the police and they will go out together.

SAUTT, therefore, is the organization that people will look to if there are allusions or aspersions to be made as to illegal activity in spying on people. Is spying on people illegal, Mr. Vice-President? That is another question. But if one uses the resources of the State—the country, bear in mind—to do private investigations of this type—because it will be private, because SAUTT has no legal status, you know—then that is misuse of public funds and it would become misbehaviour in public office of persons who so encourage it. [*Desk thumping*]

There is another problem arising from that. SAUTT members, many of them come from countries where there is no death penalty. If they have to return to their country and come back here subsequently to give evidence, what is the status of that? Is there anything in place to ensure that they will do so? That is another matter that the legislation that we ought to have had, could have been dealt with.

I feel strongly about this because I recall writing a column Sunday, August 07, 2005 it was published, over three years ago, raising all of these issues and pointing out the law in detail. So, there could have been no issue. It was made clear, it was told, well, here it is, legalize it, do something about it. Three years have passed, and if it takes three years to draft one piece of legislation then in this Parliament's life of five years, we will do nothing, because we cannot pass or bring to the fore a piece of legislation as simple as that. All we need to do is do like what we did for the Kidnapping Act, go to Singapore, go to England or go to the United States, copy it, tweak it and bring it here. It does not take three years to do that. It took three years to do the DNA Act.

That is another point. You see this length of time all this legislation takes, it really is not fair to the public. I read in the newspapers about a man from Tobago who spent six years in jail. Six years, Mr. Vice-President. I have it here:

“DNA clears man of rape six years after”

Now, of course we know that the DNA legislation, when it came in last year was not necessary for innocent persons to go and get a DNA test. In other words, it really affected accused persons, making it a mandatory requirement for them to take the DNA. Prior to that if you could afford it you could get a DNA test. But this man could not afford it, he had to wait until the legislation came into effect and then have the court make an order so that he could have been cleared. The DNA showed that his sperm was not the suspect sperm. That is the point with all of this delay. That is the point about the unfairness my colleague, Sen. Sharma spoke about and we have so much unfairness, so many issues of bad governance arising. I call it governance because it encompasses everything out of these inefficiencies.

4.15 p.m.

I turn now to the question of the Police Complaints Authority. With much fanfare in 2006, this package of legislation was passed: the Police Service Act, Police Complaints Authority Act and the amendment to the Constitution. I do not know if the Members of this House are aware that there is no head of the Police Complaints Authority at this point. It is not functioning; it does not have a director or a deputy director. It is just receiving complaints now and they are just staying there or being sent to the police service, which under the new legislation cannot act on those complaints.

So it is a farce being perpetrated on members of the public. You pass this new legislation with a lot of things of what is going to happen and what we are going to do, but nothing is being done because that new Act terminated how the Police Complaints Authority operated before and now there is nothing to monitor how the police are functioning.

Appropriation Bill (Budget)
[SEN. SEETAHAL SC]

Monday, October 06, 2008

Mr. Vice-President, as I was walking towards this Parliament, I saw two young police officers who asked me to say something for them, so that the Minister of National Security would give them a better deal. Of course, they did not mean themselves personally, they meant the police service and in that regard I made my point as to the disparity and the treatment of the regular police and SAUTT and I pointed out the kinds of resources you are giving SAUTT and the few resources in contrast to the regular police, and then there is much ado about how SAUTT is performing.

You are throwing money at them and they must perform if they get that amount of money. I am not saying that I think SAUTT is not a good organization in some ways. Ultimately, there are some results and you must have results if there are people who are trained and going out there with all the right equipment and tools. What about our regular police? Is it intended that SAUTT will take over policing in Trinidad and Tobago? They cannot because they are only about 300.

So I make my point in respect of all these officers who work hard, who do regular policing, who go out in the streets and have to fight the gangs and then you have the SAUTT officers who are in a more cocooned environment enjoying benefits unknown to them.

By the same token, Mr. Vice-President, one cannot countenance police killings which are not justified—I was going to say deserved, but justified. We have in the last few weeks seen a number of killings in certain areas, I think Laventille in the last two or three days there were about four killings. About a year ago, there was an uproar in the same area in respect of two killings by the police and there was talk of the police just coming in and so forth.

Of course, one can discount a lot of that because it is surprising how much people speak out when there is a police killing and when a regular person or gangster or somebody is shot in the street and another person is picked up, people do not see. And in certain areas in this country it happens all the time and then they wonder why there are so many killings in those areas. It is a cycle that repeats itself, but I still have to say that we cannot afford to have a star chamber in this country, I do not think any country can afford to have a star chamber, but if we do have that kind of star chamber where people feel that you ought to go there and eradicate—You hear: “let them kill themselves.” That is not the way because when people kill themselves there is a sort of disregard for life that goes to other areas.

So when members of the public hear about shootings in certain areas and about these gangsters killing themselves, they do not realize how that can affect them. It is a breakdown of rule and order that can affect everyone. It is also bad

for our image internationally, and it is a self-perpetuating kind of thing. If there are 400 murders in this country even though there might be 300 that are gang-related, people do not really think they are gang-related you know, they feel threatened. It affects the quality of your life because you feel that all those dead bodies could be you or your family. And then the police themselves will feel threatened when they go into these areas.

That is what happened in Jamaica, but in Trinidad and Tobago in the last six years, we have had something like 115 police killings, about a year ago it was 103 killings, 45 of which were under investigation, but 115 killings are still a lot to have in six years by the police. So I do think that there should be a functioning Police Complaints Authority that can create some kind of confidence in the public that these matters will be attended to. They are not attended to right now, so in the eyes of the public who make these reports and nothing comes back, it might appear that the authority countenance and condone these killings.

Imagine, you are a person sitting in your home wherever; Morvant, Laventille, Barataria, I just use those places because that is where there seems to be a lot of killings, but it could be Tunapuna, Claxton Bay, anywhere the same token, and you see police chasing someone and you have a killing, you hear or people tell you about what actually happened: a person was unarmed, or a gun was put in his hand. You make your way down to Park Street and make a report to the Police Complaints Authority, a year passes and nothing happens, after three months you make checks there is nothing and you are told: "We are dealing with it." It is not being dealt with because you have no head and nothing can happen if you do not have a director and a deputy director, and that is what is happening with a lot of these matters. The only time something is done is if you have an inquest and that could take a long time and then the police would have their lawyers, so the public, those persons who we think may be criminals sometimes may have a valid reason for distrusting the system.

I move on, Mr. Vice-President, to another matter that has occupied the attention of the nation for the longest while. But before I go on, I forgot to say that I offered two solutions in relation to gang killing. The Minister of National Security in one of those post-Cabinet sessions touched on gang legislation. I do not know why he did not come straight out and say it. There is gang legislation in 49 out of the 50 states in the United States of America, you can have that; you can also have experts. I hear there is talk of an expert coming, but there are experts here as well, English police officers were brought in. Why can we not have the number of persons from the gang unit in New York?

Appropriation Bill (Budget)
[SEN. SEETAHAL SC]

Monday, October 06, 2008

I visited the gang unit in New York and it is a big section which seems to be effective. Why can we not have different people at different levels come in? There are so many ways to deal with it, but one of the most effective ways is to have no talk with so-called community leaders, because when you have that and you carry police officers to deal with the community leaders and you have a number of criminals in front of you, as a police officer it totally undermines him. And I know for a fact—because I have spoken to police officers—that this is what has happened in the past. So abandon the idea of community leaders; if you want to have some kind of good relations with the gangs, find some other way, choose some other means.

Food prices—I note Mr. Vice-President, that \$1.7 billion, the most ever so far has been allocated to agriculture and I commend the Government on that. But what I do not appreciate is that there is still loss in a number of things, you are giving money to the Agricultural Development Bank, to all different groups, but basic things in agriculture in my view are not being dealt with.

What about praedial larceny? Do you know that is the most serious problem? When I call the police to Tamana where I have an estate they say: “So you want us to pass by you, Miss Seetahal?” Yes, I want you to pass; I want you to do something. Passing by me is what—to get some oranges or something? I want some action and we do not have that. The two most serious problems in agriculture in this country is lack of labour and praedial larceny. That is the problem. All these things about loans and incentives—do you know why people do not access those incentives, Senator? Because it takes too long to fill out those forms.

I still have some forms from four years ago and they told me they have to come back and see how tall the trees are by now, and I just abandoned the whole thing. Most of the people who own land in our country just do some agriculture and wait for a 10-days to supplement their income. That is the kind of agriculture we have here because there is no serious system.

The roads are horrible and I have asked different Ministers in this Parliament at least twice to fix the roads down by the estate by me. That is the kind of thing you have to try, a little “in” to get the agriculture roads fixed. So when they talk about how many megafarms; 16 farms that are supposed to feed the nation, I really cannot take that seriously. If it took a year and a half and by December we are going to have the first crop, I wonder what crop it is. And I hope the Minister of Agriculture, Land and Marine Resources will bring some of that crop here to

prove to us that there is such a crop. [*Desk thumping*] The same way that he brought seeds, bring some of that produce so we will know that the megafarms really are going somewhere.

Right now, I want to get some real ideas of what the policies are. How are you going to make these incentives work? What are you going to do about the roads? I just do not want to see \$1.7 billion and you do not know where it is going and you are going to have loans there. The next thing you know, somebody gets an unsecured loan for millions of dollars. Someone reminded me last week that if he is a sufficiently rich, very well-known person and it is an unsecured loan, he could say he is not paying it back because it is your fault that you did not secure the loan.

If you throw your minds back, you will remember some years ago, that is what happened, or is reported to have happened with Workers Bank. So it is not just loans and it is not just all these different things like NAMDEVCO. It is all well and good to have all these subgroups, but the real agriculture is how you get the farming going. How do you deal with the labour shortage? And as long as there is the construction boom, that is going to be a problem, so there must be some way. Maybe the Government can supplement the payment that these agricultural labourers get, but we have to find a way.

So in summary, I hope the Government finds a more creative way to deal with the public transportation system. I hope that SAUTT is properly constituted before the end of the year, and that the regular police are treated with as well as SAUTT is treated—which is constituted of a number of foreigners! If you cannot treat your own people well, I do not know how you can feel justified in treating foreigners well. And finally, that we find a better way to handle the food prices than just allocations with no real policies that I have heard of.

Mr. Vice-President: Hon. Senators, it is now 4.30 p.m. This Senate is suspended until 5.00 p.m.

4.30 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

The Minister of Agriculture, Land and Marine Resources (Sen. The Hon. Arnold Piggott): Thank you very much, Mr. Vice-President. I wish to begin my contribution to this august House by congratulating the hon. Minister of Finance

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

for her comprehensive and impressive presentation of the 2008/2009 budget, as well as my colleague, Sen. Mariano Browne, for his presentation today as it relates to the budget, 2009: “Shaping Our Future Together”.

I wish to take this opportunity to provide further details on matters related to the agricultural sector. This Government has always viewed the agricultural sector as one of the critical pillars in our economy. The current developments in international markets have all but dictated that Trinidad and Tobago focus on the continued development of this sector. Allow me to digress a bit and remind this House and the country of the current international situation in which we now find ourselves.

The United Nations has warned that world food supplies are shrinking and that the food price index increased by 26 per cent in 2007 compared to 9 per cent in 2006. It also reported that world wheat supplies have declined to their lowest level since 1980 and that USA wheat stockpiles have fallen to their lowest levels in 60 years, resulting in tremendous changes to the international food sector. Therefore, globally, not only in Trinidad and Tobago, the reality is that the price of food is increasing.

Other factors which have led to this rise in prices are the increasing demand from an increasing global population; increasing demand from economic growth and increased spending power in the developing countries; high oil prices; increasing use of arable lands for other purposes, for example, biofuels; global warming.

As a result, the food and agriculture sector has been placed on the front burner of international politics and has brought renewed and re-invigorated attention to the agricultural sector not seen since the great depression.

Cognizant of these international developments, the Government at present—the PNM Government in administration here—has moved quickly and intelligently to avert any potential challenges in the local food sector and address high food prices by putting in place a comprehensive strategy with the Ministry of Agriculture, Land and Marine Resources, the major implementation arm.

Allow me to also draw to the attention of this House and the national community the extremely important fact that health and, by extension, the productivity of the nation is intimately linked to food supply. There has been a growing incidence of non-communicable diseases, lifestyle diseases, such as diabetes, high blood pressure and heart diseases. This Government, recognizing

this new paradigm has resolved that the agricultural sector cannot continue to do business as usual; there must be fundamentally new approaches to how we view the role of the sector in national development and how we plan and implement strategies for its development.

It is against this background that I wish to present the contribution of the Ministry of Agriculture, Land and Marine Resources to the 2008/2009 budget debate. In keeping with the theme of this year's budget: "Shaping Our Future Together"—and I wish to say this slowly—my contribution will focus on the future rather than on the past and will outline strategies that will require cooperation and collaboration from various sectors of the national population, charting a course which says, if together we aspire, together we shall achieve.

It is therefore my intention to do the following: provide this House and the country with a better understanding of the international, regional and national situation in which we now operate; provide the nation with a clear understanding of the Government's policies and strategies for increasing national food and nutrition security; indicate to the country why food security is everybody's business and how everyone can play a role in national food and nutrition security.

The Government's plan for agriculture is a holistic one and is articulated in Vision 2020. Agriculture by year 2020 will be competitive and possess the capacity to sustain competitiveness by becoming resilient, adaptive, technological and market-driven; it will provide for sustainable livelihoods in the rural sector and for food and security needs of Trinidad and Tobago. This point to two fundamental visionary goals: a competitive agricultural sector and food and nutrition security for Trinidad and Tobago.

I think the country will agree that in the current situation priority must be given to the goal of food and nutrition security. It is important for all of us to agree what food and nutrition security is all about. The most acceptable international definition states that food security exists when all people at all times have physical and economic access to sufficient, safe and nutritious food to meet their dietary needs and food preferences for an active and healthy lifestyle.

When disaggregated, this definition can be seen to have five components, namely, availability, accessibility, quality, utilization and sustainability. Let me speak to the issue of food security in terms of the international context. Governments all around the world have been taking direct action to reduce the price of staples to the consumer and to reduce the impact of higher food prices on their population.

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

Notable among the actions taken are the restrictions on exports and an introduction of export tariff by some major exporting countries. The net result is the reduced global food supplies; increased food prices and greater levels of inflation.

Our research indicates that in terms of availability and the quality aspect of food security, our country is meeting the requirements in all of the six food groups, that is to say there is currently no food shortage and the quality of food is good. The real issue then is food prices. It is the level of dependency on imported food which, at this time, is at an unacceptable level and in the current situation of uncertain supply that brings into question the aspect of sustainability and food price inflation.

This country presently imports more than 90 per cent of staples and more than 80 per cent of legumes that it consumes. This pattern must be changed. On the question of utilization of food, we are performing very poorly in terms of how we prepare food and in the relative quantities we consume. Firstly, the fast food culture which is characterized by food with high levels of saturated fats, high sugar content and refined carbohydrates, have become part of our diet. Of greater concern is the fact that this is becoming pervasive, not only in our fast food restaurants, but also in our homes.

We recognize that food price inflation is now making the aspect of accessibility even more difficult. This can have either a positive or negative impact on the need to change our eating habits. These situations underscore the need for Trinidad and Tobago to increase food production and aggressively promote change in our food consumption pattern, thus dampening demand for international food and food price inflation derived from imports.

I would outline later in my contribution how this Government, led by the visionary leader, the hon. Patrick Manning, proposes to deal with these challenges, but let us now address the issue of competitiveness. We recognize that while we address the issue of food and nutrition security that it would be irresponsible, indeed, shortsighted, for us not to pay serious attention to the issue of competitiveness in the agricultural and food sector. But you know that this Government has a clear vision, unlike several others that may have held office of governance in Trinidad and Tobago, or those who aspire to governance. While we must focus on the food security aspect, given our vision for the future, we will also take into account strengthening of the competitive position of our country.

Let me now bring to the nation's attention the state of the local agricultural sector. Based on the last agricultural census in 2004, our consultations with stakeholders and our involvement in the sector, we have made the following assessment of the state of

the sector. We have determined that there are some 210,000 acres of land classified as part of the total agricultural holdings, of which 56 per cent or 118,000 acres is generally being utilized for some form of crop or livestock production. This indicates that there are some 92,000 acres available for new production.

Further, it is well established that the output and productivity levels from the lands presently under cultivation, are very low; they are not being maximized. Of the lands being utilized, 73 per cent in crops; 11 per cent allocated to livestock and 16 per cent in crop and livestock. Clearly, there is a predominance of crop production. There are some 19,000 farmers, 99 per cent of whom operate as individuals. This indicates that formal businesses are an insignificant part of the sector—individuals operating rather than agri-business or entrepreneurs.

Some 11,600 farmers or 58 per cent engage in farming as their only occupation while 42 per cent of the farmers are part-time farmers. Eighty per cent of all farm holdings are less than 10 acres. Economies of scale cannot, therefore, be fully realized. In 2007, some 22,400 persons, some 4.5 per cent of the labour force in rural communities were employed in the agricultural sector, bringing income and other benefits to these communities.

Unnecessarily long supply chains for local produce, very unreasonable mark-ups and inadequate production and marketing information systems are some of the main factors responsible for the high price of local produce. Inefficiency and lack of transparency in price and local produce marketing systems are clear. I am here dealing with the assessment of the sector and I shall continue along that line. But before I do that, I want to share with you and the people here a chart which I have which indicates if you shop at the farmers' market, you pay an average of 47 per cent more than the wholesale price; if you shop at the municipal market, that moves to 51 per cent more than the wholesale price; if you shop at the minimart or vegi-marts, as they are called, you pay an average of 69 per cent more than you pay at the wholesale, and by the time you get to the supermarket, you pay an average of 97 per cent more than the wholesale price.

So in terms of the movement of price along the distribution chain, you have significant increases on the system leading significantly to food price inflation and overall inflation in the system. There is an unacceptable high risk within the sector resulting from issues of drainage and irrigation and, of course praedial larceny is continuing to be a plague on the system.

There are severe shortages and rapidly increasing price of farm labour. Farm labour is in short supply resulting in higher wages being demanded in the sector. Escalating

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

cost of inputs are pervasive, particularly fertilizer driven by rising price of energy for which a transparent and accountable solution is being sought by this Government.

I was alarmed to hear recently that some years ago, not too long ago, some skilful persons purporting to be farmers, were trading in Government-subsidized fertilizers, selling the cheaper fertilizer which they got subsidized by the State to countries in South America for some extended period of time. Would you believe that? I could not believe, but I checked another source and I was told that, in fact, this was taking place. Then the question is asked: why does the Government not subsidize fertilizers to the farmers?

5.30 p.m.

The Tucker Valley Demonstration Farm and PCS Nitrogen Model Demonstration Farm are expected to become productive by the end of 2008 as was mentioned by the hon. Minister of Finance in her budget presentation. We have revised our request for proposals and we will soon be inviting investors to submit proposals for other sites.

These large farms will target their production at the local agro-processing sector and the export market. However, it must be appreciated that these capital projects involve a medium-term type of cycle before they can begin to bear significant fruit. Preparation of land for commercial activities in agriculture cannot produce immediate results. Land preparation does not equal planting of the land. Indeed, a lot of work has been done with respect to infrastructure development in preparing these farms for handing over to prospective investors.

Let me remind the commentators, industry leaders and politicians of one truth and that is: there is a huge gap in time between conceptualization and implementation of agricultural activities as a start-up on undeveloped virgin land. Taking virgin land to develop it to hand it over has a time period. There is also some gap in time between implementation, sowing seeds, planting seedlings and trees and reaping produce or crop. It is certainly not as simple as listing a summary of projects as I saw and saw reference to and placing a check mark as to the status to indicate Y; IP; P; N; N/A, meaning yes, it is implemented, it is in progress, et cetera.

So when any Senator either on your side or anywhere else anchors a large part of a budget contribution or response in relation to agriculture on promises made for large farms and hinges that to a budget memorandum done by an accounting firm for credibility, it is being disingenuous. Senators must know better. To suggest that the recent floods were also caused by Government's mismanagement

and misspending, that food prices will keep on increasing is to be less than honest with a substantially educated population.

It must be borne in mind that several thousands of our educated population derive their education principally from a platform provided some 40-plus years ago under a PNM administration and whose children are being afforded free education from early childhood to tertiary level, in some cases doctoral programmes PhD level education. Tell me, Mr. Vice-President, how is that for misdirected fiscal policy as is being suggested?

Vision, education and development, a march to developed country status is what this Government stands for. This Government is known for delivering what it promises. You may question the time it takes, but some of you have been in government and know it is not by a snap of a finger that this happens. You are being less than honest when you point a finger to suggest that we are taking too long with projects in agriculture. Meanwhile, the Government continues to place great emphasis on the small farming subsectors. It is projected that in excess of \$800 million will be spent to bring infrastructure to the farm gate on the 20,000 acres targeted.

We have a third strategy and that is to expand entrepreneurship and commercialization of agricultural operations by encouraging small- and medium-sized farmers and agri-entrepreneurs to form associations, companies or cooperatives in order to allow them to have some advantage, economies of scale that the large farms and agri-businesses may have.

This is the major focus of the Government as it seeks to promote agriculture along modern business lines. The Government, again in keeping with its policy of private sector-led development, greater devolution of responsibility to the local communities, greater public/private sector collaboration, has assigned the implementation of the National Agri-business Development Programme (NADP) to the Trinidad and Tobago Agri-business Association (TTABA).

The NADP, it is charged with the responsibility of organizing small- and medium-sized agri-entrepreneurs into associations and providing them with technical and financial support particularly with contract production and marketing services. Farmers will be assisted in forming a number of the farming communities and commodity associations.

The current plan is to establish between 15 to 20 farming community associations in agricultural areas across the country and up to 20 national commodity associations. To date, 10 farming community associations have been established in places like New

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

Grant, Hindustan, Cunupia, Vega de Oropouche, Guayaguayare, Rio Claro, Poole, Moruga, Barrackpore, Caura, Biche, Iere Village and in Tabaquite.

In the case of commodities, nine associations or industry development committees have been established, namely, pepper, herbs, cassava, sweet potato, pawpaw, water coconut, pommecythere, rabbit, aquaculture and greenhouse vegetables.

TTABA has begun issuing production and marketing contracts to farmers in these associations. To date, 74 farms have been contracted for the production of 470 acres, inclusive of 300 acres of cassava, 60 acres of sweet potato, 50 acres of pawpaw and 60 acres of pommecythere. This is part of the 2,000 acres target for 2008/2009.

The prices to farmers, including our Caroni VSEP farmers, will be based on their cost of production plus a fair margin, that is, the prices to be paid to the farmers for their crops will be based on their cost of production plus a fair profit margin. TTABA will also provide farmers with investment profiles showing the profitability of different commodities which will assist them when they go to the ADB for a loan.

TTABA, together with NAMDEVCO and the Ministry of Agriculture, Land and Marine Resources will provide technical support to farmers and Caroni VSEP workers in facilitating land development, land preparation, establishing irrigation ponds, and advising on good agronomic practices.

The fourth strategy is to build an agro-processing capacity among farmers' organizations and other agri-entrepreneurs. It is for this reason that the second component of the NADP involves establishing a National Agro-processing Service Centre. The reason is that our food manufacturing sector is largely dependent on imported raw materials and that less than 10 per cent of our local fresh produce goes into any form of agro-processing, so that a National Agro-processing Service Centre is being established. The centre will involve TTABA executing the following:

- Conversion of fresh produce into semi-processed products for sale to other agro-processors and food manufacturers;
- Production and marketing its own brand on behalf of its member associations;
- Providing contract processing services to the private sector;
- Contracting other processors to produce TTABA-branded products.

The association has already begun selling semi-processed products to other processors, including a hot mash, pawpaw puree, and is already processing and marketing its own brand of frozen and chilled coconut water, frozen cassava and sweet potato fries. Cubes and wedges will all be generated from that exercise.

More importantly, TTABA has already begun supplying the School Nutrition Programme with a targeted 40,000 pounds of frozen cassava and sweet potato products per month and will soon be in a position to commence supplying a range of pre-cut, fresh and frozen vegetables and fruits.

The agro-processing centres are being established in Freeport and Point Lisas. In Freeport, a 20,000 square feet plant is being built and should become operational by March 2009; and a 10,000 square feet plant in Point Lisas will become operational by the end of October 2008.

These initiatives of TTABA will benefit the farmer, the agri-processor, the food manufacturer and naturally the consumer, while influencing prices overall and impacting food price inflation.

The fifth strategy is increased incentives and subsidies to lower the cost of inputs and the adoption of new technologies through, for example, rebates on a range of items used in the agricultural sector. We recognize that there have been significant complaints about the ease of access to existing incentives. We heard that this afternoon—that incentives are not easily accessible. In some instances, with regard to the scope of the incentives, it is proposed that a range of incentives be significantly expanded. The Ministry of Agriculture, Land and Marine Resources is currently examining new implementation mechanisms to make it much easier for farmers to access these incentives.

One of the considerations is for the newer incentives to be administered through one of the agencies under the Ministry of Agriculture, Land and Marine Resources, for example, the ADB. There is a new governance arrangement with EMBD and NAMDEVCO, under one chairman, for the execution of land distribution and lease regularization. Produce marketing places the ADB in an excellent position to administer such a programme of incentives which will make it easier for the farmers, but these arrangements are still being worked out.

Expansion of access to labour is another critical issue for us. Some 77 persons are required to fill vacancies in the sector—that is what the census said—and of that some 3,200 would be for primary production. We would like to have them trained to become agri-technicians or agri-technologists in primary production.

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

We have been examining ways to treat with the shortage of labour to the sector. This process has been completed in terms of an evaluation except for one stage which is yet to go through and once that stage is completed we should be able to make an announcement. It is the stage of the implementation mechanism that we are currently examining. We do have a solution for the labour supply except that we need to go through another stage.

The seventh strategy, Mr. Vice-President, is the control of praedial larceny through new implementation strategies. We are aware of all the problems that the farmers are encountering in praedial larceny. We understand the non-functionality of the squad that exists; the lack of adherence by buyers and sellers to the requirement for all trade in agricultural produce to be accompanied by receipts and certificates; the lack of importance that the courts may place on praedial larceny matters; perhaps the public's inadequate understanding of the negative effects and the potential risk that praedial larceny poses to the country; people buying goods that are stolen perhaps without considering the implications of that.

The eighth strategy is improving marketing and marketing information systems, which is an area where much depends on the farmers themselves as it is clear that they should provide data on their production on a regular basis. They are not now providing the data that we need to make evaluations. It is a source of problems for us and perhaps with the new governance arrangement with the ADB, NAMDEVCO and the EMBD, we might find a way to get that data.

We are examining ways of encouraging farmers to provide production data on a monthly basis through the agencies I just stated, providing the sector with greater access to affordable loans. We know what has been happening. The ADB just got \$125 million in the last budget allocation for lending to the farmers. In 2007/2008, the number of young people accessing loans, quite distinct from the other farmers, was 185. Further, the bank has introduced a number of commodity specific and innovative loan packages to the sector. I will not go through those at this time.

Plans are being put in place for the IDB to offer agricultural insurance, commonly referred to as crop insurance. Advanced work has gone on on this and we are building the process and we soon expect a report and proposals for agricultural insurance for the farming community.

The tenth strategy is restructuring the Ministry of Agriculture, Land and Marine Resources, particularly in the area of research and development and extension services to address the new imperatives for the alignment of the sector. You are aware that the

Research and Development Division will be integrated into the University of Trinidad and Tobago at the Centre for Bio-Sciences, Agriculture and Food Technology. We also look at the Agricultural Health and Food Safety Agency—

5.15 p.m.

The answer seems clear. What had happened then led to this situation where fertilizer could not be subsidized by the State to the benefit of another country and people who are unscrupulous in the system. I acknowledge that these are real challenges faced by the sector. The question that naturally would be on everybody's mind is: What does the Government propose to do about this? National Agro Chemical was then supplying fertilizer to the system at special rates. That company has been changed in its governance structure and new arrangements are being sought to be put in place to deal with the issue of fertilizers and other incentives that the Government will introduce.

It is my pleasure and privilege to present to hon. Senators and the nation, my Government's National Food and Nutrition Security and Agricultural Competitiveness Plan which will address these challenges. The plan is what we call our transformation plan. We have worked on it for extensive periods and it is fully documented as to what we will do going forward.

Let me define what we see as the role for the sector. It is recognized that in developed countries, the agricultural sector plays an important role in national development. In this context the following is being proposed as the role for the sector in national development:

- Ensuring food security by guaranteeing that a minimum percentage of all food groups would be met by local production.
- Promoting economic diversification and expansion based on the development of competitive industries through value added product development for local consumption.
- Supporting rural development food increase infrastructure and employment creation.
- Supporting the national health improvement strategy through increased availability of locally grown foods.
- The introduction and operationalization of the national agricultural health and food safety authority.
- Supporting our tourism strategy with national cuisine and promotion of agro tourism and agro entertainment.

- Supporting our social development strategy in deepening the engagement of rural communities.

I turn to the goals of the sector. Having outlined a clearly defined role for the sector, we set the following goals. We wish to reposition the sector by treating with agriculture in the broader context of agribusiness as distinct from the traditional narrow view of primary agricultural production. This means that we embrace fully the concept that the sector must strongly link agricultural production with agro processing, food manufacturing, special and unique culinary cuisine.

Sen. Dr. Nanan: I thank the Minister for giving way. I understand that you talked about a health and food security organization to be established.

Sen. The Hon. A. Piggott: A national agricultural health and food safety agency is being contemplated. This is supposed to feed into a Caribbean agricultural health and food safety agency. There is a plan with Caricom to establish an agricultural food and health safety agency in Caricom. We are doing the local one and the other countries will be doing that as well.

The second goal is restructuring the sector by encouraging and assisting large numbers of small farmers and other small agricultural entrepreneurs to organize themselves into farmers and commodity associations and other forms of business organizations and to arrange contract production and marketing.

Simultaneously, we will promote the establishment of large technology driven farms and other large scale agribusinesses alongside existing small family farms and small- and medium-sized agribusiness. This restructuring will change dramatically, the way the small farmer operates, as he or she will now operate as a part of a formal organized business entity with a range of business support.

Further, the farmers engaged in contract production will have the advantage of an assured market and price. Contract arrangements are one of the most effective ways of managing food supplies and controlling domestically derived food price inflation.

Our third goal is expansion of the sector and that is by focusing heavily on expanding domestic production, particularly as raw materials for new and existing food agro-processing, food manufacturing and food services industry. We are talking about moving from primary agriculture into agro-processing and food services industry.

Having outlined these three goals, I now wish to outline the unambiguous policy framework that will support the achievements of these goals. Our policy framework recognizes two distinct but linked developmental paths. We talk about

a food sovereign security path. The emphasis is in ensuring that Trinidad and Tobago provides a minimum percentage of products within the six food groups. This will be achieved through increased production and productivity and in the longer term, appropriate storage of a minimum buffer stock of selected food security items.

International competitive path where the products must be able to compete internationally when the time comes based on product differentiation and niche marketing. This will be achieved through us drawing on our culinary heritage and expertise in culinary arts and our innovativeness to develop and market a range of new and exciting healthy value-added products.

Within this policy framework, we have established a range of policy measures. We have provided a strong institutional and financial support for our farmers, particularly through the agribusiness associations. We have provided significant increase of capital investment in farm, post harvest and agro-processing infrastructure. We have provided significant increase in the range and access incentive along the agribusiness value chain. We favour pragmatic trade policy that opens markets for our exports, but defends our food sovereignty security products. We have established new implementation and monitoring mechanisms led by private sector type or private sector based organizations to ensure efficient implementation of our strategy. To reiterate, these policy measures have been implemented already and I will illustrate and develop further as I go.

In order to set specific production targets which can be measured and monitored, the ministry, as a first step has been meeting with the private sector through the Trinidad and Tobago Agri Business Association (TTABA), as part of the process in establishing specific objectives and targets for the sector. Although this process is not yet complete, we have established some specific objectives.

Over the next five years, 2008—2012, we expect the sector to accomplish this. We must meet at least 25 per cent of the national food demand for the six food groups from national or regional production. We currently meet less than 15 per cent of total demand from national production. This will mean producing a wide range of vegetables, fruits, root crops and livestock products. Vegetables, fruits and staples constitute a fair amount in terms of impact on food price inflation. In terms of the local production, we want to be able to target 6,237 tonnes of sweet potatoes to replace the fresh white potato and the acreage required for that is 1,247 acres. In terms of frozen white potato, we are projecting 5,158 tonnes of sweet potatoes on an acreage of 1,146 acres.

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

We are projecting that we will be able to supply our rice needs and white rice on 806 acres of land. We are proposing that some of the parboiled rice be replaced with plantain. That would target 6,080 tonnes on 1,216 acres of land. We are targeting replacement of wheat in terms of local production of cassava and mixed crops. We are looking at increasing the tonnage by 24,955, 25 per cent target of the imported goods on 1,010 acres of land. We are also looking at sweet potatoes as a replacement for corn for feed on 4,270 acres.

Animal products which will be 25 per cent of the target we are looking at, 316 tonnes on acreage of 400 acres. Goat meat, 25 per cent of imports, 204 tonnes on 255 acres of land.

Vegetables, 50 per cent target of imports, 4,921 tonnes; a range of traditional and new exotic vegetables to be grown on 500 acres of land. Fresh fruits, 900 tonnes which will be replaced by pawpaw, pomme cythere and melon among others on 100 acres of land.

We look at producing legumes, 3,299 tonnes on 3,000 acres of land.

Herbs and spices, 25 per cent—

Sen. Dr. Nanan: Thank you for giving way. You were talking about the production of vegetables. The main part of the production is the seed propagation unit in terms of the preparation of the seeds. Right now we are getting many hybrid seeds which are very costly to the farmers. It is my understanding that if you move the seed propagation unit from Chaguaramas, you will not be able to grow any pawpaws because of the isolated environment up there. I do not know if you are going to have a new seed propagation unit somewhere else.

Sen. The Hon. A. Piggott: My information is that the technocrats are working on relocating the seed propagation unit to somewhere in the east. That process is well on its way. Meanwhile some operation is continuing at Chaguaramas.

We want to bring 20,000 acres of land into agricultural production using the ex Caroni workers. We have 14,000 acres to come on; 3,000 acres from the large farms and 3,000 acres from other farms. This will result in increasing the percentage of land under crop production by 20 per cent. We want to develop and successfully establish at least 10 new internationally competitive value added agri-products, so we can process them for export.

What we have presented here today represents the most specific objectives and targets that were ever presented in the national agricultural plan and reflects the new business approach to national agricultural development. It is our intention

to achieve our vision, goals and objectives through well defined strategies. These take into account the problems affecting the sector that I spoke about earlier.

Let me address each of these strategies. The first strategy includes providing adequate infrastructure for large and small farms, in particular the 14,000 acres of land for the ex Caroni workers with access roads, drainage and irrigation. We shall continue with our Access Roads Programme with respect to existing farms. The country will notice a very significant increase in funding for development and infrastructure projects which stand at \$198 million in this year's budget and reflects a 20 per cent increase over last year's allocation, specifically in the area of access roads and bridges. Access roads were constructed benefiting 963 farmers in a total area of 2,065 hectares at a cost of \$50 million. Another 28 kilometres of access road were sealed with oil sand. This benefited 826 farmers within an area of 1,305 hectares. Certainly, more infrastructure is planned for 2009.

Another strategy is releasing a significant amount of unused arable land to existing and new farmers. The rationale for the decision to transfer the agricultural lands to the Estate Management Business Development Company (EMBDC) which will speed up the land regularization process has already been put in place. The EMBDC will put mechanisms in place to speed up the process and ensure that leasees adhere to the lease agreement.

The establishment of large commercial farms is a very important initiative for this Government to increase acreages of land under agricultural production. These farms are expected to be commercial private sector entities that will contribute to further agricultural development. Only recently, we have allocated four of these farms to four companies at Orange Grove and Picton, Caroni, Edinburg 1. These farm sites are being allocated with infrastructure to the farm gate. It takes time to do that.

5.45 p.m.

Sen. Dr. Nanan: I thank the Minister for giving way. That same integration plan that you speak about, I want to find out what you would do with the 300 workers. I did not get any clarification on that; if they would be displaced or integrated into it as well.

Sen. The Hon. A. Piggott: This Government is a caring and responsible Government and I do not expect that displacement could come and so compromise or disadvantage the livelihoods of those persons whom we care for so much in this country.

Mr. Vice-President: Senators, the speaking time of the hon. Senator has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes.
[Hon. C. Enill]

Question put and agreed to. [Interruption]

Sen. Mark: Works and Transport for you.

Sen. The Hon. A. Piggott: You do not assign portfolios, do you? In terms of agriculture health and food safety, the incidents of food-borne illnesses had become a serious cause, not only in terms of its potential impact on our population, but on its potential to destroy export markets.

Furthermore, as I indicated earlier, food quality is a significant aspect of food security and must be treated as such. As a consequence, the Ministry is working assiduously with other Ministries, especially the Ministry of Health, to establish the National Agricultural Health and Food Safety Agency (NAHFSA), which will feed into the Caribbean Agricultural Health and Food Safety Agency (CAHFSA). This body would be a certified agency for agricultural and food products for the domestic as well as the export market.

Mr. Vice-President, we have some strategies for improved management of the forestry reserves resources. The issue of global warming to everyday issue of our drinking water supply; our ability to control floods, which annually wipe out a significant amount of our crops; to our ability to sustain the food chain through flora and fauna resident in our forest; and the intimate linkage between forestry and food and the need for us to preserve and develop our forestry resources are extremely evident. It cannot escape any of us. We are, therefore, working significantly on plans for an integrated forest plan to exploit both the food and non-food-related aspects of our forestry. Indeed, recently I handed out a prize for agro-forestry to a winner in the National Agricultural Entrepreneur Award Programme. That shows clearly what can be done, even within the forest, in terms of food production.

Management of our fisheries resources—we are doing significant work in the management of our fisheries resources. Notable among them is the Moruga Fishing Project in Grand Chemin, Moruga.

Promoting household food security is our 14th strategy. What we did recently was to re-launch our grow box project, which originally commenced in May 2005. This is aimed at households in terms of helping them to increase the

number of people in food production. The main objective of the project is to provide households with limited land space, with the necessary input and skills to cultivate crops, using the grow box technology and increase the supply of fresh vegetables as well as other food products.

The Ministry of Agriculture, Land and Marine Resources is therefore exploring avenues to acquire specially designed grow box containers which can be deployed more readily and faster against the background that now we provide blocks. The blocks process is a very sluggish, slow one and we are looking for something that can go and support even those residents who live in town houses or condominiums.

Given the prominence and importance of the role of fruit in health, fruit for healthy lifestyles and the role of fruit in determining our food price inflation, we are giving consideration to expanding the recently launched Grow What You Eat and Eat What You Grow Programme; sow your seeds and reap, which was a hit across the country. All over Trinidad and Tobago, people are telling me how they welcome this programme. I have seen corn that has been grown and boiled. I have seen tomatoes and all kinds of things coming up during that period since we launched the programme. Everybody is clamouring for it, even along the corridors in the Parliament. People are still asking for some more seeds and we shall provide some more seeds. [*Interruption*]

Sen. Seetahal SC: When?

Sen. The Hon. A. Piggott: We shall soon provide some more seeds. We are of the view that every household should have at least two fruit trees going forward. Consequently, when we go back out with our seed programme, we are planning to provide to the households some seedlings or small trees, so that they can grow out their pawpaw or pomme cythere or some other fruit. Every household in Trinidad and Tobago must have at least two fruit trees.

In order to overcome this problem that we have with the supply of fruit, we have devised a number of other mechanisms that we would roll out as we go. The implementation mechanism would involve the Ministry monitoring and evaluating and removing obstacles as they arise. Let me outline what some of these mechanisms are at this time and how they will work.

- There is a Cabinet sub-committee for the development of food and nutrition policies, it is called the Food Price and Inflation Committee, that provides appropriate institutional support and it is comprised of seven

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

Ministers and some public servants. The committee meets once a month and we plan and direct a number of things.

- A private sector mechanism for executing the national Agri-business Development Programme—this is operated or managed under TABA in conjunction with the Ministry of Agriculture, Land and Marine Resources.
- A private sector-type mechanism for coordinating the public agencies—that is well enunciated. I announced that in the Parliament. It has been reported that NAMDEVCO, EMDB, ADB would be under one chairman. This programme includes land administration, farm infrastructure, marketing and information infrastructure and loan financing.
- A National Agricultural Advisory Commission, brand new, which will provide advice to the Minister of Agriculture, Land and Marine Resources on all aspects of agricultural development has recently been approved.

This Agri-Advisory Commission will be chaired by professional agriculturalists, a graduate of the University of the West Indies who is currently the President and CEO of an oil company, bp; a distinguished son of the soil, Mr. Robert Riley.

I hope that during my contribution today, I have been able to bring some positive views to the mindset of those sitting among us and those who may be listening. I expect that all of us would display a greater level of responsibility, in terms of agriculture and food production. There are those who still believe that agriculture remains anchored in the realm of indentureship and slavery. That notion must change. Those who hold public office, those who can influence the minds and attitudes of others and those parliamentarians who enter this honourable Chamber week after week, must be committed to raising the knowledge bar, as it relates to the value of agriculture and its relationship with the agricultural production and its impact on food prices.

I call on you my colleagues, all of you, to help to raise the knowledge bar. Whereas, in earlier times agriculture may have been viewed as laborious, menial and unprofitable, today by virtue of new technologies and mechanization, agriculture can be viewed as modern, innovative, knowledge-based and technology-driven, leading to livelihoods that offer safety, bio-security, healthy lifestyles, healthy foods and profitable operations. Some of these technologies include greenhouse technology, grow box technology and tunnel ventilation for increased poultry production.

As we educate others and demonstrate new approaches to farming, as we create model and demonstration farms, agriculture has become more attractive and the worrying issues of sustainability and profitability for the industry will be reduced.

This Government is committed to the pursuit of modern agricultural processes and practices. That is why we are championing a demonstration farm in Chaguaramas. That is why we are in pursuit of a model farm, collaborating a major fertilizer company in Trinidad and Tobago. That is why we are pursuing the establishment of large scale commercial farms to grow a variety of agricultural products. That is why we are aggressively pursuing the revitalization of cocoa. That is why we are seeking to revitalize the citrus industry. That is why we are fully in support of agro-processing and agri-business such as being championed by TABA. That is why we wish to support tunnel ventilation in the growing of live birds for increased poultry production. That is why we are pursuing so many initiatives for boosting increased food production in a multifaceted approach so that there can be sustainability of food production, food security, self-sufficiency and better food prices. That is why the Centre for Biosciences is being established at the University of Trinidad and Tobago to expand our research and development capability and to train our people as agri-technicians and agri-technologists for the development of the new agriculture.

I invite Members opposite in the Front Bench in particular, to become more enlightened, to buy into our programme, to buy into the Government's vision for a better life for all the people of Trinidad and Tobago, not just some of the people, to see the good in our policies and programmes and to avoid seeing ghosts at every turn.

I wish to give this Senate and the national population the assurance that as Minister of Agriculture, Land and Marine Resources, I am committed to using my best efforts, with the help of the staff in the Ministry, technical and professional, to positively influence higher levels and yields of local food production.

The Government of the Republic of Trinidad and Tobago is resolved not to be distracted by persons who should know better, especially those with intimate knowledge in labour and agricultural matters. Let me repeat that, this Government is resolved not to be distracted by persons who should know better, especially those with intimate knowledge in labour and agriculture matters.

The plan which I have outlined today is a plan aimed at transforming the agricultural sector; moving from the notion of agri-culture to one of agri-business; from agri-culture to one of agri-business. Mr. Vice-President, it is a plan anchored

Appropriation Bill (Budget)
[SEN. THE HON. A. PIGGOTT]

Monday, October 06, 2008

on a platform to provide for food and nutrition security for all our people. It is a plan which says that increasing agricultural production is everybody's business. I wish to invite all who serve in this Chamber and the national community to join with us in shaping our future together in agriculture.

Mr. Vice-President, I thank you.

Sen. Helen Drayton: Thank you, Mr. Vice-President, for the opportunity to share my perspectives on the budget. I join this debate with a very simple view, that a national budget is no more than a statement of fiscal policies and measures, which may or may not complement monetary policy. It gives direction to the economy. It should address imbalances and it should be sufficiently flexible to deal with any local, regional and global shocks as these may occur. It is on that basis that I would and have assessed the budget.

I would like to deal with the budget from three angles: inefficiency in spending and its impact on inflation; full employment and its effects; and the delivery of service to the public. These are three critical things that have emerged from the budget, all of which have the potential to destabilize our economy if they are not addressed.

I also join the debate, not with pessimism, but with a great deal of optimism, with respect to our future. Indeed, if the World Bank Global Competitiveness Report is to be taken seriously—I think it is by the Government, since it has taken the time to include it as an appendix. It is in the Public Sector Investment Programme document. I was very, very curious when I saw it there. I was even more curious when the rating with respect to Trinidad and Tobago was commented on negatively.

6.00 p.m.

It is, therefore worthy to start my contribution by putting the ratings into context. I think this is important because this budget, the last budget and I would imagine the budgets to come, are geared toward the achievement of its 2020 goal which is Trinidad and Tobago achieving developed nation status, and the World Bank Competitiveness Report is an independent report that provides some very good perspectives with respect to how well we are doing on that level.

Now, the report did state that our overall competitiveness dropped from a rating of 76 out of 121 countries researched in 2007 to 84 out of 131 countries in 2008. However, because of the increasing number of countries assessed in 2008—also the report made reference to changes in the model—it was observed that, in fact, virtually half of the countries that were researched have declined.

The World Bank made the comment that the model it uses will be revised from time to time and that coupled with changes in the number of countries that may be assessed from year to year may have an impact as to how a country is rated which may or may not have anything to do with the actual performance of that country. In the Caribbean, Barbados, Jamaica and Trinidad and Tobago had declined in ratings by 8, 11 and 8 points respectively.

What I think is of significance is the fact that the World Bank has categorized Trinidad and Tobago in transition to developed country status, which is stage two out of three stages. This is the stage where emphasis is placed or must be placed on higher education and training, a more efficient goods market; labour market efficiency—that is why I want to address the whole issue of efficiency which is my mantra; the sophistication of financial markets and all the quality drivers—another reason for addressing the delivery of service; and, of course, other efficiency enhancers. I think for the World Bank to place Trinidad and Tobago as being in transition—two out of three stages—towards joining the league of developed nations, is worthy of commendation especially as so much emphasis is placed on the negative. [*Desk thumping*] In fact, we are getting there. It does not mean to say that I do not have some “licks” to give, and this brings me to the budget and Government's spending.

In as much as the Government took the time to pay attention to the World Bank report and to include it with its budget statement, it needs as a matter of priority to examine other statements and make every effort to return inflation to a single digit and it needs to demonstrate greater discipline in its spending.

The Government obviously appreciates the state of the global environment and the fact that we are a very vulnerable and a tiny island in the scheme of things. We are certainly not isolated from global shocks and all the events that would emanate from that. We are also vulnerable to natural disasters which have severe consequences, given the climate changes we are experiencing for the development of the agriculture sector.

Now, much has been said with respect to how excellent our fundamentals are, but I want to submit that there is nothing unusual about a very healthy person and very healthy patient succumbing to disease and dying the following day. So, today you are healthy and tomorrow you could get dengue and die. [*Laughter*] I do not think that we should be placing all our stock on what we call our strong economy. In fact, I want to submit that the macroeconomic picture must be viewed and stated in its fullest context. It is not sufficient to say that we have an excellent ratio of 28 per cent debt to GDP. The reality of the situation is that the

Appropriation Bill (Budget)
[SEN. DRAYTON]

Monday, October 06, 2008

Government did state in its 2020 plan that it expected to see a GDP growth of something like 10 per cent per annum. We know that this is not the reality and it is not going to be the reality in the foreseeable future.

I think we should also note that the rate of growth of GDP has declined over the past five years from approximately 20 per cent in 2004 to 10.7 per cent in 2008, but the ratio of spending has grown from 19 per cent of GDP to 36 per cent of GDP. Interestingly the non-petroleum sector and I noted the manufacturing sector, because that is not a very good sign, has been on the decline. It is also noted that the current account surplus and the productivity index are both trending south. So that high capital costs, the higher gas prices and the market problems have impacted investment in the downstream industries and also in manufacturing. The non-energy deficit stands at 16 per cent and that is high. As you know, the IMF prescription for it to be sustainable should be within 10 per cent, and I noted in the budget statement that the Government intends to address that.

Now, another reality is that while full employment is projected at 5 per cent for the end of this year, the fact that inflation is running at 13.5 per cent—it is more than likely that it is going to increase in the short term—the outcome certainly would be higher wage demands; heightened industrial activity; and as a consequence have a deleterious effect on productivity which is already on the decline. In fact, this morning I saw a headline where the labour movement is talking about a living wage of 25 per cent or dollars.

The Government is already saddled with a burgeoning public service. I would call some statistics here and I am open to challenge. Its core employee base—this is the number of employees that would fall under the statutory commissions, plus what I would call adjunct employees in the CEPEP, URP, On-the-Job Training, the regional bodies and all other institutions that would have been established adjunct to the public service—totalled 133,500 and this is net of the number of employees in state enterprises and special service companies of 21,300 persons. So, with a wage bill that is currently at \$7 billion plus, I think it is evident that there is a great deal of inefficiency and that it is not sustainable in the context of all the other economic trends that we are seeing.

So, let me return briefly to the World Bank report. Now, critical to the continued growth and development of business and the development of an efficient and innovative society, which are all virtues of competitiveness and developed country status, yes it is the stability of the macroeconomic environment but it is also a truism that solid economic fundamentals alone will not increase productivity, and that is the reality in Trinidad and Tobago.

It is also true that runaway inflation is destabilizing. It is also quite true that transitional economies would be faced with major transformational problems one of which would be inflation, and that is why the Government needs to take on board all the comments that have been made with respect to spending and inflation in the World Bank's reports.

I believe that the Government can reduce capital expenditure and save more. If you look at the accounts for the past three to four years, one would observe that under major ministries like the Ministry of National Security, Ministry of Education and Ministry of Health, the budgets for all these ministries in virtually all instances were underspent. Why was this so? This was so because the capacity was not there to carry through with the projects. What that tells me is that the pace of development is being slowed down anyway at a higher cost. I feel that it is prudent to manage within capacity rather than let circumstances drive the pace of development which has a lot of inflation in itself built in. If you will be starting a project and stopping a project because of capacity problems, then it is prudent to manage within the scope of that capacity and achieve greater cost effectiveness, efficiency and savings.

Now, I could cite major examples. We have all heard about Tarouba. The capacity was not there in terms of the knowledge, in terms of the foresight and in terms of the planning. So, it started and you have spent a lot of money and what you are going to end up with is the cost being trippled.

With respect to the Scarborough Hospital, we did not have the capacity, also with the housing projects and, of course, overall maintenance. What we are doing is spending a lot of money.

Sen. Narace: Not to take too much from it, but that was not the case with the Scarborough Hospital. There was an issue with the contractor, and that is why that had to be redone.

Sen. H. Drayton: Whether there was an issue with the contractor or whatever, I would return to that matter because I want to address procurement in the context of efficiency. So when you consider that we are investing all this money in capital expenditure and we do not have the capacity—yes, we are improving infrastructure, but the current plant and equipment are not being maintained, because we do not have the capacity. The same plumbers, carpenters and masons that we need to maintain the current assets that we have are the same skills that are involved in the construction industry, so there is a lot of waste. We keep

Appropriation Bill (Budget)
[SEN. DRAYTON]

Monday, October 06, 2008

speaking about spending and inflation, but it is the high level of inefficiency and a high degree of labour inefficiency that are driving the inflation and I would come back to that.

Now, I would draw another example. I think it is commendable that the Government is investing in Early Childhood Care Centres and it is building 600 of these centres, but if over the last two or three years they have not been able to put down 2 per cent, then you are not going to be able to build 600. I read somewhere that you will be giving out 80 contracts, then where do you achieve the economies of scale to get your efficiency? It does not make sense. So, why not spread it over five to seven years and still be within your 2020 goal and you would get efficiency and cost, because you are doing it within your capacity. I heard the Minister of Education say that if it kills you in the process you will do it, but in the process you are also killing us.

Now, let us take the Carnival Centre. It was Peter Minshall, that great innovator, who said that we are building a mausoleum for Carnival, and I cannot help but agree with him more. In any event, if we want a Carnival Centre, why is a Carnival Centre a priority when all the people in Trinidad and Tobago want is the green pristine Savannah, well maintained for our children to play, exercise, jog and walk around on a Sunday? So why is there a priority to engage in that now? Now, I know I would hear that there are contracts, but I would imagine that the Government ought to have sufficient clout in terms of negotiating and renegotiating, rescheduling or rediverting to other projects.

6.15 p.m.

So, we have heard that cutting expenditure would have negative consequences by slowing down the economy, but as I said it is going to slow down anyway, because the capacity is not there and you will be doing it at a higher cost, that is all. The main cause of inflation is food inflation which is now running at 27 per cent. The main cure, of course is to increase food production, and we have just had a very excellent contribution by the Minister of Agriculture, Land and Marine Resources, so I would not bother to comment on that again. Suffice it to say that there is one area on which he did not dwell too much, and that is that we have an ageing farming population, that young people are not attracted to the land. I think it is also very commendable however, that the Government will be implementing a scholarship programme to attract our young people to agricultural science.

Let me now speak briefly on the delivery of service and full employment. We know that full employment has its consequences, but it is a goal of every country and that is where we want to be. But if you are having full employment and the

people are not saving as they should and you are generating more aggregate demand, then we understand the impact on inflation. Also and more so, if there are serious structural employment problems which are difficult to correct, that is a problem with respect to the delivery of services. I want to use those same statistics that I mentioned earlier with respect to labour in the public service.

I mentioned that the labour force excluding state enterprises but including its adjunct, et cetera, when you look at it, it is a ratio of one employee in the government service for 10 persons. If you took that further to the people who would actually be calling upon the social services, it is mainly the adults—yes, I know that the children use hospitals and so on, but it is the adults doing so on their behalf—it is one for every seven adults; and there are still shortages of critical skills in agriculture, in education, in health, in security; so you could see the seriousness of the problem.

If you take the core public service, that is just the persons who fall under the service commissions, et cetera—it is one for 12. So that these structural inefficiencies have negative consequences for your development thrust, it has for service delivery, for maintenance of physical assets and the productive sector, and all this is quite evident in Trinidad and Tobago, because you have all of these people and we do not have the skills. So, we are at the midpoint to developed country status, and therefore, I feel that the Government has to begin to address in its budgets the imbalances, and to place greater emphasis on efficiency.

If you took those same statistics and compared them—and it is not unreasonable—with the average person delivering service to the public—just complicated services, sophisticated services, which is your banking and its auxiliary sectors—it is one in 82 adults. So one customer service rep serving 82 persons on average; one public servant serving seven persons and there you have the duplication because you have had to create, and rightly so, your special purpose companies. So to some extent there is artificial full employment and what it also says, and we have to accept it, is that a lot of people are getting paid to do nothing and that is the bottom line.

I think that the great gains we have made in terms of moving towards the goal of developed country status, we are running the risk of eroding those laudable gains. There is a Chinese proverb that says "He who rides the tiger cannot dismount." Meaning that the rider must pursue a perilous journey and sometimes it is to a bitter and regrettable end. I feel that the Government could make that journey much easier on itself, if it simply takes a few days of critical thinking and begins to demonstrate some flexibility. Just say, okay, I hear you bunch of responsible people.

Mr. Vice-President: We have to move our Procedural Motion.

Procedural Motion

Monday, October 06, 2008

PROCEDURAL MOTION

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Thank you, Mr. Vice-President. In accordance with Standing Order 9(8), I beg to move that this Senate continue to sit until 8.00 p.m.

Question put and agreed to.

**APPROPRIATION BILL
(BUDGET)**

Sen. H. Drayton: Thank you. I think that the Government needs to sit back a bit, do some critical thinking with the objective of seeing how it could begin to address these problems in a very serious way, because, as I said, it is in the interest of your very 2020 goals.

Of course when you do that and you get on track, there are those who will still detract, rant and rage. I really believe that there are people who take a pathological delight in criticizing any sort of achievement. I think there are those who for some reason feel stronger and better off criticizing and trying to dent the country's esteem. I think that is exactly why the Government needs to understand that a mandate is not a licence to ignore responsible voices. I think it has to rely on building what I call a moral mandate.

I want to touch on health and that billions of dollars are allocated every year to health, education and social services, yet the delivery remains a major public aggravation. Of course, it has to do with the endemic inefficiency in systems and processes, the lack of appropriate management skills in the public service and—I think Sen. Seetahal SC said it—it is about governance. It is a leadership issue. There is a disconnect between the pursuit of 2020 goals and what I would call low hanging fruit, such as the proper garbage collection; respectful hospital care, caring delivery of social services. Sure you have all of those people, you could pick up the phone and if you happen to get an answer you are not going to get a helpful answer or a courteous answer. It is the maintenance of parks and open spaces; it is the maintenance of pavements and walkways, cleaning of drains; vagrancy.

I observed along the Beetham, and I do not know whether it is a wall that you plan to put there to hide the ugly scrap metal business and others, I could assure you that when your royalty comes for the Commonwealth Heads of Government or your Conference of the Americas, what they are likely to see on that wall is a lot of four letter graffiti. I would suggest that you find 1,000 ficus trees, some

bougainvilleas, some hibiscus—where is the Minister of Agriculture, Land and Marine Resources?—even some corn. [*Laughter*] At least beautify the environment. But if you are putting up a wall there you are asking for trouble. To start with, why the laxity? [*Interruption*] Why did the Government allow the scrap metal business to thrive? This is what I mean about the disconnect; it is about enforcing laws, littering laws, bad driving, noise pollution and the things that affect citizens every single day.

In short, I think if the Government sits back and translates the criticisms, the disenchantment, if they translate that and think critically about it, what the public is saying, listen, I really do not mind what infrastructure you are putting down in terms of tall buildings and so on, but deal with the day-to-day things that are affecting me.

I turn briefly to education. A well educated and trained workforce is a requisite for improving the country's value chain. I can well understand why the Government is taking the window of opportunity over the next few years to underwrite the cost of tertiary education. I think, sure, innovation is a criterion for obtaining developed country status. I listened to the contribution of the hon. Minister of Planning, Housing and the Environment and I feel that that investment must benefit Trinidad and Tobago. I think it was a great thing about the scholar in the UK—Prof. Kokaran—who produced an innovative instrument. Well, we have underwritten the cost of his scholarship and the UK is benefiting from that asset. [*Desk thumping*]

Hon. Senator: It is the world.

Sen. H. Drayton: All we are benefiting from is somebody saying he is from Trinidad and Tobago. We want the asset; we want the intellectual property, okay. I can well understand, I agree that innovation cannot be put in a strait jacket. That is why I believe that innovation must take place at every level of society. Winston “Spree” Simon did not have a PhD and none of our entrepreneurs of worth today has a PhD. I am not knocking PhDs; I am saying it is necessary. I could see research in agriculture, research in youth crime.

All I am saying is if we are going to pay for it, if the taxpayers are going to pay for it, then it ought to benefit Trinidad and Tobago.

Hon. Senator: Yes.

Sen. H. Drayton: So that I have to ask what are the plans to stop the brain drain, especially in the wake of an ageing population? How would you ensure that those studying abroad return home? What are the prospects for students returning home? For instance, we read about the three students from Georgia;

Appropriation Bill (Budget)
[SEN. DRAYTON]

Monday, October 06, 2008

they are studying medicine and stem cell disease. That is great, that is absolutely fantastic. When they come back here in three years time I hope that we can utilize their skills or they can have the opportunity to do research and whatever.

What plans are there to attract qualified and experienced citizens to return home: our teachers, doctors, security professionals, our risk managers, our auditors, our accountants? I think these are the questions plus the criteria for awarding scholarship are what I am more concerned about.

With respect to crime I will just make one statement, that when the Minister of National Security said that they are looking at legislation to outlaw criminal gangs I got the distinct impression from the way he said it that this is some five-year development plan. I feel that is something that is needed now, because by doing this you will automatically enhance the power of our security forces to deal more effectively with criminal gangs.

I want to touch on the delivery of service and traffic congestion. Given all the statistics I have just mentioned, the public service accounts for 21 per cent of the labour force, and if you add all the state enterprises they account for 25 per cent of the labour force. In the Government's 2020 planning, has consideration been given to decentralizing government? Because if 25 per cent of the workforce—assuming some of them already live in Port of Spain. Diego Martin is your most densely populated area and many are coming from South. You are bringing 25 per cent of labour force into Port of Spain. Why should a Ministry of Education be in Port of Spain when 80 to 90 per cent of your school population is out of Port of Spain? Why is the Ministry of Agriculture, Land and Marine Resources in Port of Spain? Why is it not on the UWI complex? Why is the housing ministry in Port of Spain? Why is there not a ministry in the Diego Martin/Petit Valley area which would have a large labour force so that you do not have all these people coming into Port of Spain?

I think that type of 2020 planning would have had a direct benefit of traffic ease, less pollution, road rage and frustration.

With respect to health I cannot comprehend how on earth so much taxpayers moneys is going into a system and there are so many complaints of bed shortages, foul smelling amenities that have no seats. These are day-to-day things under maintenance, so how can you relate to a budget of \$50 billion and you do not have toilet seats in a hospital? The long waiting periods. I am not saying for one minute that the vast majority of patients in the public health service are not getting a good service. I do not know. But when it is every day in your face then you have to ask the questions.

6.30 p.m.

The questions I would ask are: who decides on priority projects? Are the senior doctors, nurses and paramedical professions in the system part of the solution? Do the CEOs of the health regions have any training in health management? Are the excellent and experienced doctors allowed to participate meaningfully in decision-making?

I have no doubt that the problem like so many situations across the public service is one of leadership and management, and where health is concerned we have fine examples and benchmarks in the private sector. And as I said, in another contribution, the same nurses and doctors who work and manage efficiently the private medical institutions came from the public sector. So the benchmarks are there and we just need to take heed.

So when it comes to efficiency, spending and inflation, I submit—again I am open to challenge—that approximately 40 cents in every dollar go down the drain because you cannot maintain, and there are yardsticks to look at. There was one in the newspapers this morning about the rural development programme. Drainage work was so thoroughly botched that there was no water flow and water backed up in the yards of adjacent residences. Bridges over drains were demolished and replaced with substandard spans months after they were promised, drains blocked with filthy, stagnant water, a breeding ground for mosquitoes, abandoned for more than a year. So if we are not maintaining our assets, a lot of money is going down the drain.

Mr. Vice-President, I would just touch on procurement and I declare upfront that I am the Chairman and shareholder of the Caribbean Procurement Institute. My understanding is that the Government is addressing the deficiencies in its procurement system, very commendable, this is very encouraging. It has to do so anyway if it intends to sign the European Partnership Agreement. I certainly do not subscribe to bureaucratic centralized systems; I do believe that systems must take on board the exigencies of advancing our development goals and the diversity of needs. It is not just a question of having one procurement system because a system that might be very efficient for education may not be efficient at all for national security, and what is efficient for national security might not be appropriate to health. So the system has to be very robust.

Efficiency and transparency in procurement are integral to the orderly development of society. I want to repeat that, efficiency and transparency in procurement are integral to the orderly development of society and achievement

Appropriation Bill (Budget)
[SEN. DRAYTON]

Monday, October 06, 2008

of your development goals because procurement is about employment creation, it is about creating an efficient and dynamic value chain, it is creating an infrastructure to facilitate growth and development of your productive sector. And, therefore, it needs a business approach vis-à-vis a budget reapproach. It needs improvement in knowledge management, robust risk management and an independent auditing system. I have to say that where the operational process of procurement and evaluation are concerned; politicians should be at arm's length.

I have said before that the establishment of special service companies is not an issue, but the drag of a very bureaucratic public service that was designed for another era. It is the lack of transparency; it is knowledge, expertise and general professionalism in procurement which generate many evils. It breeds a culture of inefficiency; it breeds perceived and real corruption that result in calamities, public mistrust, disenchantment and the derailment of development plans.

So there is a need to balance the red tape and efficiency and to mitigate against conflict of interest to eliminate any personal bias and practices which may give bidders advantages. I am not saying that these things exist; personally I believe that because there is so much incompetency and inefficiency, I think that this is more the issue than indeed any issue of corruption. I have no problem in saying that.

All special purpose companies should be made to lay their accounts in Parliament three months after the end of the year, they should be made to publish management accounts half yearly and this should be a measure of CEO and ministerial performance. So that when you add inefficiencies in procurement to spiralling inflation, a climate of crime, disenfranchisement of youth, migration of the productive age group and poverty, the ultimate consequence is failure and unrest.

I submit, Mr. Vice-President, I think the Government should reflect on these things and its expenditure. It certainly needs to get its communication right, it is very poor in that regard and it spends millions on communication. I note that the wages, salaries, goods and services, interest payments and subsidies and the transfers including the gas subsidies account for nearly 80 per cent of the budget. So in reality, you have room to manoeuvre with your capital expenditure and your goods and services, and considering how much money you have in the Infrastructure Development Fund, you can take some and save, so if you want to balance the budget you can still spend by save and balance your budget.

I think that over the next five years, the Government should try to bring state enterprises like WASA, HDC and T&TEC to a level of efficiency and viability which would allow them to obtain long-term financing without having to rely on Government guarantees. They and others account for about \$26 billion or 51 per cent of the budget and that is your transfers and your subsidies. I certainly would like to see new fiscal measures to support the productive sectors that are prepared to take up the challenges of the EPA.

Finally, Mr. Vice-President, a budget is just that, a budget. It is not a security plan, it is not an education plan, it is not a health care plan, rather it is a mechanism by which programmes and projects are prioritized, financial resources are allocated to the human, technical and physical plans and managed effectively and efficiently with some degree of flexibility.

In this budget, the Government has attempted to allocate resources in accordance with the established master plan, and I think having a master plan is commendable. It means that the actual planning is not being done *vaillle que vaillle*. I am not one of those who believe that every year you should come with a budget that is totally different because if you are working towards a master plan, there would always be a common thread, a vein running through. I think that shows vision, the capacity to think long term and maturity with respect to the future welfare of the country.

I am pleased to see that the Government has taken measures to cushion the effects of inflation on the purse of the elderly and the vulnerable. I think it has more than opened its coffers in free education from primary to tertiary; books, uniforms, school meals, health care, medicines, low cost housing. I do not have the statistics, but I would not be surprised if, because of the Government's efforts, that Trinidad and Tobago probably has the highest penetration, or one among the highest in the world in terms of home ownership which is laudable, it is commendable. There are subsidies for public transportation.

So I think that sometimes it is alarming, that the same people who lament the "gimme, gimme culture" are the same ones who ask for more and more to perpetuate that very culture. In terms of these budgetary measures, I think they are excellent and the Government over the next few years should be placing its emphasis in supporting the elderly and the vulnerable. I believe that as individuals, we too must try to cut our cloth to suit our pockets.

Thank you, Mr. Vice-President.

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Mr. Vice-President, I join this debate on the 2008/2009 national budget to discuss matters related to the energy sector in Trinidad and Tobago and to give an account to hon. Members on the important work being done in this sector.

I first wish to congratulate my colleague, the Minister in the Ministry of Finance, for the introduction of this Bill in this Senate, and also my other colleague, the Minister of Finance as for yet another year, we build on a plan that we are pursuing called Vision 2020 and our emphasis for this year: “Shaping Our Future Together”.

Mr. Vice-President, I propose to discuss in this review the work of the Ministry of Energy and Energy Industries within the context of the global energy environment and, of course, the 100th anniversary of commercial production of oil in Trinidad and Tobago which is being celebrated this year.

The energy sector in Trinidad and Tobago’s context contributes approximately 90 per cent of our foreign exchange export earners; 45 per cent of our GDP and 56 per cent of our revenue based on our 2007 estimates. In this context, and recognizing the role of the ministry in managing and developing the petroleum and mineral resources sector for the benefit of the nation, I propose to report as follows:

I will look at the Review of the Economy and make some comments on that, I will then talk to some of the other documents that we provide, the Supplemental Public Sector Investment Programme and the Public Sector Investment Programme. I do this because there is a view that the Government does not account. There is a view that whenever you come to this House to deliberate on matters that there should be some analysis of what has transpired and I want to place on record these analyses and the manner in which these matters are developed.

I also propose to spend some time on the issues that we must face as a country. These issues are the question of energy and energy security; food, that was discussed by the Minister of Agriculture, Land and Marine Resources and of course, the environment. And I want to spend just a few minutes on the question of inflation but not in the manner in which we have discussed it so far, but looking at inflation and unemployment and asking the question: Which choice must the Government make as it seeks to deal with a challenge that all of us must treat with?

Mr. Vice-President, I want to therefore start with a document called “Inflation Public Education Pamphlet, Series No. 2” published by the Central Bank of Trinidad and Tobago in which it sets out in very simple terms inflation in all its forms, the history of Trinidad and Tobago and its inflation history. It relates as well to crude oil

prices, real GDP growth, the question of the much maligned non-energy fiscal deficit, and it discusses the structure of the Trinidad and Tobago economy and how it performs in periods of high petroleum prices and in periods of low petroleum prices.

6.45 p.m.

At page 5 of the document, “Food and non-food prices” it states:

“An unusually strong increase in food prices has played a major role in the inflation performance of Trinidad and Tobago since the mid-1990s. This increase in food prices has been significantly larger than that experienced by our neighbouring Caribbean territories. Between 2000 and 2005 food prices in Trinidad and Tobago increased on average by 14.6 per cent, almost twice the average increase for the Caricom region.

In 2005, while many Caricom countries, with the exception of Haiti and Jamaica, recorded single digit rates of food price inflation, food prices in Trinidad and Tobago increased by as much as 22 per cent, almost three times the regional average of 8.7 per cent. This increase in food prices was heavily concentrated in the fruits and vegetables components which rose at an annual average rate of 20.2 per cent and 48.4 per cent respectively in the period 2003—2005.”

The point that is being made is that the food price challenges that we are facing today, while today we are feeling it more than we did in the past, it is not something that happened overnight. In fact, as the Minister of Agriculture, Land and Marine Resources indicated, we understood as a government that something had to be done about it and we tasked the relevant agencies to do just that.

The fact is—and all of us know it—that the manner in which we did it—through the appropriate ministries; through the public service—did not provide the result, either in the time frame that we had hoped or in the quantities that we had intended. Therefore, we have had to make different arrangements which we have just put in place and we expect that very shortly some of those arrangements will bear fruit. The report continues:

“The high rate of increase of food prices could be attributed in part to supply constraints related to the structural decline in domestic agriculture over the past several years.”

And it goes on to make that point—It says also:

“To compound the structural factors in the past two years, agricultural production has been further affected by serious floods in the rural areas, hurricane damage to the agricultural sector in some neighbouring Caricom

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 06, 2008

territories, resulting in a decline in agricultural exports to Trinidad and Tobago, further affecting domestic supply.”

So when the general view is that this is an issue for which the Government and the Government alone must take responsibility, we are saying that, yes, we understand that and to the extent that it is humanly possible to deal with it, we are dealing with it, but as can be seen on analysis, some of the matters that have arisen that have created some of the challenges, are beyond our control and we need to make that point, because it did not matter which government was in place, once the circumstances as were described exist, the result will be the same thing.

I want to make one more point. In addition to these specific factors, the rate of increase in food prices has undoubtedly been influenced by the oligopolistic structure—that means it is set off in a particular way—of the wholesale distribution sector, which has allowed increases in transportation costs and port charges to be passed on to the consumers. The structure of the sector and buoyant customer demand also allowed for increases in mark-up.

In other words, because of the way that the distribution sector trade is organized, everything goes to the consumer. So that when the Government, for example, on the last occasion reduced from food prices, VAT, as it was doing that, the prices were increasing. The Minister of Consumer Affairs will tell you that there is absolutely nothing to be taken off as it relates to VAT on food prices, but yet, while the Government is taking away VAT and reducing its revenue, we are seeing on the other side an increase in the prices of products.

Clearly, when we look at the revenue from companies—those that pay taxes—we see the effects of that. We see, for example, that on the basis of the historical data, whenever we reduce taxes, we expect to recover it over a very long period; two to three years is the benchmark. We have seen in our situation the rate of recovery for what we perceive to have been lost income, is changed in one year and, therefore, the only way that one can explain that is higher prices, higher revenue and therefore higher profits, which is not a bad thing, but the effect of that is that the consumer is made to pay a higher price.

The reason that the consumer can pay a higher price is because the economy is doing very well and because the economy is doing very well you have a situation in which consumers have more money. They spend more and it results in consumers demanding more goods and services and it causes the prices to increase. In other words, we have a situation where there is more taking place and there is more and more and more. Quite frankly, the only way to deal with that is

to change the relationships that exist and the State will have to intervene in some ways to make sure that the consumer does not get negatively impacted as a result of some of what I call “these arrangements”.

The Government is being accused of spending but, you know, when this Government came into office in 2001, it had a very specific policy. The policy was to ensure that everybody in Trinidad and Tobago who wanted a job could have one and the Government has been criticized in many quarters for that particular strategy. We have heard commentators talk about the fact that we are on make-work; we are on create-work; we are in all of that, but we see it slightly differently. We see it in the context that every citizen has a right to be able to feed his family and if it is that in the past the private sector did not, could not and would not create the circumstances for that to occur, then the Government, blessed as it is at this point in time with resources and blessed as it is at this point in time with a plan and with a leader that has that particular mandate, will, in fact, create the circumstances by which we could achieve employment for everybody, and I think we have done that.

But here is the challenge. There is a study that was done that said that while governments have two policy positions; one, is to reduce inflation and the other, to reduce unemployment, they cannot coexist. The strategy or the learning basically says that if you want to reduce inflation you have to cut your spending; if you start to cut your spending, then you slow down growth; if you slow down growth, then you are unable to maintain the level of employment that you would wish to have. If on the other hand you pursue the programmes and the policies as we are doing, then unless you can get supply to meet the demands that are being created in the manner in which it has to be created, then you have some imbalances in the short-term.

Let us move to energy for example. Right now in energy there is a supply/demand imbalance in the world simply because the demand that is being created by China and India is greater than the available resources that are available for the supply/demand transactions. Therefore, as long as that continues, the price of the commodity will continue to rise and we expect, on the basis of what we know, that there is no short-term solution for bringing that demand and supply situation into some kind of equilibrium and, therefore, we expect that for a very long time you are going to have price volatility but you are also going to have price hikes. I think it is an important point.

Trinidad and Tobago, though, finds itself in the very fortunate position where, because of the nature of the energy sector and because we are able to predict with

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 06, 2008

some certainty the revenues from gas, which with what our economy is today, we can have a stream of income for a long period of time, while at the same time we have oil—smaller production; more volatility, but the impact on our revenues are less.

So that for example when we say that we can, in fact, sustain a price of \$70 per barrel at 120,000 barrels per day and when we know that we are looking at methods to boost production, the real equation is based on 120,000 barrels of production at \$70. But we know that we will increase production because there are things that we will talk about to do that and, therefore, there is a real opportunity for us to increase savings, both by increasing production which we intend to deal with, and also by incremental increases in prices which we are sure will occur. Therefore, we have no particular difficulty with the revenue stream or with the revenue projections that we have, in fact, provided to the national community.

As it relates to gas—and I will come back to that a little later, but let me just make some opening points on gas. There are a number of ways in which you can monetize gas. You can basically convert it to LNG and sell it or you can take it and use it as feedstock to do other things. We are doing both. Therefore we are going to be using our gas resources in such a way that, yes, we transact some of it for money, but at the same time we use it to develop industries, as we have done in iron and steel and a number of other things. The pricing structure of oil and gas operates differently. Oil is traded globally and, therefore, the price structure takes into account a number of different factors: risk; expectations; reward; timing and all of that. So that because it is traded globally, you have a situation where the price moves at various levels representing either the risk, the appetite or the particular trades that take place.

Gas, on the other hand, up until recently, had a regional-type price characteristic. So up until recently, our gas would go to the United States at a fixed price and, therefore, we would use as a marker for determining our price, an accepted formula called Henry Hubs.

7.00 p.m.

This is a transparent way in which they look at transactions taking place and they deem a price. We use that as a basis for getting taxation on our gas. The method by which we look at gas pricing is what we refer to as net back at the well head. In other words, we go to the market; get a price at the market and work back to the well head because we take off regasification, marketing and transportation. At that price we determine the taxation. As you know taxation on the upstream is

the highest in the country. It is 55 per cent plus 5 per cent. In many instances when you add the supplemental tax, we could end up with 60, 70 or 80 per cent of those revenues. Even at those rates companies still make significant profits. That is the regime and what we do. That is how we have dealt with that. I will come back to that in a little while.

I want to spend a few minutes on this question of the Government's position as it relates to inflation. There is a view that the Government is not concerned about inflation. That is not correct. The Government is very concerned about inflation. What the Government is saying and is not being said is that our position and policy in 2001 has been to ensure that the unemployment rate of 13 or 12.9 per cent which we considered unacceptable at the time, is at the stage where every Trinidadian who wishes to have a job can have one. Therefore, because we have the resources we developed a programme to do that. The programme did not come out of the air.

The programme was done on the basis of our objective of wanting to do certain things. We said to the national community that in the shortest possible—because we saw the opportunity as 15 or 20 years given what we knew—we would like to convert the country into a developed society. We believe that we were in the best position at this point in our history to use those resources to do that. At the time we felt that there was a requirement to do it quickly. That has turned out to be an appropriate strategy.

Three years ago, if you wanted to rent a rig for exploration it would have cost US \$65,000. Today, the same rig costs US \$650,000 per day. More than that, you have 24 hours to make up your mind because the field in Brazil requires 100 and we have only 10 in production and it would take four or five years to get another 10. There is a real issue in the energy sector, as it relates to cost and the whole question of supply/demand and the globalness of the sector and what needs to happen.

In the case of Trinidad and Tobago—as you will hear from me in a little while—companies have invested and will invest during the next two to three years, billions of dollars because they have plants here which have to be reconditioned and kept working to produce revenue. They are making those investments in Trinidad and Tobago, so that Trinidad and Tobago can build on the infrastructure it has. From where we sit, we are in a very good place to be able to continue with the development agenda as we have seen. I thought that I would start there and give some perspective about this particular matter.

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 06, 2008

I turn my attention to the Review of the Economy and in it we discussed matters related to drilling, crude oil production and refining; natural gas; petrochemicals; oil and gas prices. If you look you would see that as it relates to natural gas prices, for example Henry Hub, in October 2007, \$694 and throughout the period under review ending July 2008, the prices moved up to \$1,145. Clearly, the price is escalating and if the Government used a four digit dollar price in circumstances where one year before it was \$350, you would recognize that there is some basis for doing that.

When you look at these statistics on the basis of time frame you would note that over the period commencing fiscal 2003—2008, the total number of exploratory and development wells fell from 106 to 94. However, you will also note that the total depth drilled increased from 148.6 thousand metres to 486.4 thousand metres over the same period. While there were less wells they went deeper. Production of crude and condensate fell from 50 million barrels to 42.58 million barrels over the same period. Crude oil production increased from 21 million barrels in 2003 to 31 million barrels in 2008. However, condensate production fell from 28 million barrels in 2003 to 10 million barrels in 2008. Crude oil and condensate production peaked at about 54 million barrels in 2006. That needs to be explained.

The decline in oil production has been due to the decline in the BHP Block 2C oil discovery. The maturity of other fields and platform issues at Trinmar are the lower level of condensate due to the discovery of dry gas. Petrotrin proposes to upgrade the Trinmar platform which would lead to an increase in the production of Trinmar. Additionally, Government's promotion of the exploration of new blocks on land in the central range and marine areas, especially in the east and southeast coast holds great promise for the discovery of oil or condensate. In the longer term, the development of our heavy oil resource and tar sands will improve the production of oil. If you look at the review and it tells you something, the additional information that we have which I have just shared with you, paints a totally different picture to that which is here.

The Public Sector Investment Programme is a document in which at pages 53 and 54, we talked a little about what is taking place with investment in the National Petroleum Marketing Company Limited; its plans and the capital investment we are putting there and what we propose to do with the gasoline services industry, including construction of LPG facilities; remediation activity and the upgrade of a number of service stations.

We also have within this document some work being done by the National Energy Corporation which is the organization that deals with the infrastructure development for the expansion of the energy sector. On page 112, it talks about 2009—the NEC has been allocated the sum of \$218 million for continuation of the design work for the port at Point Lisas; a fishing facility in Mayaro and Moruga; the whole question of Brighton Port; the Alutrint Pier; the famous Alutrint smelter and the petrochemical complex. It also talks about the work that is being done by the National Gas Company in its expansion programme.

The Public Sector Investment Programme, Tobago speaks about how we are dealing with ensuring that Tobago is not left behind. Paragraph 107 states:

“An allocation of \$80 million has been provided in fiscal 2009 for the National Gas Company (NGC) to continue the construction of an undersea natural gas pipeline to Tobago. This new pipeline, approximately 33 miles in length and 12 inches in diameter, will originate from the BHP Billiton’s Central Processing Platform in the Angostura Field facility, Trinidad and will run in a northerly direction, terminating at a natural gas plant in the Cove Eco-Industrial and Business Park on Tobago’s south coast. The gas will provide fuel for T&TEC’s Power Generation Plant being built at the Cove Estate in addition to supplying gas to all light industry on the Estate via a gas distribution system.”

This is seeking to ensure that Tobago has the wherewithal to begin the development of industrial activity similar to what we in Trinidad have taken for granted for a very long time.

In the Supplementary Public Sector Investment Programme there is more information and it is very expansive, as it treats with all the activities that are undertaken by the National Gas Company—I will talk about some of them very shortly—and companies such as NEC, Labidco, Petrotrin, National Petroleum and National Quarries to name a few.

Sen. Dr. Nanan: I thank the Minister for giving way. You are finished with the Public Sector Investment Programme. I have one question based on that document. On page 54, the \$500 million awarded for the engineering design and construction of the Galeota Port, was a certificate of environmental clearance granted for that particular port?

Sen. The Hon. C. Enill: Construction has not started as yet as far as I am aware. It is subject to the certificate of environmental clearance being awarded. I

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 06, 2008

think that I answered a question like that in the other place. It was the same issue. We are putting in place the resources for the project. I think that the designs have been awarded, but the project cannot start until the CEC is awarded. It is conditional upon that.

The Supplementary Public Sector Investment Programme tells you about all the very high end matters taking place in the energy sector and the companies that we have responsibility for and how they will be doing their work during the course of the next year.

I want to refer briefly—I am seeking to provide within the context of the statements that were being made about Government's accountability and matters of that nature, where one can go to see what is happening. It is very much in the public domain.

The Social Sector Investment Programme is a document that I like because in my former job I recalled the Prime Minister saying that the social sector in Trinidad and Tobago required special attention. The way that we will do that is by developing specific programmes for specific challenges based on identified needs.

7.15 p.m.

Within this programme, for example, and this document talks to the programmes that are being developed by the Government and the allocations, et cetera, you will see something relevant to the National Energy Skills Centre. The National Energy Skills Centre is one other intervention by the Government specifically designed to deal with a particular set of circumstances, but at the end of it all it really deals with moving our citizens from where they are today to a situation in which we are better off as a consequence of that kind of intervention.

The Government moves on. We are very much aware that the plan we had set up for Trinidad and Tobago is an ambitious one. We mentioned before that we are moving towards developed country status on the basis of a few principles, which are that the policies that we are putting in place will have the result, in the final analysis, of developing innovative people and we understand why.

In the knowledge-based society in which we are seeking to participate, what makes the difference to our people, small island state, is our ability to solve problems based on human intellectual capital. We think that we have been successful to a very large extent because as we look particularly within the energy sector and see that so many of our citizens hold very senior positions both locally and within the global energy sector market, we feel that allows us an opportunity to leverage some of those resources and talents into other areas.

When we conceptualized Vision 2020 and looked at what was required to get the non-energy sector to perform like the energy sector, it was very clear to us that we had to use the skills and talents that were available in energy.

In some of the appointments that we have made and some of the things we are doing, you will see where we are attempting to use some of those resources to leverage the changes for which we look within the rest of the society. Clearly, no society can develop unless it changes its attitudes toward those who are unable or unwilling to take care of themselves and, therefore, one of the other objectives that we set for ourselves is the question of nurturing a caring society.

We recognize that to do all of this, businesses must be competitive. One of the challenges we face—and I believe that when the Minister of Trade and Industry speaks he will speak to the issue—is how do we continue to incentivize the local private sector to get involved in new innovative industries. Right now, as we expand the economy, those businesses that are currently here do not do much to be profitable, therefore you find in many instances of more money, more activity and more profitability. So why should I go into areas that are difficult? Why, for example, should I actually build a plant that requires a lot of hard work, research and some risk if all I have to do is exactly what I am doing now; do not even do it well because in many instances, I have many opportunities.

Even while we say that, we recognize—and we recognized it two years ago—that as we move towards 2020, one of the things we have to do is to retool, so we give the business community a tax incentive for bringing forward tax write-offs for the new plant and equipment or going technological now rather than in the future.

One of the things we were seeing was that it was more economical to move your plants from Trinidad and Tobago because of the labour situation to other jurisdictions where you had more labour. Therefore, the counterbalance on that was to give a benefit to manufacturers who decided that they wanted to get involved in technology, update plants and so on now so that we could maintain the capacity within Trinidad and Tobago.

I do not think that a lot of emphasis was placed on this during the budget debate. I do not know if you saw what we are seeking to do with IT. While the traditional efficiencies about port and Government and so on assist with your business competitiveness, really and truly IT is where it is at.

We have a plan to do ICT in a way we have not done it before. TSTT has come to the Government with a proposal—I do not know if the Minister with responsibility announced it, but as far as it is announced, we are seeking to implement what we have

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 06, 2008

been talking about for a long time, which is to make sure that every citizen has access to, in a cost effective way, the Internet and that government services could be transacted from your house or your bedroom. We think that is what we need to do and that we can do it given where we are now.

We have chosen over this period of time to put the resources in place to invest in some infrastructure. I know that there are some who say that we are doing too much, but the point that needs to be made is that we have to do it now and if we are doing it wrong, well we pay the price. We have a plan. We believe that it is the right thing to do. Unless someone can tell us differently and convince us that there is a different way to do it, we will continue with it.

Of course, the question of promoting effective Government is something that we all are struggling with. To a large extent it has to do with how we as a people behave in the context of moving from that which we know, creating other institutions and putting in place what is required, while we are fighting and holding on to what we know, believing that if we change it we lose something. We lose nothing.

Over the next period, these are the specific policy positions that we have and it is in that context that every Ministry, including the Ministry of Energy and Energy Industries has had to take a look at the way it does business and ask itself the question: Is it really providing—

Mr. Vice-President: The hon. Senator's speaking time has expired.

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. Dr. L. Saith*]

Question put and agreed to.

Sen. The Hon. C. Enill: Mr. Vice-President, I thank my colleagues for extending my time. I was making the point that the Ministry of Energy and Energy Industries, like many other Ministries, has had to reorganize and look at itself and we have found that we are not operating at a level that allows us to provide the best benefits to the people of Trinidad and Tobago. We are seeking as quickly as possible to do the restructuring to make sure that we can fulfil that particular mandate.

Let us move to what I call upstream development within the sector. We have initialled and approved six of the nine production-sharing contracts for fiscal 2008. Two production-sharing contracts for the central range shallow and deep horizons were officially signed on September 18. Four other production-sharing contracts are expected to be signed shortly. These include those for Block 2AB,

which is to be awarded to Tullow, Centrica, and Petrotrin; Block NCMA 2, that is to be granted the ONGC Mittal Energy Limited and Petrotrin, as well as two for the south west peninsula shallow and deep horizons that are to be awarded to Trinidad Exploration and Development Unlimited and Petrotrin.

These production-sharing contracts have already been awarded. We are working now with the various companies to work out the terms and conditions, work plans. Under these contracts, there are certain obligations that they have. They must do a particular work programme in a particular time frame; they must pay certain moneys and so on. These things are being worked out right now with these particular companies. Once that is done, then we hold them to the work programme and that is how in the past we have heard Petro Canada doing this and Canadian Superior doing that. It is of a consequence of these kinds of activities.

The Ministry of Energy and Energy Industries is in the final stages of negotiations with Tullow for the Guayaguayare Shallow and Deep Horizon Blocks and Startoil Hydro for the Deep Block TDA85. It is anticipated that together these production-sharing contracts will generate signature bonuses of \$357 million and an investment of over \$3.6 billion over the six-year obligatory exploration period.

Sen. Dr. Charles: I thank the Minister for giving way. Will the Minister tell us what went wrong that caused our reserves to fall to this 12/13 years? You must have been projecting what Government expected to do in terms of energy utilization and projects.

Sen. The Hon. C. Enill: Mr. Vice-President, nothing went wrong. The way I want to explain it is inventories. The concept of reserves is the concept of inventories. The concept of inventories suggests that if you are in the business of selling, you keep a level of inventories commensurate with the revenues that you expect to generate.

Ryder Scott, the firm that usually guides in looking at an independent review of the companies' work programmes, says to us, on the basis of this current production, on the basis of what we see, you have six years or you have 13 years. That does not mean that is all there is. In fact in looking at studies done recently, we have, on the basis of what we now know, an equivalent of 64 years of production. What we do from time to time is we determine at what point in time the fiscal regime must change to reflect what we require. Right now for example, we are looking at the fiscal regime again. On the basis of how the sector—

Sen. Dr. Charles: You are playing catch up?

Sen. The Hon. C. Enill: We are not playing catch up. You are bringing into production what you want when you have an output for it. You cannot bring it and leave it there. Once you bring it, you must have a project for it.

7.30 p.m.

For example, the projects that we have, you just cannot bring it out. You have to do something with it. *[Interruption]* Well, that is where it is going to go. What it told us at this point in time is that we need to sit now and go back with the companies and say: “Okay, this is what we now want. We want aggressive exploration because we believe that on the basis of where we have reached now, we can account for this for the next 15 years. Let us move into a different phase.” That is what is taking place now and it is a very complex exercise, because you want to make sure that two things are happening. In the first instance, you want to make sure that you do not get yourself uncompetitive. Remember it is a global business, so you are competing with India, Nigeria, Brazil, Venezuela and everybody in the first instance. In the second instance, you want to make sure that you get the best benefit for the people of Trinidad and Tobago because those resources belong to the people of Trinidad and Tobago.

In the last six years, I have heard Sen. Mark make the point: “You guys did not do anything. We are blessed. We have oil and gas, all you have to do is that.” That is not true. That is really not true. We have had to sit and look at the fiscal regime. In looking at it, we recognize that while the price of oil was going high, we were getting less revenue. Because the way the fiscal regime was set up, it allowed companies to change the work programme and to write off capital expenditure in such a way that we got nothing. We intervened and we changed the law in two significant ways. The first one is that we negotiated with companies and said: “You do not expect that if you have a dry hole, as many of them had, we would write it off 100 per cent just like that. We need to discuss how we would share in that because when we have the upside, we share in it and when we have the downside, you come to us and say you have to downsize and we need to discuss how to deal with it.” There is a lot of discussion taking place all the time, with the companies to decide how best we can move this regime in a way that allows us to get the revenues that we are looking for. That is another piece of the discussion.

Before you asked that question—I want to get back to it—I was making the point that, on the basis of what we know, there is an investment of \$3.6 billion over the next six years, on the basis of what they have signed. There is going to be continued activity within that sector.

If you looked at the Ministry of Energy and Energy Industries Budget Statement 2008, you would see that 16 wells were drilled in fiscal 2008. It led to discoveries on the eastern north coast acreages. The gas resources that we have seen in these discoveries are estimated at about 4.5 tcf. This is not accounted for in the last Ryder Scott reserves information that came out. These came after that. The Ryder Scott information was at the end of December 2007. This happened during the course of 2008. It is better than that which we have released in the public domain.

The 2008 exploration programme was delivered at an approximate cost of US \$879 million, generating an average local content of about 15 per cent. The other 85 per cent comprise of foreign services, which include drilling, completion and testing equipment, materials and technical services.

Operators, together with technocrats at the Ministry, are now engaged in several assessment studies of these discoveries to further appraise the discovered resources so as to establish the level of commercialization. We basically engage in discussions to try to determine what else needs to be done, how it has to be done, how it has to be structured, what else needs to happen and how we need to change, so that we can commercialize it in a particular way.

The north coast block 22 off Tobago is operated by Petro-Canada in which Petrotrin has a 10 per cent equity position. Four deepwater wells were drilled in water-depths as deep as 100 metres. An estimated 1.2 tcf of gas was discovered and an assessment plan is being developed for establishing a mechanism that would again allow for further proving of these resources and its commercialization.

Petro-Canada is also evaluating the potential to bring gas to shore from the Gulf of Paria discoveries in blocks 1A and 1B for sale at the Point Lisas Industrial Estate. Both the Victory 1 and Mounty 1 exploration wells in the block 5C on the east coast operated by Canadian Superior discovered natural gas. Together, these discoveries contain an estimated 3.3 tcf of resources. The company continues to explore the block and drilling is in progress on a third exploration well, Endeavour 1. It is projected to penetrate the prospective hydrocarbon zone during quarter four of 2008.

The point that is being made is that contrary to what is being reported, there is a significant amount exploration activity taking place and there is a significant amount of success that we are seeing, as it relates to successes in this particular part of the sector, in this year, as opposed to last year. That is the nature of the business. We understand that.

Appropriation Bill (Budget)
[SEN. THE HON. C. ENILL]

Monday, October 06, 2008

We are continuing exploration in the new fiscal year. At least five wells are rising from the existing production-sharing contracts and E&P licences are to be drilled in fiscal 2009, so we continue, at a cost of US \$140 million. Seven new production sharing contracts in 2005/2006 and the rounds are expected to be executed during fiscal 2009. There is continuing activity. As a consequence, exploration planning will commence.

At some point in time we would talk about what is taking place in the quarrying sector because we have done a lot of work in dealing with the quarrying sector. At some point in time we would talk to you about the new fiscal regime where we are looking at deep water, shallow water, marginal fields and, of course, at ultra heavy oil, a new regime; and the whole question of tar sands.

We could talk as well about the work we are doing in the establishment of additional ports and industrial estates based on demand, but all of these that we are dealing with culminates in the goal that the Government had for a very long time, which is to create the circumstances by which Trinidad and Tobago can be considered to be a modern, industrial state. That is to say, when you look at how we have utilized that which God has given us, we have the ability to compete and to create for our citizens' opportunities and possibilities beyond what we had imagined sometime ago.

When, for example, during the course of this year, and next year, work starts on the \$2.5 billion polypropylene plastics plant, what that will do for Trinidad and Tobago is that it will create for us a position in the world, similar to that which we were able to do with our oil and gas resources. It will create for us an opportunity to be a leader in high-end manufacturing involved in plastics. It would allow our local manufacturers, if they take the challenge, to become world players, as a consequence of a policy by the Government. Once this plant is established, there is going to be allocated a particular set of resources for local entrepreneurs. It is good times for the people of Trinidad and Tobago. We have a few challenges, but if you are doing things you are going to find yourself with challenges. What I hope we could agree on is a way in which you will help us to overcome these challenges, based on the experiences that you have, because at the end of the day, it is Trinidad and Tobago against the rest. It is not me versus you. I am here today, you are there today. [*Interruption*]

Sen. Dr. Saith: And it will remain that way.

Appropriation Bill (Budget)

Monday, October 06, 2008

Sen. The Hon. C. Enill: On the last occasion, I said to you that I will be here and you will be there, and it is because we are doing something that benefits the majority of the people of Trinidad and Tobago.

Mr. Vice-President, I want to commend to the honourable Senate, the 2008/2009 budget presentation. I want to congratulate the Minister in the Ministry of Finance and also congratulate my colleague, the Minister of Finance and I wish to thank you for having listened to me this evening.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Mr. Vice-President, I beg to move that this house do now adjourn to Tuesday, October 07, 2008 at 10.00 a.m. where we will continue with the debate on the 2008/2009 budget.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 7.41 p.m.