

SENATE*Friday, September 25, 2009*

The Senate met at 1.30 p.m.

PRAYERS[MR. VICE-PRESIDENT *in the Chair*]**PARLIAMENTARY PRACTICE**

Mr. Vice-President: Hon. Senators, it has come to my attention that when Senators are leaving this honourable Chamber and on their return—the practice is that you bow to the Chair and also bow to the speaker that is speaking. It has come to my attention that quite a number of times Senators might just bow to the Chair and not bow to the speaker that is speaking. That is just something that I have noticed and please let us correct that.

The second thing that I would like to bring to the attention of Senators is that I do not know if the clock in the tea room is different to the clock here, but it is 5 o'clock—5-0-0—okay. So, quite a number of Senators—apparently the clock might be slow in the tea room—do not get here until 5.05 p.m. and 5.10 p.m. and that delays us with the start.

LEAVE OF ABSENCE

Mr. Vice-President: Hon. Senators, I have granted leave of absence to Sen. The Hon. Jerry Narace who is out of the country.

SENATOR'S APPOINTMENT

Mr. Vice-President: Hon. Senators, I have received the following correspondence from His Excellency the President, Prof. George Maxwell Richards, T.C., C.M.T., Ph.D.:

“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.

Senator's Appointment
[MR. VICE-PRESIDENT]

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TO: MS. ANWARIE RAMKISSOON

WHEREAS Senator Jerry Narace 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, ANWARIE RAMKISSOON, to be temporarily a member of the Senate, with effect from 25th September, 2009 and continuing during the absence from Trinidad and Tobago of the said Senator Jerry Narace.

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 23rd day of September, 2009."

OATH OF ALLEGIANCE

Senator Anwarie Ramkissoon took and subscribed the Oath of Allegiance as required by law.

ARRANGEMENT OF BUSINESS

Mr. Vice-President: Hon. Senators, I understand a Bill is supposed to be introduced at a later stage, so we will stand down Item No. 13, Introduction of Bills, to a later time.

**APPROPRIATION BILL
(BUDGET)**

[Third Day]

Order read for resuming adjourned debate on question [September 22, 2009]:

That the Bill be now read a second time.

Question again proposed.

Mr. Vice-President: A list of those who spoke on Tuesday, September 22, 2009: Sen. The Hon. Mariano Browne, Minister of Trade and Industry and Minister in the Ministry of Finance, the mover of the Motion; Sen. Wade Mark; Sen. Subhas Ramkhelawan; Sen. The Hon. Martin Joseph; Sen. Dana Seetahal SC; Sen. The Hon. Arnold Piggott; Sen. Dr. Sharon-ann Gopaul-McNicol; Sen. Helen Drayton; Sen. The Hon. Hazel Manning; Sen. The Hon. Tina Gronlund-Nunez.

On Wednesday, September 23, 2009: Sen. Mohammed Faisal Rahman; Sen. Prof. Ramesh Deosaran; Sen. The Hon. John Jeremie SC; Sen. Corinne Baptiste-

Mc Knight; Sen. The Hon. Jerry Narace; Sen. June Melville; Sen. Lyndira Oudit; Sen. Basharat Ali; Sen. Laurel Lezama; Sen. Annette Nicholson-Alfred and Sen. Foster Cummings.

Sen. Dr. Jennifer Kernahan: Thank you, Mr. Vice-President, for the opportunity to contribute to this budget debate 2009/2010; a debate in which the people of Trinidad and Tobago are so deeply involved and which has provoked widespread participation from all sectors of our population.

Even as we speak, there are people protesting in the Square outside this honourable Chamber. Frankly, the mood of the populace since this Government has presented this budget ranges from extreme consternation and outrage, disgust and disappointment to naked fear.

When I listened to the Minister of Finance read the budget speech, I could not help but think of the rapso artistes “3 canal” and their militant chant “talk yuh talk yuh mocking pretender”. This budget is characterized by a lot of talk with a tone of self-congratulatory complacency and it is filled with cynical regard for the penury, the pain and the persistent poverty that previous Patrick Manning budgets, and this one in particular seeks to impose on the populace.

Ours is a populace that has endured every type of suffering imaginable under this regime over the past seven years. This is a populace that has been literally bullied, tortured and terrorized physically, financially, socially, economically, spiritually and morally. This is a populace that, in spite of the hundreds of billions of dollars in oil wealth that has accrued to the Government, people still have to block roads and burn tires from Barrackpore to the Beetham, from Gonzales to Gouyave in order to force the Government to provide basic services; basic amenities such as proper roads, water, adequate health care.

Just last night on the television, the whole world witnessed the plight of the people of Point Fortin who have had to take to the streets with placards to fight for the implementation of a long promised hospital. Imagine over \$300 billion spent over the last seven years in this country; budget after budget passed in this Senate and the people are forced to take to the streets to demand a startup date for this basic service. So “talk yuh talk yuh mocking pretender.”

This is a populace that walks in dread and fear of summary execution at any time, in any place, at the hands of criminal elements that operate with absolute impunity even as hundreds of millions of our money is given away to astute foreigners, the so-called experts, under the guise of solving a problem created and sustained by the cynical, retrograde, self-serving social policies of this administration.

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The policies and the politics that have wreaked havoc in this country have always been based on the fundamental philosophy of the PNM, that is, the supremacy of party, the control and use of state resources to further party interest and the allocation of resources and dispensation of largesse solely to generate more supporters loyal to the party in order to ensure its longevity through succeeding generations. These policies have seen the PNM enjoy 42 years of government, including 30 years of uninterrupted rule, while the populace has suffered the most callous and criminal neglect, leading to traumatic periods of social unrest in this country: The Black Power social revolution in 1970; the NUFF insurgency of 1971—1974; and the Muslimeem uprising in 1990.

Successive Patrick Manning administrations have displayed unmitigated failure in government, given the vast amount of resources with which they have had to work: Human resources, natural resources, financial resources and political stability born out of the patience, the resourcefulness, the tolerance, the ability and capacity for hard work of a long suffering people. What is so loathsome and reprehensible to the populace is that during this debate, failed Minister after failed Minister have had the gall to stand and compare their performance in Government with that of the UNC, when the total budgetary allocation of the UNC in their seven years in office was under \$60 billion—total—while the total allocation available to this administration in seven years is close to \$300 billion. Yet the level of social services that the UNC administration under the hon. Basdeo Panday was able to deliver in all areas: in health, education, provision of roads, bridges, elimination of taxes—and I want to repeat that, elimination of taxes— increase in pensions and subsidies to the aged and the vulnerable in our society, these were unprecedented in the history of this country. [*Desk thumping*]

The UNC administration set a new paradigm for performance against which all intelligent and patriotic people of this country are able to judge all succeeding administrations. “So talk yuh talk yuh mocking pretender.” [*Interruption*]

Yet the tone of the budget presentation in this honourable Senate, as in the other place, has always been one of self-congratulation and complacency, insulated as this administration is by pomp and privilege and the financial security of three pay rises generously given to himself by himself.

1.45 p.m.

They are self-congratulatory, because they are insulated from the pain, the despair and desperation of our populace as they go along their merry way, to borrow some words from the Attorney General. They are presiding over the dispensation of hundreds of millions, through the special purpose companies that

they have invented, to ensure a new class of well-heeled supporters. They go along their merry way as they cynically roll out hundreds of mamaguy, unintegrated, uncertified programmes that deliver little or nothing, but hype, and increasing frustration, as the economy remains a plantation, one-crop economy, an elitist economy, undiversified and largely closed to young graduates who are unable to find jobs or use their skills productively.

Mr. Vice-President, I went to Gonzales just yesterday, and driving up to my house as I stopped, I saw this young, innocent looking boy sitting at the side of the road and so on. So I called him and I asked him, what is your name, what do you do, what is happening with you? He told me he lives just around the corner from my house in Gonzales and he is unemployed. His brother is unemployed; he lives with his mother and she is the only one working in the house; he studied at Servol and has a certification in electrical and so on; and he is unable to find work. He is there, he sent in applications all over the place and he said he is just there waiting. What happens is when these young innocents sit at the side of the road, after a year or two and they become very desperate, there is no end of predators waiting there to pick them up and put a gun in their hands. So do you know what will happen if we do not take that young boy off the streets? By the next two years when you are asking for him, he is dead and that is the reality in our society.

The tone of this budget is complacent and smug, as the perpetrators enjoy the gratitude of powerful and loyal supporters of the upper and newly created so-called "entrepreneurial" middle class, who are in fact feeding lavishly at the trough through the special purpose companies and CEPEP, the PNM version of how to be a millionaire, while they throw the crumbs of CEPEP and URP to the suffering masses that are loyal to them, and who suffer the worst form of economic exploitation with absolutely no benefits as workers.

Mr. Vice-President, the PNM Ministers who support this budget and are quick to congratulate the Minister of Finance are arrogantly self-satisfied, and they talk and they talk because they are unable to see or hear the cries of the populace, as they whiz by in their heavily tinted air-conditioned cars. They are unable to empathize with the pain of the men and women who receive the crumbs of CEPEP, but who are unable to go to a bank and seek any loans for the development of their families, who see their small pay cheques eaten up by the inflationary policies of this Government. They are unable to make ends meet, while the Government turns a blind eye to the predators, the social terrorists who supply young men with guns and drugs and the means to their self-destruction and the destruction of our society. "So talk yuh talk yuh mocking pretender."

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They are heavily critical of the Opposition, the Law Association, the Judiciary, the social commentators, the press, the Joint Consultative Council, anyone who dares to express outrage, who dares to defend the rights of the suffering poor, such as those who sit at the side of the road idly, in the hills, in the traces, in the alleys of Laventille, Gonzales and Belmont, and watch helplessly and resentfully as the Government imports foreign labour to change the skyline in Port of Spain, while skilled and unskilled are unable to find work in this land of plenty. "So talk yuh talk yuh mocking pretender."

This administration is insulated from the cries of the thousands of socially displaced persons in this society, who have never recovered from the ravages of the structural adjustment policies imposed by the IMF in the 1980s; who lost their jobs, their homes and families; and whose children and grandchildren have inherited vagrancy, unemployment and homelessness as their lot in life. These are the ones who support the PNM Government, but who fill the streets, the charitable institutions, the drug dens, the rehab centres, and the car park on Besson Street by the thousands. Who said that we have walked that road of structural adjustment before? The fact is, that thousands of our citizens are still walking that road of the 1980s, they never escaped. Their children and grandchildren are now engaged in a fratricidal war of hopelessness and desperation.

We are wading knee-deep in blood, Mr. Vice-President, and yet this neocolonial administration that has blown two oil booms in this country, and has managed to have kept us firmly on the road of underdevelopment and persistent poverty, now they are leading us merrily along to another round of structural adjustment, as they bend over backwards to sell this country out to the powerful multinationals, as they hasten to ensure the re-colonization of our country by the rapacious demands of insatiable, resource grabbing, environment destroying, cannibalistic multinational organizations that seek to gobble us up and spit us out in their frenetic quest to save their billion dollar empires from extinction.

Mr. Vice-President, this administration, in spite of being willing tools of Alcoa, Essar Steel, Sural, Repsol and others in their plot to destroy the environment of this country to enhance their profit margins, have decided to pretend like Shaggy, "it wasn't me". They are now trying to pretend that it is not so much the Government's fault that we are firmly on the road to more suffering for the poor and vulnerable in this society, but it is the fault of globalization, multinationals and protectionist policies. They now realize that. How come they did not know all that when they were sending the riot police for the people of Chatham, Cedros and surrounding villages, when they stood up under the

leadership of Fitzroy Beache, and the women led by Mrs. Ashby and the now deceased, Grace Dolsingh, with the support of the Opposition, Mr. Panday, visited their camp and addressed them, scientists like Dr. Peter Vine, environmentalists, concerned citizens, patriots and priests, when they stood up like heroes and fought to defend the health of our people, our forests, our aquifers, precious water resources in the peninsula? Eighty per cent of the population is against the imposition of dirty industries, like smelters, which are now almost impossible to erect in the developed countries because of strict environmental laws and requirements. But, this is a "banana republic". If you are rich and powerful and talk to the right people, you can enjoy the luxury of the "banana". This is an acronym for, "build anything, near anywhere, it is not a problem".

So this is what the Minister is saying, even while going along merrily with the infamous Alutrint smelter plant. "Talk yuh talk yuh mocking pretender." The Minister is now talking against globalization. I thought the day would never reach. Hear what the Minister of Finance said in the budget speech:

"Mr. Speaker, protectionism has become a growing phenomenon as nations opt for direct and indirect barriers to trade. The Governments of the major economies, former proponents of globalization, are now staunch advocates of protectionism, which has adverse implications for countries such as ours. Indeed the World Bank has recorded almost 90 new restrictions to international trade since October 2008. Today there are new iron and steel tariffs in Russia, agricultural restrictions in Argentina and Brazil and explicit 'buy U.S.' and 'buy China' policies: a once bundled world is fast loosening."

That was the hon. Minister of Finance.

Mr. Vice-President, this doubletalk is typical of the con artist who seeks to extricate himself from a tight spot, but is indefensible for this administration to make such allegations as an excuse for their management or mismanagement of this economy in the interest of the multinationals. Because all the tax breaks as we have seen in this budget and concessions, are precisely for this elite group under the guise of fiscal incentives for exploration, and to improve and increase employment, the Minister goes on to say just this, in these words and I quote:

"As a direct response to these developments Governments around the world have had to implement massive fiscal stimulus packages, accompanied by financial sector bailouts and corporate rescue packages to contain rising unemployment levels and forestall a prolonged contraction. And while, Mr. Speaker, the prognosis for the developed economies is for some growth,

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though weakened, the International Monetary Fund (IMF) has cautioned against the withdrawal of this policy support prematurely, lest policy makers take these initial signs as self sustained recovery."

Mr. Vice-President, the Minister is presenting here, this administration's justification for running massive fiscal deficits, burdening the present and future generations with escalating debt, subsidizing the super rich, while imposing unbearable and punitive increase in taxes, like the infamous property tax, in addition to alcohol tax, cigarette tax, car transfer tax, drivers' permit tax, in addition to all the other taxes that we already bear. This is a neocolonial elitist Government of the multinationals and of the rich. [*Desk thumping*] So that the Minister of Finance is saying, as she did in a public forum that I saw on TV, "what is happening in Trinidad and Tobago is a direct result of what is happening in the world", and "other governments are implementing the so-called massive fiscal stimulus packages, in other words, giving the rich money, that we have no choice, but to do the same". But what she did not mention, was the fact that the middle class and the poor people all over the world, in the developed countries are also waging massive struggles against the abuse of this policy.

They are waging massive struggles against the lack of transparency and accountability, against the con men and the authors of the massive Ponzi schemes, who are standing in line now for massive bonuses and pay offs for running huge corporations into the ground, milking billions in personal profits even as they rape the economies of their countries and those of developing countries. And I say today, Mr. Vice-President, we on this side say, that we in Trinidad and Tobago must rise up in protest against the policy of making the poor pay for the sins of the rich; [*Desk thumping*] the multinationals and local comprador class are the ones who benefited from the era of untrammelled wealth created by the paper game, the house of cards which collapsed.

This mirage of wealth was fuelled by the greed of the most celebrated financial geniuses of the capitalist world, the Madoffs and the Stanfords, and their underlings and admirers in developing countries such as ours. They plundered the poor, pensioners, the old, under the noses of the most supposedly, sophisticated regulatory agencies in the world, in the United States. Do you know why? Because that is the predatory vicious nature of capitalism. But now, the Minister is telling us that we have to pay for that. Major multinational companies, banks, finance institutions, insurance companies, top local companies have reported massive profits in the good times. The local elites in the service of these

institutions reaped the benefits. The administration reaped the benefits. Somebody has to pay, but keep your hands out of the pockets of the middle class, the poor and the vulnerable. It is obscene and unconscionable.

What was the condition of the ordinary workers in this country when the Gini coefficient was showing that the rich were getting richer, and the poor was getting poorer? Over 70 per cent of the workers in this country have remained un-unionized, and at the mercy of the employers; and retrenchment and reduction of the status of workers, to the status of just contract employees. The status of workers in this country allows arbitrary and harsh terms of employment; no regard for the plight of women and their role as nurturers of families in terms of the working hours, pay and benefits, no regard for the rising cost of living, cost of food, transport and the horrors of night work and shift work in the face of spiralling crime.

Mr. Vice-President, in today's globalized world, what the Minister of Finance did not get around to telling us, is that this Government's policies are induced by the supra national organizations, like the World Bank and the IMF, who now openly dictate economic and political agendas of small, weak and compliant Third World countries. They do that within the framework of supra national institutions like the World Trade Organization, and their policy is to maintain the integrity of the capitalist system, globally. That is their objective. They have no other objective. Therefore, they are pushing compliant client states like ourselves, to renounce our sovereignty, renounce the right to safeguard the interest of our people, and to implement policies that would ensure maximum profits to the multinationals.

2.00 p.m.

What are some of these policies that they are pushing the client states, like the Patrick Manning administration, to do: Privatize government services and retrench government workers; centralize government services; establish privatized revenue collection agencies and more taxes for the poor. And the Minister spoke to some of the other policies that she now finds oppressive, like protectionism.

We have walked this road before in the 1980s, when thousands of DEWD workers, port workers, WASA workers, postal workers and transport workers were retrenched under the structural adjustment precipitated in part by the profligacy and social insensitivity and the sell-out neocolonial nature of the PNM. But according to our rapso poet, Bro. Resistance, "de people ain't taking dat so; de people ain't taking dat"; so "talk yuh talk yuh mocking pretender."

The Minister of Finance was careful to explain that the IMF has advised on this policy of subsidizing the rich and that the Government had no choice but to

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implement, but the IMF had also alerted this Government to other issues, which the Government chose to ignore. They ignored similar warnings by the Opposition, by Independent Senators, by local economists and by local commentators.

But before I go on to what the IMF had alerted this Government to, I want to make it clear that the IMF is all about macroeconomic indicators, which for them is the most important aspect of an economy; simply because these figures tell them if the country has enough foreign exchange to be able to service debt repayments to the international lenders and to the World Bank. "Dat is all dey care about. Dey doh care if yuh squeeze it from de population; if people dying, if people dead; dey doh care about dat." They care about if you are able to repay.

They care about if you are able to pay the creditors in the metropole for raw materials and goods and services received. They care about if the country is able to pay for the services like transport and insurance fees, and most of all, what they care about, is if the country has the foreign exchange to allow free and unimpeded export of profits of the multinational corporations back to their parent company. That is what they basically care about.

So when the Minister talked about Standard and Poor's and this and that and the other one, the figures they look at are the figures that would enable them to determine how much wealth they could suck out of this country, by making us import more goods and services, sometimes that we do not even need, but we have to pay them for.

The International Monetary Fund's (IMF) main focus is to facilitate and ensure that developing countries are encouraged to import the maximum quantity of goods, services and luxuries, like the most expensive cars to the most expensive chocolates from developed countries, and that we have the money to pay all the debts we incur by doing so. The fact that it make take generations to repay these debts means more money for them. You know like how the chutney artiste sings, "More Rum for Me", it is more money for the IMF.

One of the things that people have remarked to me, during this time of plenty and when wealth was accruing to the elite rich in this country, that cars like Hummers and so on, only the super rich in the United States were able to afford; we have them here on the road, Bentleys and so forth. Every type of impossibly expensive cars, we have them on the roads here in Trinidad and Tobago. So make the rich pay now; we do not drive those cars.

So when we heard speaker after speaker get up in this budget debate and congratulate themselves on how well they have managed this economy and how it

was not their fault that we have to borrow money to run the country now, and how it is the fault of globalization, et cetera, et cetera, et cetera, it is interesting to look at some of the comments that the IMF made when they issued their Country Report No. 09/78, in March 2009, in the light of the repeated boast by the Minister of Finance of how well they managed this economy.

Mr. Vice-President, this is the IMF report that I mentioned. I want to just quote some of the things that they said:

"During 2002—07, real GDP growth averaged 9 per cent; per capita income doubled in U.S. dollar terms; both the unemployment rate and the public debt ratio were halved; and the country has acquired one of the strongest credit ratings in the region."

That is what they are concerned about, the macroeconomic indicators.

But they went on to say:

"Improvements in social, political, and competitiveness indicators, however, have lagged the country's economic success."

This is the IMF. So where is this perfectly managed country and economy that the Minister talked about? The IMF also went on to make this point:

"Faced with a prospective decline in energy resources, the government has embarked on an ambitious development and diversification strategy. With the energy sector, including petrochemicals, accounting for nearly half of GDP, close to 90 percent of recent exports, and almost 60 percent of central government revenue..."

What struck me was that these figures showed us that we are still a one-crop plantation economy. After so many years—I think it is 100 years—of oil in this country, we have not diversified this economy. Therefore, the oil and gas sector and petrochemicals account for nearly half of our GDP still; it accounts for 90 per cent of our exports and 60 per cent of Government revenue. What are you telling me about well managed economy? The IMF has said that.

It said:

"the prospective depletion of reserves over the next 20 years will require a major economic transformation."

The only major transformation that this Government has been able to accomplish is the transformation of the skyline in Port of Spain. We are still a neocolonial country under the heels of the metropole.

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What is the Government's track record with respect to transformation? The Prime Minister recently, I saw in an article, was talking about diversification and about building shipyards, "after de money done", after the oil and gas are depleted, after we are facing a crisis, "he now talking" about things like that.

Mr. Vice-President, hear what the IMF had to say about our well managed economy:

"It relies on using gradually declining energy revenues to support downstream activities and a diversified non-energy sector through subsidies and public investment in infrastructure, education, and social programs. However, the associated fiscal stimulus has fuelled excess liquidity and inflation."

That is a criticism of the well managed economy; that you have fuelled excess liquidity and inflation.

We are not talking about the subsidies to health and education, which we totally agree with and which is necessary for our population, although it is not properly accounted for in terms of the output. What we are talking about, and what all the commentators have been talking about, are the mega projects that have stalled, that people are stealing millions from. There is no transparency; there is no accountability; there is no tendering; that is the sort of activity that is happening in this well managed economy, according to the Minister of Finance. That was what the IMF was able to point out.

The IMF has said, again, to the Minister of Finance:

"Following years of expansionary policies, declining energy revenues will lead to a deterioration in the fiscal position. While the government's balance sheet improved over the past five years, due to booming energy prices..."—not due to any good management, being bright or anything—pure dumb luck—"the non-energy deficit doubled to about 15 percent of GDP (28 percent of non-energy GDP) in FY 2007/08...This reflected high capital spending but also rapidly growing transfers and subsidies."

It says that this:

"...would now translate into a deficit of about 3½ percent of GDP."—in 2009.

The IMF projected an average of about 3½ per cent deficit of GDP in 2009, and it is actually, according to the Minister, 5 per cent; the deficit is now 5 per cent; so it is higher than the IMF even thought. Also, this deficit that they are running here, this high non-energy deficit, was criticized by the IMF.

We have no problem with transfers to health and education, although we have not seen what you have gotten for all the money spent there; the mega projects and the "tiefing", the stealing, the corruption in this Government; that is what we have a problem with.

Hear what the IMF told them:

"Looking ahead, economic growth and inflation are projected to slow in the face of a deteriorating external environment. Recessions in advanced economies, their spillovers to the tourism-dependent economies of the region, and sharply lower prices for energy products are projected to reduce growth to 2 per cent in 2009."

What has happened? Negative growth in 2009. The IMF was trying to warn them, and it is now a worse scenario than they predicted. So where is this well managed economy that the Minister of Finance was talking about?

It was not only the IMF. This report by Ernst & Young, "Trinidad and Tobago budget 2010", said some things. It says exactly what we had been saying all along; budget after budget, year after year. I quote:

"After 15 consecutive years of economic expansion, the growth of the Trinidad and Tobago...economy has been stymied by the headwinds of the worst global economic crisis since the Great Depression. In this context it would be easy to attribute the country's present financial vulnerability to factors beyond our borders and so absolve ourselves from responsibility for its current uncertain state."

That is exactly what the Minister of Finance has done, when she said that what happened in Trinidad and Tobago was a reflection of what was happening all over the world.

I continue to quote:

"The truth, of course, lies somewhere in between. Thus, although no country has been immune from a global recession, it must be recognised that not enough has been done over the past 15 years to hedge the vulnerability of our twin island republic away from the vicissitudes of volatile commodity prices. It is also fair to say that during the boom years the Government could have set aside more of the energy windfall as national savings to be used for the proverbial rainy day that has arrived. [*Desk thumping*] One would have thought that we would have learnt these important lessons from the past."

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This is what Ernst & Young said. So where is this “well managed economy” that the Minister of Finance, and all the speakers here, got up to speak about?

The Ernst & Young report went on to say something that commentators have been saying all the while: Where is this diversification, when you are only, so-called diversifying, within the energy sector? It does not make sense. It only makes sense to those who are in office at this time, with no reference to reality. They have living in “never never” land, and it makes sense only to them; nobody else.

Hear what Ernst & Young has said:

"Pundits have for many years suggested that the country's reliance on energy exports has been a high risk strategy. However, it is evident that that bet has hitherto paid great dividends. Indeed, buoyed by its success, the Government has embarked upon a downstream strategy partly built on the premise of diversification. The informed, however, would understand that due to the high correlation between natural gas prices and derivative commodities, such as ammonia, urea, methanol and billets, this perception of diversification never quite corresponded with reality..."

They are living in “never never” land, and they have been fooling people all the time about this so-called diversification, when we are still a one-crop, neocolonial plantation economy.

Ernst & Young are saying now that the tide has turned. What is most frightening of what Ernst & Young has said in this report, given the Ryder Scott Report, is that:

"...natural gas is a rapidly depleting resource and at some point in the foreseeable future the next generation of T&T citizens faces a future where natural gas will not be a significant contributor to the country's finances."

These are some of the things that are coming, at this point, of this “well run economy.”

Mr. Vice-President, I looked at the Monetary Policy Report of the Central Bank, and they had nothing flattering to say about the way this economy is being run. The Central Bank Report of April 2009, Volume IX, Number 1, says a number of things. It says that a consumer confidence survey was done recently and the survey indicated that eight out of 10 consumers perceive business conditions to be worse, compared to the previous year. With regard to business conditions in the ensuing 12 months, six out of every 10 consumers expect business conditions to worsen in the short-term.

2.15 p.m.

So where is the confidence in this “well-run economy” that only the Minister of Finance and her colleagues have on that side? What did the Central Bank say again? They have a problem because of the high liquidity, the high fiscal injections by the Government that it has put downward pressure on short-term money market interest rate. That is not good for people who want to save and for people who want to put aside some money and want to reap some returns from it. So this is not a well-run economy to people who would like to save and get returns.

This “well-run economy” is showing signs of a fall in consumer demand given by the retail sales index which fell to 7.2 per cent in the fourth quarter of 2008 from 22.4 per cent in the corresponding period in 2007. Sales of textiles and wearing apparel as well as construction and hardware material also displayed notable declines.

Why should these things be happening in a well-run, well-managed economy? I do not know. The Central Bank report talks about car sales which are down by 42 per cent in the first quarter of 2009 and you do not want to hear what is happening with labour, Mr. Vice-President:

“There has been a discernible slackening in the market since September, 2008 during the seven months to April 2009, a number of job cuts have been announced in the energy, construction and manufacturing sectors. Within the energy sector, Arcelor Mittal, Neal & Massy Wood Group and Repsol have retrenched a total of 192 workers; in the hotel sector, Hilton Hotel has laid off 200 part-time workers; while in the communication sector Digicel has offered 500 employees VSEP packages.”

“Some preliminary statistics obtained from the Industrial Court indicate that firms have filed a total of 1,089 retrenchment notices.”—And we know that this is just the tip of the iceberg and there are thousands more unemployed and retrenched workers out there in this “well-managed economy”.

Mr. Vice-President, I want to look at what is happening now with respect to the issue of democratic governance in this country because whenever there is an economic situation deteriorating at the rate at which ours is, you have a concomitant increase in the dictatorial attitudes, the posturing and the words of the Government, because it has to do that. It has to bring out the Riot Police, give us all the gun talk, it has to threaten people and so forth because it knows there will be uprisings and protests, so it is getting ready to impose these on the population.

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So I listened very carefully to the Attorney General when he spoke, and I looked at his contribution, I have the *Hansard* here and it is interesting, some of the things the Attorney General said. He in fact started off by saying:

"The holders of the chief legal offices, that is to say, the Solicitor General, the Chief Parliamentary Counsel and the Director of Public Prosecutions, are designated chief legal officers pursuant to section 12 of the Judicial and Legal Service Act, Chap. 6:01."

And he says:

"So important are these offices in the executive function of the State and the Attorney General, that they are constitutionally protected."

He also went on to quote:

"“Before the Judicial and Legal Service Commission makes any appointment to the offices of Solicitor General, Chief Parliamentary Counsel, Director of Public Prosecutions, Registrar General or Chief State Solicitor it shall consult with the Prime Minister.”"

Who has a veto. He went on to say:

"“A person shall not be appointed to any such office if the Prime Minister signifies to the Judicial and Legal Service Commission his objection to the appointment of that person to that office.”"

So we want to thank the Attorney General at this point for demonstrating the weakness of our Constitution that in fact, constitutionally protected positions, important constitutional positions in our Executive can be politically eradicated by the simple expedience of a veto, or the simple inaction in terms of the appointment of that person. So there is this conundrum there; constitutionally protected yes, but they are politically eradicated because for years we are suffering in this country without proper appointments to these posts, people are acting, in a state of great insecurity, and that is a way in which this Executive can seek to control these important institutions. So I thank the Attorney General for clearing that up for us.

Mr. Vice-President, this one was a gem. The Attorney General said and I quote.

"I was not there when the Prime Minister exercised his veto earlier this year in respect of the appointment of a Director of Public Prosecutions. But that he had the power to do so cannot be doubted as it is expressly provided for in

the Constitution and before members of the public seek to condemn as the President of the Law Association has sought to do, the exercise of this power, we should all be cognizant of the fact that there should be a presumption that the Prime Minister will not act capriciously in making appointments to executive positions, in particular, to key executive positions."

So, Mr. Vice-President, we have the Attorney General advising us that we should be cognizant of a fact, and what is that fact? That there should be a presumption on our part that the Prime Minister will not act capriciously. I want to find out from the Attorney General what kind of neo-Nazi, fascist, supreme leader, mumbo-jumbo talk is that in Trinidad and Tobago in 2009? [*Desk thumping*]

Mr. Vice-President, how can the Attorney General tell us that we should presume that the Prime Minister would not act capriciously? We are a free people and we are free to talk, think and come to any conclusion we like, based on the track record, especially of the Prime Minister.

Do you think we forgot Marlene Coudray? Do you think we forgot the issues of the radio station licence and so forth, and the Maha Sabha? Do you think we forgot that? Why should we presume and take it as a fact that the Prime Minister would not act capriciously in these matters, when there is a rich track record where every Monday morning the Prime Minister is in the High Court defending some capricious act that he has perpetrated on some helpless public servant.

Mr. Vice-President, Lord Radio, a famous calypsonian in the 1930s, and even then under the colonial authorities he was saying—

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. W. Mark*]

Question put and agreed to.

Sen. Dr. J. Kernahan: I was saying that Lord Radio, a famous calypsonian in the 1930s, even under the colonial administration had to sing out and protest, as we have a strong and rich tradition in this country to do.

"They want to licence we mouth, they doh wah we talk". Because they brought a Sedition Act in the colony.

So by next year, in the next budget, are we going to have to pay a licence to talk in this country? Will we have to pay a licence to think; we have to pay a

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licence to come to a conclusion and we will have to pay a licence to talk. This is the implication of the Attorney General, you know.

This is frightening, Mr. Vice-President. And to support this supreme leader's mumbo-jumbo, the Attorney General went on to give some unintelligible Nancy story supposedly about some prominent person who cost the country \$1 billion. I do not even know what he was talking about and I do not care to find out.

Mr. Vice-President, this is another gem. The Attorney General said and I quote:

"In this era of judicial review and mistrust of institutions the veto is used. This is to my mind an unfortunate development and speaks volumes about the maturity of our institutions. Remember, we are not speaking about appointments to the judicial arm of the State over which the Executive has properly no control whatsoever; we are speaking of appointments within the Executive branch of the State."

So we have to examine every word that falls from the lips of the Attorney General, as he said, and quite properly so because this is fascist, neo-fascist talk. He brings the issue of judicial review in this context as if it is a bad era, of mistrust of institutions and therefore, the veto is used.

But, Mr. Vice-President, judicial review was introduced by the UNC administration precisely because the population, as our colonial heritage would have shown, had a strong mistrust, and rightly so of institutions. There was no transparency or openness. People could have done you what they wanted, behind closed doors and you would never know; demote you, refuse to promote you, fire you and so forth.

So the whole question of judicial review opened up a whole era of freedom and transparency in this country and yet, the Attorney General is saying that in this "era of judicial review and mistrust of institutions" the veto is used.

Mr. Vice-President, it is important for transparency, this judicial review system. And yet he is putting that out in this coded way, like if it is a bad thing and, therefore, they have to retaliate with the use of the veto. That is what the Attorney General has been implying "because you all have so much freedom now to find out this and to find out that, the Prime Minister now will retaliate with a veto." So he is saying from upfront now, that he will use the veto to get rid of people, on the list, whom he does not like.

But I do not think that the framers of the Constitution meant for the Prime Minister to use and abuse that power of veto without proper, open, transparent

reasons. This is normal in any society, any advanced country and this so-called advanced country status that they are aspiring to, people have tremendous rights to find out why, if they were advanced for a post by a commission appointed so to do, why they were not chosen for the post.

Mr. Vice-President, this is a very dangerous piece of neo-fascist talk by the Attorney General about this “era of judicial review”. It makes us think that they would abolish that after the next general election, if we were to put God out of our thoughts and let them go back there. They would abolish this whole question of judicial review because they are saying this is a bad era.

Mr. Vice-President, he also went on to say:

“...we are not speaking about appointments to the judicial arm...”

—but the Executive arm. What does that mean? What does his emphasis on this mean? Because it is the “Executive arm”, the Prime Minister is supposed to be able to do what he wants? The Prime Minister is God, he has divine right and he gets the message straight from above and, therefore, whomever he decides to put there and veto whomever he decides to veto, we should not question that? Is that the message? These are coded messages that we are getting in these statements by the Attorney General.

Mr. President, another gem was when the Attorney General said:

"I have been and I am currently liaising with the Judicial and Legal Service Commission to have this done with alacrity."

The appointment to the positions that he talked about.

“But I say for the record, cowards need not apply.”

Why? Because there are already enough cowards in the present administration, that is why they need not apply, Mr. Vice-President? How else do we explain that over the last seven years this administration has sat there and presided over a multibillion dollar money laundering enterprise in this country; has presided over white-collar crime and yet no white-collar criminal has been brought to the courts, no money launderers have been brought to the court; nobody is in jail for destroying the society, destroying the communities and putting guns and drugs in the hands of the young, black people of the East-West Corridor, and you are telling me that cowards need not apply.

The place is filled with cowards already and that is why nothing is being done about these serious problems in our society. I would advise the Attorney General

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not to talk about cowards because we are the most courageous people in the world; because of what we have withstood over the last seven years in terms of murders, kidnappings, brutality, disappeared people in the society who have never been heard of again. We have young children who have disappeared in the society and the Attorney General, this whole administration has not sought to set up a task force to work day and night to find out where our citizens have gone, and you are talking about cowards?

2.30 p.m.

This is one of the most cowardly, neocolonial and fascist administrations [*Desk thumping*] that we have had the misfortune to be saddled with in this country. I think that my time is running out. There is another gem we had here that I would have liked to go into but another day. My grandmother used to say, "Story deh to tell but time eh deh."

I have an article by Pastor Clive Dottin. It is a commentary in the *Guardian* dated Tuesday, September 22nd. The headline is "THE USE OR THE MISUSE OF POWER". It was so much to the point that I wanted to read everything in this article. He said:

"It was clearly time for a concerted and sustained intervention in the affairs of the Republic of T&T. We cannot go on like this. We should not and must not applaud or affirm attempts to tamper with our democracy."

He went on to talk about the Chief Justice's position. He said:

"Last Thursday, the Chief Justice was very clear and precise. He was not mixing matters and democracy must have smiled, even blushed, in her chamber..."

when the Chief Justice denounced the so-called Constitution that they want to impose on us.

"Let us focus on the comments of Justice Narine as they relate to Abu Bakr's allegations of a sweetheart deal with leading operatives of the ruling party, including the Prime Minister. Let us just analyse one paragraph of his statement that has gotten him into hot water:"

He quoted Justice Narine:

"The allegations made by Bakr are extremely serious. If they are true, they strike at the heart of our democratic system of government.' Of course, Justice Narine sent the file to the Director of Public Prosecutions..."

he is being lampooned by the Attorney General for that”.

He ended the article by saying:

“We are a nation in pain and our leaders must demonstrate concern for our security and not display a ruthless obsession for power. This is hurting and destroying us!”

This is Pastor Clive Dottin. Brilliant commentary. [*Desk thumping*]

We can yet save our country from the perfect storm that threatens us. Together, we the patriots of this nation will ensure that no neofascist constitution ever sees the light of day in this country [*Desk thumping*] because all our people rejoiced when an unconstitutional flight of fancy was shot down in full flight by a skilled archer, blessed by God with a powerful bow, a steady hand, eagle sharp eyes and a brave heart. God bless him.

As I was coming to this debate today, I listened to the radio. I understood that the Beetham had been locked down, since early this morning a lot of police, violence, brutality and so on. We have to understand that an important part of this so-called criminal insurgency in this country, is a war for resources and an important part of what is happening is that the poor must also be recognized as existing and having rights to the resources of this country. This is what is happening in this country. This is why there would be no peace in this country until there is social equity and justice.

I was listening to the radio, and it was reported that the residents were complaining about the protocols followed by the police in the exercise of their lockdown. No warrants. They were putting young children to lie down with guns at their heads. It was even said by one of the young men that tear gas canisters were fired off in his sister's house. There is a total lack of any kind of equity or justice in the way the police approach their work in the poor areas, as opposed to how they approach the work in the rich areas. In fact, they do not work in the rich areas. Sorry, I made a mistake there.

The police have their work to do in enforcing the law, but it must be done in an equitable manner, whether you are dealing with rich or poor. How come we do not hear police raids in the uptown houses, yachts, warehouses, boats and containers where the white-collar criminals bring in their drugs and guns in this country? How do we not hear about any raids in those areas? How come the “face of crime”, on 555 advertisements and so on when we see the faces of criminals on TV, are only young black men in the East-West Corridor? How come

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we do not see the other “faces of crime”, the white-collar criminals, the non-Africans in this country who are involved in white-collar crime and destroying the people of this country? How come we do not see them on TV?

There will always be war. There will be no peace in the society because the society is rife with social inequity and injustice and stereotyping. Poor young black people are used as the cannon fodder in this war as the rich gets richer and the poor gets poorer.

A young man that I heard on the radio just now said that he knows what is going on. He said, "We need ah new government, soldier." That is what he was saying to the reporter. "We need ah new government, soldier." I like how he talked. He went to the root of the problem. This country needs a pro-people party in government. It needs the UNC in government. This is what this country needs. The young man said it. "This country needs ah new government". "So talk yuh talk yuh mocking pretender."

Thank you. [*Desk thumping*]

Sen. Michael Annette: Mr. Vice-President, thank you once again for the opportunity to intervene in a debate that I think is critical to how we move forward as a people, a country and as a society, given the current economic climate under which we operate. Before going into some of the thoughts that I have and would like to share with my fellow Senators and those of the Government on the other side, I would like to start off by saying that my budget contribution will be premised on the facts that I believe, that philosophies, ideologies, theories and speculations cannot and will not find the pathway to our economic, social and political realities. I also say that the truth does not belong to any one group, be it the Law Association, be it the Head of the Judiciary, be it any political parties, be it Members of Parliament, be it the trade union movement, be it civil groups in societies. I make that point. The truth does not belong to any single group. If our debate is premised that I alone have the truth and the facts, I think that we would be flawed in our debates and then therefore, our end results would be flawed too.

Having said that, I want to start on a very controversial issue because I intend to be very controversial. I intend to speak the truth as I see it from where I sit and from my realities. That debate and statement I want to make has to deal with a letter that we call the Salmon Letter. I think that attorneys will know about what I am talking. Lord Salmon was commissioned to do an enquiry and a report on the role of commissions because commissions have a lot of legal teeth in any society.

What came out of that report, I think, is critical to some of the debates that are going on in Trinidad and Tobago. My attempt—because I have been making public statements on it because I think I have to make them—is to bring some sanity into the insanity as I see, that continues to be disguised as debates. It states clearly coming out of that, some fundamental principles. It says that if the commission is considering making any finding which is adverse to anyone or any company, that that company should have the right to know those allegations, to know about the evidence that is brought against it and to have the right to challenge those allegations.

When I hear the debate that is going on with whether or not UDeCott has a right to go to court, I begin to wonder if rights are only determined based on who you like and who you do not like, or if our Constitution which gives everybody the right under the law, to a fair trial and hearing is being put on the background on the basis of sentimentalities, emotions, special interests and special groups. I ask the question: If allegations have been made against me and I think that they are unfair, there is no evidence and foundation for the allegations, do I as an individual member given my fiduciary responsibility have a right to challenge any commission of enquiry?

I am saying that when we walk the street to say that we do not have that right, then all those who preach democracy and the law are walking down a pathway that is denying me and others our fundamental right to be treated fairly under the laws of Trinidad and Tobago. All those who want to challenge are free to do that because we have some rights that are enshrined in the Constitution. It states:

"It is hereby recognised and declared that in Trinidad and Tobago there have existed and shall continue to exist, without rights and discrimination by reason of race, origin, colour, religion or sex, the following fundamental human rights and freedoms, namely—

- (a) the right of the individual to life, liberty, security of the person and enjoyment of property and the right not to be deprived thereof except by due process of law;"

There are several other rights. My right cannot—and I make that without any apologies—be denied by any minister or government. That is my right. Yes a line minister or government if you are state enterprise can tell you to do certain things within the purview of that government and minister. For example, a commissioner of police can tell me what to do in terms of police work, but if someone abuses my rights as a police officer, can the Commissioner of Police tell that me I cannot

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go to court to get redress? Is that what we are saying? I ask that question. Or alternatively, if a police officer charges me and says that the charge is Michael Annisette was a "tief" and there is no evidence compelling or otherwise to support that, can that be a charge that goes before the court? I will leave it there because there would be no such charge as, you are a "tief". You have to bring supporting evidence before you are charged.

Having said that, I want to move on to some of the issues that I think are confronting the nation. The first thing that I want to deal with because I think that everyone talks about it, is the issue of diversification. It is a nice buzz word. It is the correct thing to say.

2.45 p.m.

I have been analyzing this question of diversification and I challenge anyone in this debate to demonstrate to me clearly where we have seen diversifications in democracies other than in those countries where there are military rules and/or quasi-military rules.

One has to remember—and I will draw references so that when we talk we understand what we are talking about. I have no issue with diversification, but what are we going to do to take us to that next level that will ensure that the GDP and other things that go with it are recognizable and that we maintain our standard of living?

I remember Jamaica, Barbados and several Caribbean countries, people seem to forget, they built a lot of infrastructure with the FZs and within five years they failed. Having said that, we need to find our solution in our country. We cannot look outward. What worries me in these debates is that at one time I hear that the World Bank and the IMF is the worst thing—no good, they do not care about people—and in another instance the same people quote the IMF and the World Bank. Convenience cannot be the subject of debates. It must not be. We must find our own solutions given our own historical antecedence. It is in that we will be able to take Trinidad and Tobago to the other level.

For example, I have a serious concern because I read in the newspaper that the hon. Minister of Finance made a statement: They can do what they want; the property tax is coming. I hope, honestly, that the statement was misquoted and that the hon. Minister will correct it. I am hoping and praying to God that it was a misquotation. If in light of all the complaints that you hear from all society—all different peoples from all walks of life—as it relates to property tax; if you are insensitive and you disregard those concerns, you do not have an idea of what

leadership is and what it means to carry a country to another level. If you disassociate yourself and your disconnection is not with the people, how can you pass laws to govern them?

We in the trade union movement do not support it in its dispensation. We believe strongly, given what is happening worldwide—and Trinidad and Tobago is not isolated from what is happening worldwide given the contracting economies and our realities—to put a property tax in the context in which the Government has placed it in this honourable House is to show disrespect to each and every citizen of Trinidad and Tobago.

I am saying that we need to think out what we are doing. I asked a fundamental question: How do you justify that someone who has retired; someone who has saved to build a house and invested in the house—he did not put it in the bank or anything—he is now retired and on pension; that person has to pay tax? What mechanisms are you going to use to determine the market value of the houses? What is the process and how are we going to deal with it? Are we going to deal with it with some technocrats in the Ministry of Finance coming up with some idea that that is the value of the house? Come on!

We are in the 21st Century and, if we are talking about participatory democracy, that cannot and must not be the approach to an issue that will fundamentally affect almost every citizen in Trinidad and Tobago. I appeal to the Government to withdraw it, think it through, set up a select committee, but, at the end of the day, involve those who will be affected by the decision in the process so that they would not feel left out. This is fundamental in any government moving forward.

I am moving on again. I am talking about positive things and the question of the shipbuilding pronouncement made by the Government. I was out of the country several months ago and was told that the statement was made and I made a public pronouncement against it. I was advised that I was misled and again the statement has reared its head. That concept has not been thought through. Trinidad and Tobago, because of its strategic trading position, is placed in close proximity to the shipping lanes between the West Atlantic and the East Atlantic territories; also the Panama Canal and the South America trading routes. This lends itself to shorter mobilization times and consequential lower economic cost to route vessels to Trinidad and Tobago.

We in the trade union movement and, more particularly, in the Seamen and Waterfront Workers Trade Union, have been advising the Government year in that, because of our geographical location, we are ideal as a transshipment hub,

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not only for containerization cargo, but also for air cargo and other cargoes that would generate, for example, ship repairs and container repairs, a lot of revenue that we require and need urgently in Trinidad and Tobago and, more importantly, the level of sustainable employment will increase.

As we are aware, Trinidad and Tobago is under the hurricane belt. As we are aware, we have several shipyards that have invested a lot of money in those shipyards. How do we then justify taking the shipyard to some other territory? I think again that the failure of the Government is to not involve and get stakeholders involved in discussions. There is this propensity to rely too much on technocrats and not the organizations and people who will have institutionalized knowledge of these issues. I call on the Government to rethink that approach on this particular matter.

I raise another issue which is fundamental to the offshore maritime workers in Trinidad and Tobago and even in the Caribbean. The industry is crying out for seafarers and officers. It is an industry that generates a lot of employment. For example, 17 per cent of the GDP in the Philippines comes about because they export seafarers and the remittance is in foreign exchange. I ask myself why we continue to neglect the maritime and offshore industry.

I make the point again to the Government that, up to 2007, we had trained over 5,000 seafarers, under the STCW 95 Rules and Regulations, but there are no jobs in the maritime sector for those groups of people. What is even more disturbing is that we spoke to the Government about amending Legal Notice 132 that gives foreigners the right to come to Trinidad and Tobago to work without a work permit, thereby placing local seafarers and offshore workers at a disadvantage.

For example, we sent a ship to Antigua with our seamen and they had to come off the ship because the laws there are clear that Antiguanians have to work. Venezuela is the same thing. In the United States of America, the Jones Act, same thing. How could we justify that over 1,700 ships have traded in our territorial waters and there is not one seafarer from Trinidad and Tobago?

We in the trade union movement are prepared to talk to the Government; we are prepared to work with the Government and other stakeholders to ensure that we get value to the benefit of the seafarers and offshore workers in Trinidad and Tobago. I raised that last year and I am back this year to raise it. Please pay attention to that industry.

Ninety per cent of world trade is done through the sea and there are over, from the last research that we have done, 4,900 ships to be built in shipyards worldwide. It brings me back to the question, if that is a fact and if we have the

facilities and skills here—and we do have them; we have certified a lot of workers in that industry—why are we not seeking to bring ships here and build them, so that our employment level will, in terms of sustainable employment, be real as opposed to going to another territory?

Another issue I would like to deal with is the question of industrial relations in Trinidad and Tobago. Industrial relations, contrary to what people believe, are fundamental to any country's development. It is a known and accepted international fact that if your industrial relations climate is not safe, the question of foreign investment becomes important and, therefore, the principle of social dialogue, which is dear to my heart, the question of the tripartite approach to industrial relations, must be placed on the agenda. We cannot talk about it and not do anything.

How, in that context, do we justify as a Government that you offer 3 per cent wage increases: year 1, 1 per cent; year 2 and year 3? If we are serious as a people and as a government, why make proposals that are vexatious and confrontational and that will cause disruption of the workforce and all the issues about productivity and efficiencies that we are trying to build will fall by the wayside? Why do we do that? If there are issues with the contracting economy and we need to talk about it, let us sit and talk tripartitely about how to deal with that.

3.00 p.m.

What could you say to justify that you are offering workers 3 per cent; year one, 1 per cent and year two, 1 per cent? Let me give you an example. I walked with the statement from the Central Bank. He says that he is trying to keep inflation down to 5.3 per cent. In the Minister in the Ministry of Finance's statement, Sen. The Hon. M. Browne, it says they are working at a 7 per cent inflationary rate. That is what he said in his document. The Government recognizes that inflation is going to go up. How could we be talking about Vision 2020? How could we be talking about setting up a first class country, but want to pay Third World wages? It cannot make sense. We have to be serious. We have to demonstrate in tangible ways, that we are serious in what we are doing. I do not want to negotiate here, because that is my role.

Headline inflation as you know, last year was what price? It was almost “31 point-something” per cent. What was core inflation last year and two years ago? If we go back to 2007, you will see that 15 per cent was offered to the workers over the three-year period. Given the inflation rate, we are still operating in a deficit, because the 5 per cent did not match the core inflation rate for the three-year period. Therefore, if we start off with a deficit, how would you then come in

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2009 and talk about 1 per cent? In other words, you are telling workers to be unproductive. That is the end result. That is basic economics. I know the Government may argue, and quite rightly so, but I would go to another direction with that conversation, that we have not sent home people. They may say that. We have a price between either sending home people or giving wages. The issue is, if there are no mechanisms to control cost of living in Trinidad and Tobago and if there is nothing that we have, nothing in place that will control what triggers off the increase in cost of living, you cannot justify paying workers wages that would not meet their basic standard. The whole philosophy of your purchasing power and maintaining it is a fundamental principle to the trade union movement and workers. That approach is flawed and I again call on the Government to withdraw those proposals. Let us be honest and be like big people and say: "Listen, given what is happening, I can only pay 10 per cent to 15 per cent. I cannot go anymore." Do not make those ludicrous proposals of 1 per cent, 1 per cent, 1 per cent. I make an appeal to the Government, because industrial relations is critical.

Again, I call on the Government to look at the judges in the Industrial Court. They have a fundamental role to play. They have paid their dues and, therefore, there needs to be some kind of security of tenure for those industrial court judges. You need to look at the judges' pension rights at the Industrial Court. We need to look at it. We have to look at it, because they are a fundamental pillar in the industrial relations landscape in Trinidad and Tobago.

Another issue I want to talk about, which no one spoke about, which has me disturbed, is the issue of the—I raised it last year and no one seemed to pay attention to what I was saying—raising the 2 per cent ceiling from \$8,000 to \$12,000 or \$10,000. I would prefer \$10,000. I raised that, in context that the people who will stand to benefit more are the workers, but in the context of your moving from \$450,000 to \$800,000. It sounds good, but when you analyze it, who tends to benefit from that move, is it the borrower or the lender? Given what is happening, you should target the persons who have to borrow the money, not the people who are lending the money. Therefore, it would make more sense for the Government to up the ceiling of the 2 per cent to workers with salaries of \$12,000 and not \$8,000. Again, I am asking the Government to re-look that, because the people who really need the benefits are the workers who have to go out and buy the homes; the middle-income people and workers who are on fixed income.

It brings me to another question, the issue of the minimum wage, those who are on fixed incomes and the pensioners. They have not received an increase in salaries for an extended period of time. I do not want to believe and think that the

Government would say: "Because of the contracting economy, we cannot extend increasing the minimum wage." The issue of whether it is \$20, \$15 or \$10 as my comrade said, I am not going to get into that, but I am going to get into the fundamental principle, given the fact that these workers have been devastated and also because people who are on fixed incomes such as single parents, most of them being women, stand to be placed at a disadvantage in this kind of contracting economy. There is a need, because we have failed to increase the minimum wage, to do it now. I deal with them on an everyday basis and they are crying out for someone to talk on their behalf.

Again, I am calling on the Government to treat with that and do not fall into the IMF or World Bank trap to talk about the economy contracting and that we cannot look at wages because that is a fallacy. What this crisis has demonstrated is that the question of decent wages and sustainable employment is the answer to this crisis, simply because when you take away workers ability to purchase, you affect everything in the society. What will happen to the goods and services if the workers do not have the ability to purchase those goods and services? Please, let us not go down that road.

Let us look at what China did. Let us look at the stimulus packages that we have seen across the world, where governments are talking about stimulating the economy, so that the purchasing power of workers will be maintained and the question of goods and services will not fall by the wayside, thereby causing massive retrenchment in countries. Everybody knows what China did. They invested billions of dollars into infrastructure and factories to keep them going, because the export market took a dip, to ensure that China's economy continues to grow. That is why China, Brazil and those countries can talk about a positive growth rate. I think it is a lesson for Trinidad and Tobago, as it relates to that philosophy, in terms of how we deal with this economic crisis.

I am begging; do not let us fall into the trap of having massive retrenchment, sending workers home and using the global crisis as a mechanism and means to take away the benefits that workers have gotten over the extended period of time. Let us not fall into that trap. In that context, the social dialogue is absolutely necessary. I am calling on the Government, that is the way we have to go. Let us not talk about it. Let us institutionalize it, so that we can move forward. We need to start to talk. We need to begin to trust one another. We need to start to forget: "Well, if crime go up, de Government go look bad, so I go come into power. Um um, dat is not de way in dis crisis." It cannot and must not be, because at the end of the day workers and the people have sense and they will vote how they want to vote.

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With respect to the crime situation, I have some concerns as a trade unionist and as a citizen of Trinidad and Tobago. It is nothing to boast about, it is something that we need to talk about, something we have to be open and honest about. The workers and citizens do not want to hear about all the measures that are being put in place. Workers and the citizens want to see tangible changes. We want to see more police on the beat. We want to see that we use our human resources in the police service in a way that is conducive to dealing with this crime situation in Trinidad and Tobago. It is not a nice thing. That is why I made a statement and everybody was vexed about it; no amount of marching and bad talking the Minister or who should resign will solve our crime situation. I am saying that in the context. Who are the people of Trinidad and Tobago? Many people forget that we are the country. The country is not the Government or the Opposition—[*Interruption*]

Sen. Rahman: “De Government doh know dat.”

Sen. M. Annisette:—or the Parliament. A society is about its people. If we have to change a society and we do not change our people, then a society cannot change. That is a fundamental fact. We could jib, we could jab or we could turn, that is a fundamental fact and if we decide to wash our hands and make it appear that everything is the Government and we do not understand that as a people, we are part of this society and, therefore, the fundamental changes have to come internally and from us, we are going to have problems. The fact of life is, as I always say, what is, will always be what is and it cannot change, regardless of what you do. Changes do not come about by legislation. Changes do not come about by bringing guns or speed boats; they help. If we do not have fundamental changes among ourselves, nothing is going to go forward. Those are some fundamental issues that I think we have to look at.

Another issue with which I have some concern is our inability as a nation to understand that each agency depends on each other. I would give you an example. An exercise was being done and we discovered that there are 20 different models of cars in the police service. Why should that be? More importantly, when you look at the other state enterprises, same Government, there are different models of cars. What that does is it puts unnecessary pressure on your finances, obviously. We must have a policy that speaks to a kind of coordination and continuity in that context. That simple issue that I am raising could save us about 15 per cent of the revenue that we spend on vehicles, because it lends itself to better procurement practices. Obviously, if I have a ship—I am coming to that—and there are different models, when you are going to purchase you would have to purchase

from different companies. If you have one or two models, it lends itself to a better purchasing power. It gives you an opportunity to bargain more with your suppliers. I think this is something we need to start to look at.

My concern is, again it would sound controversial, that notwithstanding what we put in place, the issue of productivity, efficiency and the understanding as a people that if I go to work for eight hours but I only work four hours and "ah figure dat ah smart", that is inefficiency and a waste of money too. Therefore, we need to start to understand that in this competitive environment in which we are operating, our survival is our competitive edge. I say it in the context that I have confidence in workers. I am not the person who believes that workers are lazy.

3.15 p.m.

When one looks at the kind of productivity that we see during the Carnival season, the questions I ask myself are: Why can we not embrace that? Why can we not understand that? Why can we not analyse it and understand what makes a person work and produce so much during the Carnival season and transform that philosophy and that kind of behaviour into our everyday lives so that Trinidad and Tobago can move forward? This is something that we need to look at. This is a fundamental problem in Trinidad and Tobago. The question of service to people is something that looks at servitude and then you have many problems. You could ask anybody about this. This applies to both the private and public sectors.

Licensing Authority: Somebody called me and said: "Mr. Annisette, how are they going to increase the Licensing Authority fees? What value I am going to get? I still have to go to the Licensing Authority and wait two, three and four days to get something." These are issues that we have to address, and this brings me to another issue which is the question of the ASYCUDA computer system for customs. This was supposed to be put in place since 1993, and in 2009 we are now doing test runs of that system.

I believe we are supposed to analyse and find out why in Trinidad and Tobago—with all the facilities and intelligent people. We have bright people here. We are very bright and talented—it is taking so long for us to institute such a system when Barbados came after us; Jamaica came after us; St. Lucia came after us; and Guyana has recently instituted the system. We have better facilities here and we have the resources.

Let me give you an example. In Jamaica, when the system was instituted their revenue increased to 200-something per cent and this happened in other countries. I think it is fundamental that we analyse why things in Trinidad and Tobago take

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so long to get off the ground when in other countries it can be done readily. Now, the system is a good system, and it is going to help with trade and development, which is fundamental.

Another issue for me that is going to sound controversial is that the time has come when we need to look at some of our government institutions in the context of how we do business, and whether or not the time has come for us to hold Ministers responsible in the true meaning of holding Ministers responsible. I have a concern when we come and make noise with the Minister of National Security or any Minister on any governmental matters. He does not have the responsibility, accountability and the right to intervene and deal directly with the people who are employed, and I have a concern with that. I think that in this new dispensation that we are talking about—in this new paradigm shift—that we have to move forward in terms of a society. We may very well need to rethink how we do business, and see if we can come up with systems that make it more people-friendly, efficient and more timely and, at the same time, find a balance without giving the Minister too many powers because the rights of the workers would not be protected.

I believe that we have the ability to come up with those kinds of solutions if we are serious about taking Trinidad and Tobago forward. It cannot be and it must not be—I am talking from a personal experience. More than 18 months now, I have put in for a licence to bring in tractor trucks at the Licensing Authority, and I cannot get it yet. That is a reality. Every time you write them it is some different kind of excuse. This is not only specific to the Licensing Authority, but this is something that is across the board in Trinidad and Tobago. I am saying that if we have to make those changes and be competitive—we could talk about diversification and all kinds of things, but if we do not make those fundamental changes and inculcate them in the minds of everybody that productivity, efficiency and competitiveness are going to carry us forward—

More important to us is the question that you do not want to have a first class world where you are paying Third World salaries. This must become critical and important to this country as we move forward. Those are the kinds of debates I thought we would have had coming out of the budget. I think from where I sit that those are the realities that are facing Trinidad and Tobago. When we talk about diversification, I ask the question—

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. M. Annisette: So, I was talking about the question of diversification, and this is something that had me a little worried. Sometimes the incentives that are being given—I look at some of the incentives that are being given to the business community, and I am wondering whether or not that is the way to go or whether or not the issue is how do we identify markets; the products for those markets; and how do we get the enabling environment for those markets. The issue is about markets and finding markets. If we do not have markets for our products it would mean nothing. I am saying this in the context that we know that we are competing against Asian tigers like China who can export goods very cheaply.

If we are to survive, and we are talking about diversification, what are we going to diversify? How are we going to diversify and how could we make ourselves competitive? What mechanisms can we use to find these markets? If you do not have markets for your goods, then diversification does not mean anything. I want to put diversification in that context. It is a nice word and it sounds pretty, but those are the realities of diversification. If we do not have conversations on it, then diversification would be just what it is, diversification. All the Caribbean countries have attempted to diversify in some form, shape or fashion. Do the analysis and you are going to see what has happened. So, we have a task ahead of us when we are talking about diversification. How are we supposed to move forward as it relates to diversification?

Another issue is the maritime issue which I want to bring back. Given what is happening with trade, could it be that we in Trinidad and Tobago or even in the Caribbean can look at developing our maritime and shipping industry to the extent that we are not dependent on the outside world for trading as it relates to the Caricom region, as opposed to saying that we are carrying the shipyard to some other country? I am throwing that out.

Years ago, I know we had the *Federal Maple* and the *Federal Palm*, and given all that is happening now, this is something that we could put on the table. We could evaluate and review it to see if it would assist. It could assist in the context of employment. As you may be aware, we had over 10,000 ships that traded in the Caricom region, and we did not have as much as 1 per cent of Caricom seafarers on any of those ships. I am making the call in the context that Caricom governments need to look at it.

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I am concerned—I hope I can get an answer—that Caricom is now involved in trading talks with Canada, and to my great surprise, Caricom governments have left out the question of labour and the environment in the trade talks. This is a fact because I have it here.

My comrades from Canada wrote me on this matter as the Vice Chair of the Latin American Caribbean Region of the ITF. They have expressed some serious concerns about this matter. They are asking whether the governments of the Caricom region are aware of what they are doing and what they are exposing workers to.

Sen. Browne: Thank you for giving way. With respect to the issue of the conversations we are having with Canada, I have the pleasure to say that we initiated a preliminary discussion prior to us agreeing on an agenda. The agenda does, in fact, include a number of areas. In fact, we have a whole list of areas to discuss and we do have an agreed agenda.

The Canadians have put forward some items and we have put forward some items. We have agreed that we are going to talk about it all. We have specified what we would not like to agree on and the Canadians have specified what they would not like to agree on. What we have indicated is that we would not want to enter into any agreement which entails specific penalties for agreeing to labour agreements or labour rights as, for example, what has happened in the case of the Canada/Peru agreement, where Peru had agreed on a particular item which is included in their trade treaty and they are being charged a penalty for not agreeing with it. We wish to be in no such agreement.

A trade agreement is about facilitating trade. It is not about establishing penalties which are to be paid between countries, because we have not followed through with agreements. We are signatories to the ILO Conventions and we would operate in accordance with the ILO Conventions. I just wanted to bring that point to your attention.

Sen. M. Annisette: Thanks for the clarification but, as you may be aware, even with the G-20 and the World Bank—those institutions that we condemn a lot—the issue of having labour and the environment on these agreements have become mandatory. So, to be quite honest, we have difficulties that you would leave out the issue of the environment and labour rights. Just simply saying that we have signed on to conventions does not really solve the problem. We need to have that enshrined in our discussions so that the issue of the abuse and the misuse of labour rights would not suffice, because all the other big institutions

have recognized that as a fundamental issue. It is an issue that the ILO has ratified in this convention and the sitting we had this year to make the question of labour rights part of any trade discussion on agreements.

The point I want to make again is the issue of decent work which is a fundamental issue that has been subscribed to even by the WTO. I need to let the Government know that we do not want to go down that murky road of trying to exclude labour from those agreements. This brings me to another point which is the issue of having labour representatives as part of your team. This is something that has been ratified. For some strange reason, the Government continues to exclude labour from these discussions and talks.

3.30 p.m.

I make again the point that if we are serious about tripartite; if we are serious about moving the country forward, labour cannot and must not be seen as a convenient tool, but labour has to be part of the discussions, as I have always said, from the initial stages, not after you make a decision.

This brings me to the issue of the 10 workers that were dismissed. I think that given the information I have, I want to condemn the actions of the management of the Public Transport Service Corporation, and I hope that the Government will look into it to ensure that those workers are put back on their jobs immediately. In order to demonstrate that we are serious about working and having the kind of industrial landscape to move forward, all those issues involving WASA workers, PTSC, are issues that we believe should be dealt with expeditiously, so we can get those out of the way, so we would not have that baggage, so we could very well and seriously sit and deal with the issues that are confronting us, as a people and as a society.

The other issue that is a concern to us is, how do we move forward in this economic crisis? It is something that has me concerned. I am not the one that would say that the Government has done nothing good at all. The Government has done several good things and the Government has made several mistakes. That is a fact, because we are human beings and the only people who do not make mistakes are people who are dead.

Life is dynamic, life is evolving and as long as you are living, you are going to make mistakes. There is no society that is perfect; none whatsoever. I have travelled to several countries; none whatsoever is perfect. Great America, 70 million people, no insurance, and the President says we have to include them and there are people marching and saying, no.

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What is important is that we identify our imperfections and try to deal with them. I think that is what is critical, because if we get ourselves involved in “who right and who wrong”, that is where we have the conflicts, because ideologies come into play; personalities come into play; people begin to hold on to their turfs and territories, and the fundamental issue of taking the country forward is put in the background, and it becomes an egotistical approach in dealing with people's problems. Let us try to avoid the blame game. Let us try to demonstrate to the people of Trinidad and Tobago that we at this forum, are serious about changes, we recognize what is happening and we would agree to disagree.

I have a concern. No matter where I go, irrespective of all the faults that we have—and we have faults in Trinidad and Tobago, but we have some very good things too—I will continue to defend Trinidad and Tobago, because I am a proud Trinidadian. I am not going anywhere and in any country, to “bad talk” Trinidad and Tobago. I am not doing that. I want to make that clear.

I am going to say my piece here but when I go outside or any institution comes here, I would talk glowingly about Trinidad and Tobago. For Trinidad is my land for which I am proud and glad. [*Desk thumping*] Time is running out.

I want to conclude by saying, we have done some studies. Tourism is another area that you need to look at. The North Coast is something that you need to look at. We have been talking to villagers there. We, in the trade union movement have been talking, because as you may be aware, we have partnered with the private sector to develop business and to ensure that our workers get jobs. I hope that it is a philosophy that would be supported by the Government and my good friend Sen. Wade Mark and the others, because we see that as the new dispensation.

You should not outsource jobs and displace workers. If you are outsourcing jobs, you cannot retrench workers and outsource the job to somebody else. Our philosophy is, if you are going to outsource jobs, thereby displacing workers, and you are bringing in new workers to do the same job, you must give the union and by extension the workers, the opportunities to do the works. Whether they set up a special business company or whatever, that is our philosophy that we share and we believe that the Government should look at it.

So, we want you to look at the North Coast. There is an opportunity for us to grow our industries; the fishing village, because that can generate employment and it is something that the Government could look at realistically in terms of

diversification, because it is home grown and it could develop the villages, thereby giving sustainable employment to those villages.

I want to thank you for the opportunity of sharing my views as I see them.

Thank you.

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Thank you, Mr. Vice-President. I wish to join this debate, and first of all, as is normal, I wish to congratulate the Minister of Finance and the Minister in the Ministry of Finance, on the presentation of the 2009/2010 budget.

The year that we have just completed has been a very challenging one for all of us, both developed and in fact, developing countries. Therefore, to be able to maintain that which we have, puts us ahead of almost every other country. Trinidad and Tobago has in fact, experienced some very interesting challenges, which the Government is addressing, because it is what you would expect from a government, and we take full responsibility for what we must do.

During the course of the debate, many Senators raised a number of questions about the energy sector, and they range from revenue projections, understandably so; stimulation of the sector, very correct; questions on volume and price and other observations relevant to this debate. So, time permitting, I propose to provide the Senate and by extension the national community, with some information on the following matters.

I will of course, begin by giving you some information on the global recovery status including a look at energy costs over the last few years, energy prices, gas production and quantification, a major part of the Trinidad and Tobago's economy. I will then turn my attention to plans for the fiscal year 2009/2010, where we would examine among other things, the proposed fiscal regime for Trinidad and Tobago, the search for new wells, some specifics on drilling activities, which is basically intended to balance some of the views that are taking place.

We will talk a bit about natural gas, fuel development, enhancing current oil production and of course, the whole question of the competitive bid round for 2009, and the timetable for going into the market. We would also spend a few minutes if we can, on the LNG business, production revenue expansion. I propose to also deal with the matter of cost, especially in relation to infrastructure development; that has been very topical these days. Some thoughts on renewable energy CO₂ caption, sequestration and storage; the matter of the international community and our initiatives there.

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If I have time—and I am sure I will not, but anyhow I will see—I will report on the quarrying industry, its challenges and prospects for the future. So, that is what I propose to do. Of course, I would conclude with some comments on the future.

Before I do that, during the course of the debate, Senator after Senator stood here and spoke in a way that created for me, some concerns because they said that the Government had not done a very good job in explaining what it does and how it proposes to achieve it. So, let me take some time just to ensure that we all understand what the Government is seeking to accomplish.

I want to say that particularly in the context where many commentators are saying we got nothing, we got nothing. Let me start where I think we should start. The Government in 2002, presented to the national community a strategic plan called Vision 2020, and what Vision 2020 is—is a simple thing—is developing all our people, building a First World nation, and doing that in a particular way.

Insofar as developing all your people, you are basically focusing on education, and you are putting significant resources in education. When you are building a First World nation, you are talking about focusing on the social sector, national security, infrastructure, housing, health and agriculture, as your primary movers.

In that context, you are seeking to position Trinidad and Tobago in the global world. The way you get the revenue to deal with that is from a few sectors, which are the sectors for economic growth, and it starts with energy; manufacturing of both types, traditional and non-traditional services, agriculture, people sector. So, that is basically the big, big picture.

There was plenty discussion as well on accounting for the resources, so let us talk to that for a minute. Every year we come here and we provide a number of documents and Ministers come and they talk about their portfolios, but the real accounting is really contained within those documents, and they are available for everybody to see, and every single cent that is spent, either up, down, around, beyond, underneath, is in fact, recorded there and dealt with.

Let me deal with economic issues. I want to deal with it in the context of answering a particular question: What has happened to this economy? Because we have a significant number of experts talking about these matters in different ways. So, let me put it in this way.

In 2000, the size of this economy was \$51 billion; 2006, \$115 billion; 2007, \$132 billion; 2009, we are talking about \$133 billion. I have heard questions of

gloom, doom, all kinds of issues, but I do not know that if you are moving from \$132 billion to \$133 billion that there is any doom inside there.

In terms of revenue—and this is an interesting one, because the revenue that you get allows you to do more. So, in 2000, you had a country budget of \$12 billion; 2003, it moved to \$17 billion; 2005, \$29 billion; 2006, \$38 billion; 2007, \$40 billion and 2009, we are at \$37 billion. Now, that is what we propose to spend this year; \$37 billion. Well, no, we have \$37 billion in revenue, but we propose to spend \$46 billion this year. All on the people of Trinidad and Tobago.

Let me tell you how that \$46 billion is made up: wages and salaries, \$6.8 billion, that is what we are spending, that is what we are committed to doing this year; goods and services, \$6 billion; interest payments, \$3.9 billion; subsidies and transfers, \$19.8 billion and then capital expenditure on the PSIP, \$4 billion and on the IDF, \$5 billion.

So, in a real sense therefore, that is how we propose to spend the revenue that we have, to maintain the levels of activities in this society on the basis of our particular objective. I think that it is important that we spend one minute on this thing about subsidies and transfers, because that is where the biggest issue is.

Subsidies and transfers, as a cost, is where we support our number one priority, educational institutions. Inside there you have the University of the West Indies. We talk so very highly about expansions, about extensions, about how is it that you cannot get a place inside there. Where do you think all that cost is coming from? It is the Government paying for it, and that is where it is going.

3.45 p.m.

You have the University of the West Indies; you talked about the University of Trinidad and Tobago; you talked about higher education loan programme—all of that continues; you talked about grants to government assisted secondary schools; that is where the moneys are going. Let us talk households. I heard Sen. Mark say “this is a budget that is doom and gloom”, well, guess what, we are continuing with public officers pensions and gratuities, we have not changed that; subsidy re the sale of petroleum products, we have not done anything with that; old age pension, social assistance, disability grants, absolutely nothing with that, that continues. Then you have other transfers: Government assistance for tuition, Regional Health Authorities, infrastructure development, national social development, et cetera.

The only point I am making in this particular matter is that those who come and say that the Government has nothing for the poor, the Government has

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nothing for this, that and the other, that is not true, because the \$46 billion you are committed to, in circumstances where the rest of the world is facing challenges continues in the year 2009/2010.

I want to leave that there and go back now to energy. The International Energy Agency projects that global oil demand will increase in 2010 by 1.7 per cent or about 1.4 million barrels per day to 85.2 million barrels per day, as the world economy emerges from a slump that has caused two years of declining consumption. That is the International Energy Agency. Now, if they are wrong so be it, but that is what they are saying. As a result, they predict that world oil consumption will grow year after year. In the fourth quarter of 2009 the first such growth in five quarters, that is what they are saying.

Reputed economic energy analyst, Business Monitoring International, also shares a similar view. So it is not one, it is two, and they predict a 2.3 per cent rebound in global oil consumption with OECD demand of 1.3 per cent and non-OECD usage around 3.2 per cent higher for 2010. The long-term energy trend suggests that the world natural gas consumption will increase by an average of 1.6 per cent per year from 106 trillion cubic feet in 2008 to 150 trillion cubic feet in 2030.

Mr. Vice-President, it is important to note that many of the various forecasts are suggesting that natural gas will remain an important fuel for electricity generation worldwide, because it is more efficient and less carbon intensive than other fossil fuels, and this is after adjusting for new supplies coming into the market. This is what the experts are saying. The volatility of the current oil and gas prices, of course, having understood that, is indeed, some cause for concern to Trinidad and Tobago as our economy and our country is fuelled by the energy industry. As you know, the original 2009 fiscal budget outlined in September 2008 was based on an oil price assumption of \$70 per barrel and a natural gas price of \$4 per million British thermal unit. The Government subsequently revised the budgeted crude price to \$45 and \$3.25; in 2010 the Minister of Finance is using a price of US \$55 for oil and \$2.75 for gas. Crude oil has increased from its low of \$30.28 on December 23, 2008 peaking at \$73.68 on August 23.

According to the United States Energy Information Administration, the price of WTI crude is expected to stay roughly flat at an average of \$70 per barrel in the fourth quarter of 2009, and subsequently projected to rise slowly as global economic conditions improve to an average of \$72. So it is moving from \$70 to \$72 more or less, we have used \$55. In relation to natural gas, there are four prices globally. The benchmark prices at the Henry Hub are projected to remain modest amid abundant storage and reduced demand for gas globally.

Let me talk about this for a minute. While gas was increasing in price something was happening in the United States market where unconventional gas was in fact coming on to the market. What that did is that it created for LNG natural gas a demand that was not increasing at the rates that we had seen before, because what was happening is that Shield Gas, as it is called, was in fact filling the need for other supplies. The upshot of that is that while you have this demand taking place, what you are going to see is that there is not going to be the kinds of high prices we had before because the demand equation has changed. It does not mean that there is not a market for it. *[Interruption]*

But to replace the gas at this point in time requires some conversion that they are working on, so that all of those current contracts that are in place still are, because they are in that way and Trinidad and Tobago—

Sen. Rahman: More deficits to come.

Sen. The Hon. C. Enill: We have two issues: The first issue we have is this, any country that has an objective of insuring that its people have a better quality of life as we are seeing in some of the larger countries—India, China and so on—by definition must use energy. *[Interruption]* Therefore the issue that we face now is that we still have a significant amount of resources as it relates to hydrocarbon production. The problem now is the cost of bringing it.

We will talk a bit about diversification just now—but for 2009 gas prices at Henry Hub averaged at \$3.85 up until September 14, with a high of \$6.07 registered on January 05 and a low of \$1.84 on September 04; for September 2009 to date, prices have averaged \$2.28 well below the year-to-date mark. The Natural Gas Market Review 2009 by the IEA projects that for the first time in fifty years the world would witness a drop in global gas demand. We understand that.

Standards and Poor's predicted in a report this month that benchmark natural gas prices will average \$3.75 for the rest of the year and may climb to \$4.50. But understand this is only as it relates to the Henry Hub price in the United States. Now let me deal with that one time.

Sen. Rahman: Russia is coming on stream.

Sen. Browne: Russia is already on stream.

Sen. The Hon. C. Enill: No, Russia is already on stream. *[Interruption]* The natural gas discussion is one that we need to understand because it explains why the Government understands the price issues. If you look at Henry Hub, for example, when the Henry Hub price was being quoted at \$6 within the United

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States market—which is how they arrive at Henry Hub pricing—you had in El Paso at a time when they were quoting \$6, \$2.84; in Chicago \$6.20; on the north east city gates, \$7.32; and in California, \$8.40. So within specific areas within the US market the prices are different.

So, the Trinidad and Tobago gas, going into a destination does not necessarily follow the Henry Hub quoted price. Additionally, there are four gas terminals in the United States, one in Everard, Boston, one in Cove Point, Maryland, one in Elba Island, Georgia and one in Lake Charles. Again, these terminals have prices there that are higher than, or in some instances lower than and these prices when you get them are impacted by what is taking place with the amount of cargoes that are going into the situation.

So when we calculate all of that on the basis of our understanding of where we are going and what we are doing, we are in a position to tell you that the price that we used and the numbers that we have used are more than likely to give us the results that we have anticipated. Of course, like everything else, we can in fact be wrong and if that is the case then we will have to deal with it.

But let me just talk about global markets. There are four basic hubs around the globe in which prices are dealt with. In the US the price is referenced by Henry Hub; in the UK the price is referenced by the national balancing point; in Europe it is referenced to the Zeebrugge in Belgium; and in Asia the price is based on the Japanese crude cocktail. The Japanese crude cocktail and the Zeebrugge are linked to fuel oil and gas oil, so those prices follow what takes place with fuel oil and gas oil. In the United States, it is slightly different.

In that regard, just so you would understand a bit of how this market works, during the course of the year we were able do to a couple of things and it is still available to us. In 2005, 90 per cent of our gas went into the United States market and stayed there. By 2008, here is what occurred, 39 per cent went into the US market; 28 per cent went to Spain; 4 per cent to Puerto Rico; 2 per cent to the Dominican Republic; 11 per cent to Mexico; 2 per cent to Argentina; 6 per cent to Japan; 4 per cent to Korea and 2 per cent to India. So what happened is that we were able on the basis of cargoes that were available to us, to place these cargoes in markets outside the United States and therefore benefit from higher prices that exist in other jurisdictions. So the Henry Hub price, while it is a marker—

Sen. Rahman: Caricom areas, you did not try—[*Inaudible*]

Sen. The Hon. C. Enill: No, the way it works is that you explore, it goes into the Atlantic LNG units and the companies determine where it goes. It is contracted

and it goes into the United States or wherever it is. Remember that these companies that do business here have global businesses. They operate in 60, 70 countries around the world.

So, if there is a requirement for a cargo in a specific area that came up then we are able to track those cargoes and move them to those jurisdictions. We had opportunities like that during the course of the year, and therefore it is on that basis the gas moves around the world. When you talk about the Caribbean you would really talk about the Caribbean in the context of oil and what Petrotrin does, but that is no longer on the agenda, because PetroCaribe basically offered products at financial terms somewhere in the future and most of the countries took it, so the way that we decided to deal with that was to upgrade the refinery, determine what the requirements were for dealing with the US market which pays you a higher price and try as far as possible to get the product into that market. Right now we are getting a price for it but we are not getting top dollar. We are getting something for it. As it relates to that particular business, that is what basically happens.

Mr. Vice-President, the energy sector requires an extremely high level of focus and special attention. It is a very costly business, and therefore our efforts are involved in the following issues. The first one is changing our current hydrocarbon production equation. Right now, if you for example, look at the hydrocarbon production in Trinidad and Tobago and you look at gas versus oil and you basically convert them to barrel of oil equivalent, you will get something like this.

4.00 p.m.

You will get that on the oil side, we are doing 130,000 barrels per day; on the gas side, we are doing 700,000/800,000 barrels per day. That, we think, is not a correct equation. We feel that it should be in balance, and therefore, that is one of the things that we are looking at. We are also looking at completing the fiscal regime, which is intended to respond to our market structure. Now, we will be talking about this for a very long time and it is an extremely complex issue, and we are at the stage now where we have done something. We have released it to the companies, and the companies are responding to us.

Sen. Dr. Nanan: I was not sure what are your figures. You said 130,000 barrels of oil per day, but you said 1,000 barrels of oil is equivalent to natural oil. I think your figure might be a little off there.

Sen. The Hon. C. Enill: Sorry. What I meant was that, if you convert, I think it is 4.2 billion DCF to oil equivalent, then you have oil of 120,000 barrels per

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day—so that is the oil side—and the gas equivalent of that in barrel of oil equivalent, is somewhere about 700,000/800,000 barrels per day. So it is 8:1 relationship and we think that the relationship needs to change a little bit, especially based on what we see. So we are dealing with the fiscal regime.

Now, you would recall that on the last occasion when we went to the market, we failed. And the reason we failed is because globally, our fiscal terms were not competitive. In fact, the truth be told, we were in the highest levels of taxation, and therefore, companies simply moved their business to where they were getting more for capital employed. Therefore, we are taking the view now that we want to be competitive because capital goes anywhere.

I was in London listening to a presentation and I was appalled, because the Minister from India I think it was, got up and said, "Well, you know, I am here, what do you all want? We need you inside there. What are the terms"? So the business is getting very competitive because people recognize that the technology that is available today, allows you to have a certain kind of certainty when you go into acreages, but what makes it work, is the return that you get on the dollar that you spend in drill bits in that kind of activity.

Sen. Rahman: If we ask for extra rolls to make it cheaper, what are we doing about that?

Sen. The Hon. C. Enill: I have no idea. So that is what we are looking at.

Completion of our efforts at infrastructure development: Companies that come to invest want to know that you have infrastructure in place, and therefore, we are in fact looking at ensuring that that infrastructure development is available. One of the challenges we face today, and we are seriously looking at it, is the question of the challenges of the environment, juxtaposed against our sustainable energy activity. Now, the energy sector is the most environmentally disastrous, but it is not as disastrous as for example, coal in the United States and they have a significant amount of that, or oil for example, and we are in fact spending some time on this, simply because we understand what is happening with small island states as it relates to this particular environmental issue. Of course, we are looking at the emergence of national oil companies globally, that are in fact competing with IOCs. So we are working with companies such as Petrobras, Statoil, Sonatrach, Petronas. They are in fact discussing with Petrotrin and some others.

Technology and expertise, especially as they relate to our deep water exploration activities, because we know for example, that the kinds of investment

that you are looking at here, one investment casually looking at it, is somewhere in the vicinity of US \$5 billion and it is going to take six to eight years before you get any return on it.

Sen. Dr. Nanan: How is this new intervention of Petrojam with this ethanol-based fuel going to affect our refinery?

Sen. The Hon. C. Enill: What?

Sen. Dr. Nanan: Petrojam—that is in Jamaica—is now selling ethanol-based fuel, how is that going to affect our situation?

Sen. The Hon. C. Enill: It will not, because the refinery is going to produce to specifications, and then we import to any of the markets. If I understand it, the Brazilians have entered into an arrangement with them to produce similarly to what they are doing with us. We are looking at them for example, to help us with heavy oil. We have a significant heavy oil portfolio in Trinidad and Tobago, and they have the expertise. So, we are still in discussions on it, but that is where that is going. So that wherever there are specialized activities taking place, we are looking for wherever you have the best companies in the world and we are trying to partner with them so that in fact we can get there as quickly as possible.

Now, let me deal with the issue of gas production and quantification. The recent gas reserves audit results—contrary to Sen. Ali—have as usual, prompted much discussion as the proved number decreased to 15.34 trillion cubic feet, down from 16.99 the year before. The volume of gas produced during 2008 was 1.5 tcf, at an average of 4.1 billion cubic feet per day. In English what this means, this is almost the exact amount of the reduction. So whatever you are reducing the reserves by, you are in fact [*Inaudible*] But let me talk about how we are dealing with that kind of activity.

During 2010, based on the work plans that we have developed with the companies, there are plans to drill four exploration wells and about 72 development wells. Of the four exploration wells, two will be onshore and two will be offshore, and of the 72 development wells, 52 will be onshore and the 20 will be offshore. The offshore exploration drilling will be done by EOG Resources in the SECC block with the Deep Pelican well, and BGTT is the other operator to drill a commitment well in Block 5(c). The onshore exploration wells will be drilled by Petro Dena in the Central Range Block, and by Primera in the Cory Moruga Block.

The companies doing the onshore development drilling are Petrotrin with 12 wells, API Pipelines with about 25 wells, and Petrotrin lease operatorship farmout with another 15. This is where they engaged with small contractors and have a

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joint venture relationship, so that they can in fact—because a lower cost of operations bring those wells in. The offshore development drilling will be carried out by BPTT, EOG Resources and Trinmar, whose plan is to drill between six to 10 wells in 2010. The estimated total expenditure of all these drilling activities based on our current costing, is around US \$8 million or approximately TT \$5 billion. This is activity planed for 2010.

Let us now turn to natural gas development.

Sen. Mark: I am just concerned about this fiscal incentive regime and the impact of it on land producers, small land producers in Trinidad and Tobago, and the offshore in terms of the larger corporations. I am concerned about the timing and when do you foresee the Government being able to finalize a new fiscal regime. Because what you have just outlined is very optimistic, but from the feedback I am getting, the companies are not going to go out there unless you provide them with greater incentives. So I wanted to find out what is the proposal by the Government.

Sen. The Hon. C. Enill: Where we have reached now on this particular exercise, is that we are at a stage now where we have developed a package, and we have brought that package to the attention of all the stakeholders. There are two regimes that we use in Trinidad and Tobago, one is the exploration and production licence, and it is to that we are currently addressing our attention and that is the biggest players around—BP, EOG, Petrotrin. But then, there is another device that we have called a production sharing contract, and the production sharing contract is a lot more flexible, in that it allows the Government and the contractor to sit down and negotiate terms and contracts within a specific time frame.

So that really is not much of a challenge, because on an ongoing basis you sit down, you discuss that, you deal with that and then you get all—So a lot of this is taking place within that context. A lot of the activity that you are talking about here is obligatory as a result of work plans that we have approved, and we have approved it under this particular regime. The one that we are talking about is new acreage into a different frontier and that is the one that we have to ensure that the fiscals are right, because if they are not, then we lose the opportunity and it goes elsewhere, as we have seen earlier this year. All right? So, I will get back to that just now.

Sen. Oudit: In light of the 50s and the 60s where we followed that industrialization by invitation with Sir Arthur Lewis, it turned out that just a couple years ago we realized that the contractual agreement really put Trinidad

and Tobago at a disadvantage. In light of the new frontiers and new contracts, my only hope is that contractual arrangements will be to the benefit of the people of Trinidad and Tobago.

Sen. The Hon. C. Enill: Well, we have two principles that we operate by and they have served us well, and they are as follows: the first one is that on these matters, we seek to find people globally who have no contacts with these companies. So, for example, in this case we are using an international consultant that works for governments only, Dr. Pedro Van Meurs, and we operate on two principles. The first one is that we want the sector to remain internationally competitive because that is the business. But the other one is that we want to ensure that the people of Trinidad and Tobago get the best benefit.

Now, sometimes we get it right, sometimes we do not. Over the last couple of years, we got it right. But what happens is that as the global marketplace changes, as it moves from where it was before to where it is now—and I am going to talk about some cost issues just now—we have to respond, and the real challenge that I face is that in many instances our ability to respond is not what I would like it to be. But that is a different issue. [*Interruption*]

Sen. Rahman: EITI will help the situation—[*Interruption*]

Sen. The Hon. C. Enill: No, it will not.

Sen. Rahman:—when you get more information from all over the place.

Sen. The Hon. C. Enill: No, it will not. It is not that. It is the institutional arrangements. So, Mr. Vice-President, just to finish this, natural gas field development which is where I was. BGTT's NCMA's Poinsettia Development Plan, Phase 3, involves the installation of a fixed platform over the Poinsettia field, and the drilling of four horizontal production wells from that platform. That of course, is expected to yield 161 scufs additional productions. BGs ECMA combined Development Plan, Phase 2, drilling commenced in March 2008, with five developmental wells, and plus 13 were drilled—plus 13. The additional production from this drilling is 282 million standard cubic feet per day, as of July 2009. BPTT Cert Field Development spud on December 2008, proved 155 bcf of reserves, leading to that field development. They are working on that now. Drilling on one out of five Tan wells commenced in June 2009. Production from this platform is 650 scufs. Drilling is expected to be completed by April 2010.

BHP Block 2, Angostura, actual cumulative progress for this project as of July 2009, 33 per cent against a base plan of 31 per cent. Forecast first gas date, March

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2011. We have some ongoing activities as well, BGTT, CVX block 6, Manatee discovery a cross-border field development, plan in progress. BGTT Central Block, planning for Baraka and Baraka East Field Development in progress. BGTT Block 5(c) operatorship of block changed hands. We had the Canadian Superior issue, it has gone to BGTT and the reassignment of the block is in progress. BPTT block 5(a), the Manakin discovery. A road tank wagon was set up to determine the resources on either side of the Trinidad/Venezuela border. Work is ongoing on that particular matter.

4.15 p.m.

Of course, EOG Resources, the SECC block: the Deep Pelican exploration well is being planned to spud in January 2010. If it is successful, we will open up additional drilling activities in that block. Then we have BHP Block 3: Ruby/Delaware discoveries have commercial potential. This block is in market development.

So as it relates to gas production, quantification drilling activities taking place, we do have a plan and, on the basis of that, we feel reasonably sure.

Let me just deal though with the question asked by Sen. Mark. We intend to offer several blocks for competitive bidding and we intend to have these blocks available for the first fiscal quarter of 2010. That is for the competitive bid round. Six blocks are to be offered; four on the North Coast and two on the East Coast. On the basis of what we know, the blocks offered all have potential for discoveries of gas; that is what our technical data is telling us.

There has been a deliberate strategy of the Government, as quite a few gas prone blocks were offered and awarded in the last three rounds. The potential of the blocks being offered are high. On the basis of independent data, we are of the view that more than a trillion cubic feet of gas in the NCMA 2 block and the NCMA 4 block exists. Two confirmed discoveries and a seismic data set tells us that the prospects are bright. Block 4(b) already has a 3D seismic data set, and gas accumulations have, in fact, been identified. Therefore, from award to possible production would be less than the normal seven-year time frame, depending on market availability, which is key in this expansion. On this basis, therefore, we are quite confident that our expansion of gas industrialization, the resources that we require would be there.

The exploration agenda for oil is also in gear. The onshore acreage, which was awarded in the first fiscal quarter of 2009, is now being explored. We did a lot with them. Mr. Vice-President, 2D seismic has already been acquired in the

Central Range blocks and several prospects with estimated total recoverable reserves of 100 million barrels have been identified; 3D seismic will be acquired over those prospects to confirm their potential, before the commencement of drilling in the second quarter of 2010.

The Guayaguayare blocks, which were awarded—these were blocks that were awarded during the course of the last 12 months—also have the potential to produce both oil and gas in the short-term, as the required data for exploration already exists in the blocks. So there has been work going on, as it relates to this sector, and this is the result of that work.

Let me return for a minute to LNG. The total LNG production for the four Atlantic trains for the period ending October 2008 to July 2009, was 3.2 per cent higher than the previous corresponding period. Exports were 5.2 per cent higher over the same period. During the fiscal period, 36 per cent went to the US, the other went to Spain, UK, South Korea and so on.

In addition, other importers were the Caribbean: Dominican Republic and Puerto Rico; Asia: China, India, Taiwan, and the rest going to Mexico, Argentina, Brazil, Belgium, Greece, France and Portugal. These are the countries in which the Trinidad and Tobago product ends up.

But there is another issue; we have had visits from countries that have said to us that they would like to negotiate supply from Trinidad and Tobago, because they were unable to have a guaranteed supply from the countries that they are contracted to. Portugal came to see us, for example, and said that they had an arrangement with Nigeria. Nigeria decided one day that they were not getting any gas, and they found themselves in a situation where they just could not operate, and they had to go shopping around. They were prepared to pay any price for it. Anybody who has a cargo that is available would go there.

They have said to us that in looking around the world at stability of supply, they believe that Trinidad and Tobago is one of those countries where there is stability of contract, country fairly stable, no changes in Government policy, and so on. So what they would like us to do is find a way to have them get some product from us, at least guaranteed, so that they would have stability of supply. We are finding out now that a big issue, in our favour, is that while you have in Russia, Qatar, Nigeria and all the other jurisdictions, they do not have stability of supply, for whatever reason. Therefore, the consistency that exists in Trinidad and Tobago, as it relates to supply, is something that people are prepared to pay for, and we are benefiting from that.

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So revenue issues and all that, you have those in the Review of the Economy, so I am really not going to deal with that. [*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. [*Hon. Dr. L. Saith*]

Question put and agreed to.

Sen. The Hon. C. Enill: Let me deal with infrastructure. I have heard a number of experts talk about costs. In the other place I talked about the Petrotrin product, but let me deal with this matter.

The question that was raised by some commentators was that the Minister of Energy and Energy Industries should be concerned about costs, and he was. What did he do? He asked his technocrats to go to an independent organization which deals with these particular matters and come back to me on what the truth is. So they found an organization called the Cambridge Energy Research Associates. This group looks at the cost of building new oil refineries and petrochemical plants around the world; that is what they do, and they provide the information.

This is what they had to say over the period 2003—2008. I am not for one minute saying that there are not inefficiencies, there are not cost overruns. I am not saying that, but let us understand what the environment was.

This particular organization measures the cost of building new oil refineries and petrochemical plants, and they have an index. The index they had demonstrated the dramatic impact that rapidly rising costs were having on the energy industry. They provide a benchmark for comparing costs around the world and draw upon their proprietary databases and analytical tools. All values are indexed to the year 2000.

So they have said that a piece of equipment which costs US \$100 in 2000, would cost US \$187 at the end of 2008. They say that since 2003 there has been an upward trend in prices with annual increases in the last three years of 7 per cent, 17 per cent and 14 per cent, respectively. They explained why it has happened.

They said that the increases have been driven by continued high activity levels globally, which is true, continued tightness in the equipment and engineering markets, which is also true, as well as historically high levels for raw materials. [*Interruption*]

Sen. Prof. Deosaran: There is a deep concern of the residents in the southeast region of the country, where the energy sector is largely based. This concern is over pollution. Do you have any watchdog group in your Ministry or do you have any protocol, apart from what the Environmental Management Authority (EMA) requires, to see after especially pollution in the oceans, which is becoming quite frequent, from repeated observations? Could you please make a statement on that, before you conclude. I know your time is running out.

Sen. The Hon. C. Enill: On a global basis, the refining and petrochemical sector has faced heavy strains. It has been this way, because we had new buildings taking place in the Middle East and Asia, expansion in the United States and heavy oil projects in Alberta, all occurring simultaneously.

In 2005, it was expected that global refining capacity would expand by 1.7 per cent per year for adjusted delays and cancellations. This might not sound like much, but 1.7 per cent growth in refining capacity equals about 1.5 million barrels per day; or put another way, the equivalent of 10 Petrotrin refineries per year. That was what was happening. This is quite significant as these are complicated and time consuming facilities to construct.

As a result of this growth in the industry, lead times for engineered equipment increased up to 50 per cent, for some items and, as expected, prices increased. They say, "Hear what, this is the price, take it or leave it; if you do not want it, I have 10 other persons who could take it."

Further compounding the problem was the raw material and shipping situation, which both saw large increases in cost. Both of these sectors experienced increases, ultimately passing through costs to projects. In particular, the price of steel rose to unprecedented levels during this period, negatively affecting, not only Petrotrin projects, but projects all around the world. Steel prices in 2003 were under US \$300 per tonne. During the period 2004—2008, prices went to US \$1,200. If one considers that the original estimate was based on US \$300 million, and the massive increases since that time, one could understand what those specific increases were. The information is available; it is here, Mr. Vice-President.

I just want to deal with what happened on the other side, the revenue side. I asked the question: If you had those increases in cost, what happened with prices? They said to me as follows: West Texas Intermediate, or WTI, averaged US \$31 per barrel in 2003; 41 in 2004; 56 in 2005; 66 in 2006; 72 in 2007 and 99 in 2008. So you had the increase in prices, on the one hand, and you had the

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increase of expenditure, on the other; in a sense, while the price of crude increased by over 200 per cent, the cost also basically followed that. So there is material to support the fact that those costs were moving at a particular level.

You asked the question about the environment and pollution. That has been an issue that we have had to deal with for a very long time. In fact, Petrotrin as an organization, a year or two ago, almost got its account qualified because it had to make financial provisions for the restoration of some of the areas in which pollution was taking place. We have a strategy in place for trying to deal with that. Part of it has to do with the upgrade of the refinery, and all that goes with it, but there is a focus now that we are putting on sustainable development. Within that context we are developing a strategy to do two things: One is to look at energy efficiency, which means that we would be requiring less from the system and, secondly, we are trying to ensure that there is some mechanism by which polluters pay, because that is the other part of the discussion that we are having.

In that context, therefore, some of the plants, and some of the things the plants are doing, will have to change. We are pursuing that particular objective.

Mr. Vice-President, let me say that maybe we would have to do a lot more in providing the population with information about these matters. There is just one point I wish to make in the time available to me, and it has to do with this particular vexing issue, as some have said, about property taxes.

In looking at the Review of the Economy estimates 2009, in the year 2004, as it relates to lands and building taxes, the Government collected \$85 million. On the basis of the new proposal that is being put forward, we expect to collect \$72 million. I just want to put that on the record. There is no \$1 billion activity that is taking place.

The fact of the matter is that there is not an intention to use this—in fact, this is a revenue reduction measure, more than a revenue raising measure. The information is available in the Review of the Economy. It is there; we could examine the numbers; we could look at it. All that is happening is that a lot more people—but we would say more about that at some other point in time.

Mr. Vice-President, I thank you very kindly.

Mr. Vice-President: Hon. Senators, before we take the tea break, we will go back to item No. 13 on the Order Paper, Introduction of Bills. I now call on the Attorney General. [*Interruption*]

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Hon. Senators, it is now 4.31, we will take the tea break now. We will resume at 5.00, that is 5.00. This Senate is now suspended until 5.00 sharp.

4.31 p.m.: *Sitting suspended.*

5.00 p.m.: *Sitting resumed.*

COMMISSIONS OF ENQUIRY (VALIDATION AND IMMUNITY FROM PROCEEDINGS) BILL

Bill to validate the proceedings and the record of the proceedings of the Commission of Enquiry into the construction sector, which was appointed on September 09, 2008 by the President under the Commissions of Enquiry Act, Chap. 19:01, and for other related matters; [*The Attorney General*] read the first time.

APPROPRIATION BILL (BUDGET)

Sen. Gail Merhair: Mr. Vice-President, I thank you for the opportunity to participate in this debate and deliver one simple message to the Government from the people, read my lips: No new taxes. [*Desk thumping*] Before you increase taxes, ensure that the cost overruns at the Tarouba Stadium, Petrotrin and at the Academy of Performing Arts are investigated and, of course, let the Uff Commission present its findings to the President and the Parliament.

Since the reading of the 2010 budget in the other place on September 07, 2009 I have been engaged in extensive consultations across the board and individual citizens voluntarily approach me with their reactions to the budget. Universally, they said with one voice that they did not agree with the increased taxes as outlined by the Minister of Finance.

Raising property taxes in a time of economic recession is an anti-stimulus policy; it forces the economy to remain in depression for a longer period of time to come. On one hand, the Government extends a number of initiatives to the private sector, and on the other hand it takes it back with higher taxes.

Members of the private sector with whom I have had contact do not support the Government's intention to raise property taxes; labour unions do not support Government's intention to raise property taxes; pensioners, doctors, lawyers, policemen, nurses, teachers, retailers and economists do not support the increase in property taxes at this time.

Just to be clear, there is need for reform, but that of the entire tax structure. In fact, property taxes should be scrapped altogether.

Sen. Browne: "Tell meh why."

Sen. G. Merhair: You know, Mr. Vice-President, I think sometimes it is a sin to work hard in this country and own property. I will go on to explain, hon. Minister of Finance. And I think that the Government's policy is coming across very clear that it is a sin for hard-working individuals to own property in Trinidad and Tobago.

We already have to deal with high food prices, increases in electricity, water and all other necessary amenities such as private security and private health charges to now be burdened with additional taxes. I think this situation is unbearable.

Even if the Government grants waivers to senior citizens and those with fixed incomes, one can only imagine the bureaucratic nightmare that will ensue for this to be implemented. Many have expressed the view that they oppose these increases in taxes because it has become necessary due to Government's increase in spending and expenditure over the past seven years. Many have used expenditure as unsustainable and, as a matter of fact, this has been borne out to be so.

The days of excessive, wanton wastage and disregard for deadlines and budgets are over. We, as a society, can ill afford the mistakes of the past and as such, Government must not say it is going to tighten its controls, but this must be made self-evident by the documents that come before us in the next Appropriation Bill. We must do this not because people are saying; "De money done," but because it is the right thing to do.

Since some issues are considered more important than ethics, can it not also be said that ethics are more important than any other issue? This statement contains an important truth and may be underscored by asking yourself whether you would have a morally corrupt Government that solves most of our major policy problems, or a morally pure Government that fails to solve any of them.

If that were the choice, Mr. Vice-President, most people would sacrifice moral purity. Ethics is not a primary goal of Government in the way that security, economic prosperity and social services are. These and other public policy goals are intrinsic to Government; they are part of the reason we establish and maintain Government. Ethics is merely instrumental to Government; its purpose is to contribute to the other intrinsic goals of Government. From the truth that ethics is instrumental however, it does not follow that it is less important than any other issue. Ethics may only be a means to an end, but a necessary means to an end.

Government ethics provide the pre-condition for making good, public policy. It is in this sense that it is more important than any single policy because all policies depend on it. In a sense, UDeCott must therefore get its act together, it is not a law unto itself; it is expending public funds and thus accountable to us, the people.

I now turn my attention to the deficit. As a fiscal conservative as some of you may know me to be, I have been stating year after year that Government's expenditure was not only too high, but unsustainable. Pointing fingers at this time and indulging in the blame game however, will not solve our problems.

The deed has already been done; the question now is how do we make the necessary adjustment? I am fully aware that bringing down expenditure too quickly can have the effect of stagnating the economy, or, more likely forcing it into a recession. Therefore I understand at this point in time why Government had to engage in deficit financing in the short term.

I now quote from an article in the *Trinidad Guardian* dated Friday, September 11, 2009 entitled "CMMB..." official warns Government fiscal deficit can weaken the TT dollar. The article is written by Kimberley Mackhan and states that:

"The Government needs to be cautious about the impact of its fiscal deficit because a prolonged period of high fiscal deficits can undermine the strength of the Trinidad and Tobago dollar.

Chief Operating Officer of the Caribbean Money Market Brokers, Ramcharan Kalicharan has warned that a country's level of foreign reserve impacts the value of its currency. This is because it reflects the balance of payments position, such as declining revenues and mean net outflows. It also affects the capacity of the Central Bank to intervene in the currency market".

The quote continues:

"Currently our reserve position is strong and I do not see any threat to the current value of the Trinidad and Tobago dollar. The Government needs to be cautious, however, as a prolonged period of high fiscal deficits can undermine this position."

Mr. Vice-President, had I been in a position too, I might have done things differently. This is not to say that I cannot reconcile my position with that of the Government, but fundamentally, during this period of economic downturn, I would have led by example. Government needs to operate more efficiently; resources need to be pooled and conservation made a high priority.

I would have recommended to the Prime Minister that he restructure the Cabinet to allow for greater efficiency and cost reductions. My recommendation

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would have been for a merger of ministries as follows: Prime Minister and Ministry of Planning; Ministry of International Affairs, Trade, Industry and Tourism; Ministry of Health and Human Resources; Ministry of Education, Sporting Development and Youth Affairs; Ministry of Community Development, Local Administration and Gender Policy; Ministry of National Security; Ministry of Finance and Energy; Ministry of Labour, Public Administration and Information; Ministry of Housing and Public Utilities; Ministry of the Attorney General and Legal Affairs; Ministry of Agriculture, Land, Marine Development and the Environment; and Ministry of Infrastructure.

In this era of global, economic recession I propose that the Government of Trinidad and Tobago would consolidate its services and activities by the first step, reorganizing government ministries. A merging of ministries will allow for cost-saving measures to kick in, together with greater collaboration through inter-departmental, rather than interministerial incentives.

In the United Kingdom, with a population of 61 million people, the size of the Cabinet is 22; in India, with a population of 1.17 billion people, the size of the Cabinet is 19; in Trinidad and Tobago, with a population at best, 1.3 million, we have a Cabinet of 24 and I did not count Ministers in the Ministry of State which are six and Parliamentary Secretaries, three I think.

We should take note of these figures and reflect upon whether adjustments should be made. I am sure, Mr. Vice-President, that the remaining Members of Government would therefore be freed up to play a greater role in the legislative process and to attend to the affairs of their constituencies.

It is imperative that we reduce the size of Government and we need to do it now. If the Government is calling on the population to make sacrifices, then it must be prepared to lead by example. In theory, the relationship between Government's expenditures and economic growth is ambiguous.

Long ago Thomas Hobbes described life without government as “nasty, brutish and short” and argued that the law and order provided by government was a necessary component of civilized life. Taking the Hobbesian view, certain functions of the Government such as protection of individuals and their property and operation of a court system to resolve disputes should enhance economic growth. However, if we view it from another angle, secure property rights, enforcement of contracts and a stable monetary regime provide the foundation for the smooth operation of the market economy.

Government can enhance growth and efficient provision of this infrastructure. There are a few goods which economists call public goods that markets always find troublesome to provide because their nature makes it difficult to establish a close link between payment for and receipt of such goods.

Roads and national defence fall into this category. Government's provision of such goods might also promote economic growth. However, as the Government continues to grow more and more, resources are allocated by political, rather than by market forces. Three major factors have suggested that the beneficial effects on economic growth will wane and eventually become negative.

First, the higher taxes and no additional borrowing required to finance government's expenditure exert a negative effect on the economy. As Government takes increasing amounts of the earnings from workers, their incentive to invest, to take risk and to undertake productivity enhancing activities decreases. Like taxes, borrowing will crowd out private investment and it will also lead to higher future taxes.

5.15 p.m.

Even if the productivity of the Government's expenditure did not decline, the disincentive effects of taxation and borrowing as resources are shifted from the private sector to the public sector and this will of course, exert a negative impact on economic growth. Government's provision of both a legal and physical infrastructure for the operation of the market economy and that is the regulatory framework and a limited set of public goods, that is things like lights, water and security can provide a framework conducive for economic growth. However, as the Government moves beyond these core functions, it would adversely affect economic growth because the disincentive effects of high taxation, diminishing returns as the Government undertakes activities for which it is ill-suited and interference with the wealth creation process, because Government is not as good as the market at adjusting to changing circumstances and finding innovative new ways of increasing the value of resources.

I analyzed some data from the countries of the Organization for Economic Cooperation and Development (OECD). I analyzed the largest data set of 60 countries and after making adjustments for cross country differences in the security of property rights, inflation, education and investment, higher levels of government spending as a percentage of GDP always exert a strong negative impact on GDP growth. I will go on to explain.

I have used two countries to give as examples for providing what I have said. I looked at New Zealand. Between 1974 and 1992, New Zealand's government's

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expenditure as a share of GDP rose from 34.1 per cent to 48.4 per cent. Its average growth rate during this period was 1.2 per cent. In the 1990s, New Zealand began moving in the opposite direction. The percentage of GDP devoted to government expenditure was reduced from 48.4 per cent in 1992 to 42.3 per cent in 1996, a reduction of 6.1 percentage points. Compared to the earlier period, New Zealand's real GDP growth increased by more than 2 percentage points to 3.9 per cent.

I also looked at the United Kingdom and additional evidence was in fact provided here. Government's share of GDP that is in the United Kingdom, rose from 32.2 per cent in 1960 to 47.2 per cent in 1982. During this period the United Kingdom's GDP growth was 2.2 per cent and there was widespread reference at that point in time to what is known as the "British disease". Between 1982 and 1989, the government's share of GDP declined by 6.5 percentage points to 40.7 per cent. The GDP growth of the UK increased from 2.2 per cent to 3.7 per cent.

While shrinking government expenditure has been rare over the past few decades, evidence from places where government expenditure has shrunk is in fact consistent with the hypothesis that larger government expenditure lowers economic growth. The evidence illustrates that if the size of government's expenditure is reduced, higher rates of economic growth can be anticipated.

Over the years, many recommendations have been made for the improvement of the education sector in Trinidad and Tobago. Yet I think that the education system remains detached, disconnected and unrelated, not only to the requirements of an emerging developing economy, but also it is in fact churning out individuals who are imbalanced and eventually play little or no role in national development. This assessment is made even in the light of the Government's commitment to fund Trinidad and Tobago's citizens from early childhood to tertiary level education.

The way I look at it is that education contributes to our economy's development in two ways. One is through the economy's organization and that is a division of tasks; and two is through the economy's performance and that is how much the economy produces. The economy's organization is becoming increasingly specialized in the division of tasks which schools train students to perform. The economy's performance is determined by the productivity of the labour force. Because the educational level of the labour force is a determinant of its productivity, schools make a very important contribution to economic development.

The exam-oriented education system has long been criticized for jeopardizing the development of students' critical thinking and career knowledge. We have had the opportunity to look at the CXC results for students passing over five CXC

subjects that were tabled in this Senate a couple days ago. It was in response to a question asked by the Opposition. Students who graduated from secondary school lacked the skills and knowledge for entering the job market. What they possessed, at best, is knowledge needed for university students rather than the workplace.

I recommend that there is need for the introduction of career-oriented courses known as COC at secondary school level. This is practised in Hong Kong. The COC should be designed for students with interest and inclination in areas other than those provided by the existing examination subjects. It should aim to provide students with the opportunities to explore their orientation for lifelong learning and career aspiration in specific areas.

Through the COC I expect that students can develop a better understanding about their career-orientation and competency. It can also help students decide on life objectives. Many students do not understand the importance of studying hard and become more motivated in learning other subjects. Through the study of the career-oriented courses, students can also develop generic skills, values and attitudes, acquire the knowledge and skills as well as understand the workplace requirement of a particular career. Students will also be able to obtain one certificate and multiple diplomas to further their study of work, or both at the secondary level through the study of COC.

Some COC courses that should be introduced are food production, tourism or the performing arts. These not only require knowledge but also require skills and discipline.

Sen. Browne: That has been done already.

Sen. G. Merhair: They have been done already. [*Interruption*] I have been told by the hon. Minister in the Ministry of Finance that it has been done already. Thank you very much. I am sorry, but I am sure that some of us do not know about it. Do you want me to give way so you can talk about it? No? After? Okay. I am glad and I would not go on about the COC. I understand. Thank you very much.

We live in challenging economic times and as a country and an economy, we must adapt to cyclical changes. Cognizance must be taken of the developmental needs of the society and as such, striking the right balance in managing the economy is in fact essential. Government must therefore lead by example.

It is clear that the population is opposed to the increases in property tax as proposed by the Minister of Finance. I will go through some comments.

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According to Mr. Abraham Ali, public relations officer of San Juan Business Association:

“The budget seeks to raise property taxes and taxes on alcohol and tobacco, yet it is silent on the penalties for the possession of illegal arms and ammunition. The reduction in the allocation to the Judiciary poses a serious threat to fighting crime, thus allowing for a pervading sense of lawlessness to continue.

Most small business operators are now worried how much their rent would go up by especially as sales are down during this recession.”

Mr. Jeffrey Mc Clean, architect and former member of the National Trust emailed me saying:

“The only comment I have is that apparently the National Museum and Art Gallery and the National Trust have been allocated a total of \$3.4 million. A ridiculous amount when one realizes that Phase 3 of Nelson Island alone is estimated at about \$5 million. Nelson Island is intended to be the Ellis Island of Trinidad.

Historically, for those of you who do not know, Nelson Island is known for Indian processing; the incarceration of Uriah Buzz Butler; the incarceration of the Germans during the war; the Black Power boys of 1970 and not to mention the other projects in the pipeline for the National Trust and acquisition for the National Museum and Art Gallery. One I know of that is extremely important is \$500,000 itself.”

The Oil Field Workers Trade Union described the increase in property taxes as callous, draconian and that it should be withdrawn. All around the budget has received a negative review with the increase in property taxes, the burning issue. Let me say that an increase in tax has the same effect as the introduction of a new tax.

As I speak here today, I do so, on behalf of those individuals who do not have a voice in this honourable Chamber, who struggle day after day to eke out an existence in what has become in Trinidad and Tobago today, an increasingly difficult world. Let me say this. When I speak, whatever my vote is, I say and do so based on the facts before me and what is in the best interest of the nation and not because I was forced to make a decision that was popular. Running a country by popularity is running a country by vaps. Government must however listen to what the people are saying if they are truly representative of their wishes. This is clearly a time when the Government should listen.

As leaders we must ensure that the Government is guided and assisted in a manner that fosters the development of the nation and not criticize to score cheap political points. According to Mahatma Gandhi:

“It has always been a mystery to me how men can feel themselves honoured by the humiliation of their fellow human beings.”

Without fear or favour is how I approach everything that I do. I do not just take the easy road when it comes to making change for people. I do whatever it takes. I have had the opportunity to work with people from all backgrounds, religious beliefs, cultures and races. I treat all people with respect and without discrimination. It is on that basis that I sleep quite comfortably when the night comes.

In this instance, I call on the Government to recognize the collective voices inside and outside this honourable Chamber and reconsider the proposals as outlined in the 2010 budget. Retreating from a position is not a sign of weakness. It could never be a sign of weakness. It will be a demonstrable fact that the Government understands the virtue of leadership and is prepared to exercise such, in the best interest of our nation, Trinidad and Tobago.

Thank you. [*Desk thumping*]

Sen. Linus Rogers: Mr. Vice-President, thank you for the opportunity to contribute in this budget debate. Allow me the opportunity to congratulate the hon. Minister of Trade and Industry and Minister in the Ministry of Finance, Sen. The Hon. Mariano Browne in piloting this Bill in the Senate and the hon. Minister of Finance, Hon. Karen Nunez-Tesheira for piloting the Bill in the other place. In both instances, it is an excellent job done.

5.30 p.m.

This Government views the 2009/2010 budget as a continuation of the PNM's journey toward Vision 2020. It is, therefore, no wonder that the theme for this year's budget is Vision 2020: Strengthening Efficiency, Addressing the Challenges.

As I join this debate, I note that Sen. Oudit in her contribution, in her quest to paint a picture of gloom and doom, accused the Government—if I can remember her words correctly—of perception management. I remember clearly, back when the UNC was in government—in those days I had little children in primary school—I remember my children coming home with copybooks with the face of the then Prime Minister on the front cover. That, I call perception management.

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I also remember a slogan that said “Water for All”, spread over all the newspapers and the television, but little water was flowing. If I remember correctly, what happened is that a desalination plant was constructed and that, to some extent, was considered water for all. That, I consider perception management.

In my view, the UNC was and still is an excellent perception management organization. Remember the Dollar for Dollar Programme they sold to this country, where they assisted a very small group of people, something to the order of 3,000, as compared to GATE where we said, as a PNM administration, free tertiary education? To date, we have helped over 100,000 persons receive free tertiary education. We said free tertiary education and that is what we gave.

I can also remember when the Opposition entered government and they stopped the OJT Programme and almost crippled our technical/vocational schools. That was of concern to me because I participated, under a PNM administration, in a technical/vocational school. I was in an apprenticeship programme under a PNM administration, and they took them out. However, when the PNM was returned to office to rescue Trinidad and Tobago, [*Desk thumping*] we reinstated the OJT Programme. Not only did we do that, but we extended the time from one year to two years and we increased from \$1,600 to \$2,000 the stipend to those who have O levels. We have increased from \$2,000 to \$3,000 the stipend to those children who have A levels or CAPE; for those with a first degree, we have increased the stipend from \$4,000 to \$5,000; and for those with post graduate degrees, we have increased it from \$5,000 to \$6,000. I say to you that this programme will continue in keeping with the Vision 2020 development plans to lift our children.

In this budget debate, the Opposition is trying to paint a picture of doom and gloom. As I listened to contributions from the Opposition, they all sound similar. However, when Sen. Oudit indicated that, by and large, some 58 per cent of persons infected with the HIV/AIDS virus did not have access to anti-retroviral drugs, I had to say total falsehood. Under this PNM administration, to anyone infected with the HIV/AIDS virus, the anti-retroviral drug is free of charge, across the board. [*Desk thumping*] I would have hoped that the Senator would have given those persons so infected a ray of hope, rather than try to score cheap political points with such a group in our community. That too will continue because it is consistent with the PNM administration's approach to being caring for our citizens, especially those who need it most.

Mr. Vice-President, I would like to suggest that maybe they should have a discussion, walk the floor, talk to the young people, talk to those who have been infected. I am aware of a person who is now 24 and who would have been dead

by now had it not been for the drug. He could not afford the \$6,500 it was costing to get the drug. However, he continues to live and is in fact living an almost normal life because of the policy of this PNM administration. *[Interruption]* His life is normal from the point of view that the person is now gainfully employed and is able to go to work. Before that he could not afford \$6,500.

Sen. Dr. Nanan said that I should talk about TSTT and about things technological. I will accommodate him because, in her contribution, Sen. Oudit also spoke about a 16.1 per cent Internet penetration in this country. I would like to share with her and with the country what has happened between the period 2000 and now, since the PNM came into power.

Let us look at mobile phones back in 2000, they were under 500,000. In 2008, there were 1.5 million, keeping in mind we have a population of 1.3 million.

Hon. Senator: And the rates are going up all the time.

Sen. L. Rogers: Let me share with you that then. What has happened to mobile phone rates is that you have had a 45 per cent decrease. You have had international rates dropping by 71 per cent. Internet rates dropped by 75 per cent during the period.

People talk about PCs and laptops and, if I am not mistaken, Sen. Dr. Gopaul-McNicol indicated something about a US \$100 PC. I am aware that across the industry the lowest we have been able to get anything like that for is about US \$400. What you can get for US \$100 is a device to go on to the Internet and nothing else. Is that what you want to give our children? It is simply an Internet access device. *[Interruption]* You asked; I am telling you. At this time, the market will give you the cheapest for US \$350 to US \$400 for a laptop that is Internet ready.

Mr. Vice-President: Hon. Senators, we seem to be having a problem hearing the Senator because of the amount of murmuring and noise coming from the Benches. *[Interruption]*

Sen. Rahman, I am on my feet speaking.

Sen. Rahman: I am sitting.

Mr. Vice-President: You do not need to speak when I am speaking. So that they can record what the hon. Senator is saying, please keep it down.

Sen. L. Rogers: Mr. Vice-President, they asked me, so I am sharing the information with them. Since they asked, I am supplying their needs.

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Keep in mind that with all the talk about PC penetration, which government took steps to remove import duty from PCs so that they could be affordable to our citizens? The PNM. Which government took the various approaches and have sent out an RFP to make broadband available to all citizens throughout this country from Toco to Cedros; from Guayaguayare to Chaguaramas and in Tobago, such that the citizens can all have access to the Internet at high speeds?

If I look back over the period when the UNC was in power, the best we had was a dial-up and maybe something in the order of 256 kilobytes where it took a long time to download. Today people are talking about one, two and three megabytes. That is the difference between what the UNC was doing and what the PNM administration is doing—taking it seriously and putting PCs and PC labs in the various schools.

Again, having PCs in schools without the Internet access, what are we doing? We have placed them in the schools so that our children can access the information either in school or at home.

Trinidad and Tobago now boasts one of the lowest broadband access rates in the region and very soon we will have the option of not only being able to have broadband in the home, but we will have ability to be mobile while still having access to broadband services. That is what the PNM administration is doing because it recognizes the importance and the benefit that the Internet and technology can play in the lives of our people to make, not only the individual, but businesses more effective.

Keep in mind our drive toward tconnect, which will allow us to bring information and access to government services much closer to people in their own community rather than contribute to the traffic congestion. [*Interruption*] Yes, Sen. Dr. Gopaul-McNicol, Laventille, too, because when we put in the system, all communities, without exception, will have access just as all have access to mobile phones. [*Interruption*]

It is not a lie because if you had paid attention, in the last quarter of 2008, this Government sent out an RFP for a broadband wireless access network. I will not let the Senator put me off-track. She asked a question and I am giving the answer.

However, we also recognize that while we have some 98 per cent of our population having access to a high quality electricity system, there still continues to be small pockets of people who cannot afford to wire their homes or to pay the infrastructural cost to get connected.

5.45 p.m.

This Government, through the NSDP programme, has been involved in wiring homes and extending electricity. Why is that important? I would share with you two things. One is that it is no sense you say to the students you have a laptop and when they go home there is no electricity in the home. This Government is committed to uplifting all the citizens, not some, as you have been trying to portray to this country, all the citizens. Remember, when I started I said that it is a continuation. While you look at everything as a budget by itself, separated every year, we look at it as a continuation. It is a journey that we are on, when we started rescuing this country and the journey continues. [*Interruption*]

Sen. Manning: “De journey now start!”

Sen. L. Rogers: We recognize that as our citizens become more and more tech-savvy and we utilize more and more, the demand for electrical system is also growing and we should not only cater for the present, but for the future. We have started the installation of additional power capacity that will see us adding, sometime soon in 2010, some 4,840 megawatts of power for the national grid that would help us for the future.

While the Opposition rant and rave, if you do a poll you would realize that many of them are putting air-condition units in their homes. This requires additional power. All those street lights that we have put up require additional power. As such, we are not waiting until we have a breakdown. What we are doing is putting the pieces in place. I used the example of Tobago. Tobago has been served by power from a submarine cable from Trinidad. In the last budget, we spoke about it. It is due to come on stream. We spoke about the 64-megawatt plant at Cove Industrial Estate. Right now there is a problem with the undersea cable going to Tobago. That plant would be brought on stream shortly. Very shortly, not only will we solve the problem in Tobago, it will have the backup of the undersea cable. That is forward-looking. That is what the PNM administration is about.

Mr. Vice-President, one of the things in Sen. Oudit’s contribution that struck me with great force is when she said—I might be misquoting her but the sentiment should be correct—that somewhere around 25 per cent of the population live in slums. She was asked to define slums and she said areas that are dirty and overcrowded. Further on, she was asked to identify these areas and she called out a number of areas and said that they are rural and will be—[*Interruption*]

Sen. Oudit: Quote me correctly.

Sen. L. Rogers: I would help you here. I have your *Hansard* right here. "What does the budget tell us? Does it deal with this?"

Let me share with you. Okay, she said:

"...after eight years of this current administration and some 44 years of PNM administration, 25 per cent of our population now live in slums."

It is right here.

"This translates to 247,137 persons in this country who are now considered to be living in slums."

She then went on to say:

"What does the budget tell us? Does it deal with this?"

You were talking about something with health.

"Many communities are now under threat of becoming rural communities and I was glad that the Minister of Health referred to some communities that many in this area would never see far more hear about. They were Debe,..."

I would call those in particular:

"Bon Aventure...Claxton Bay...Many of these communities are facing slum threat simply because roads, infrastructure and drainage, basic services, are withheld from these communities."

Mr. Vice-President, I grew up in Bon Aventure. I live next to Claxton Bay and both communities have a full supply of clear running water, full electricity and well paved roads. That is a fact. *[Interruption]* Now she is changing her story; typical of the Opposition. She forgot. She is well aware that I grew up in that area. *[Interruption]*

Mr. Vice-President: Senator, please refer to the hon. Senator as Senator and not she.

Sen. L. Rogers: My humble apology, Sen. Oudit. Sometimes their memory—I remember when the UNC was power. What did they do? They took pieces of land and gave to people. If you look at what they had, no running water, no lights, no roads and no drainage. People had two by fours of pure galvanize. That is what they gave to people. It needed a PNM administration to rescue those people and move them to proper homes. *[Interruption]*

Sen. Dr. Gopaul-McNicol: Rescue?

Sen. L. Rogers: Yes, rescue, because until the PNM moved them, they did not know what a home was. They were living in a two by four with galvanize all around. I do not know if any of you even went into one of those houses. I would have shared in this Senate that I am a member of a Society called St. Vincent de Paul. I have had the opportunity to go into a structure of all galvanize at lunch time; you would not like to be in there. That is what you put the people through. Mr. Vice-President, I could take you around Trinidad and Tobago and show you the many developments where this PNM administration house people, none of them is anywhere close to that. Those structures the UNC placed or caused people to be in, might be what people would have built to put their cement while they were constructing their houses.

What the Opposition failed to remember is when the PNM came to rescue Trinidad and Tobago, the poverty data indicated that 35 per cent of the population then was below the poverty line and by 2005, the PNM administration had cut that to 16.7 per cent in just four years. [*Interruption*]

Sen. Gronlund-Nunez: “We teaching people how tuh fish.”

Sen. L. Rogers: However, let me reassure you that the PNM administration would not stop there because we will continue until every last woman and child in this country is assured of an opportunity to attain their fullest potential. That is our commitment to Trinidad and Tobago.

Mr. Vice-President, the Opposition, in their presentation, said that there is nothing in this budget for the senior citizen, the poor man and things like that. Let me share. This PNM administration, as we focus on our senior citizens—look at what we have done. We have increased both the quantum of the grant to the senior citizens, as well as the income ceiling. [*Interruption*]

Sen. Dr. Gopaul-Mc Nicol: Grant?

Sen. L. Rogers: Yes. That is the difference between the UNC and the PNM. It is a grant. Some 71,000 persons are currently receiving this grant. In 2008/2009, some \$1.5 billion went to satisfying those senior citizens. The PNM moved the grant from \$720 to \$1,950 and the income ceiling was moved from \$8,640 to \$33,600 to allow us to help more of our senior citizens. This too will continue. That is our commitment to the country.

The Disability Grant, which is where we assist persons 18 years to 64 years of age who are permanently disabled or unable to earn a living due to physical disability, in fiscal 2009, that grant was increased from \$1,100 to \$1,300 and the expenditure on that grant was in excess of \$323 million. I submit to you, money well spent on those who cannot help themselves and that will continue. That is our commitment.

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In fiscal 2009, we also adjusted the Personal Assistance Grant, in relation to looking at the size of the household, so that there is some relationship to the grant and the size of the household. That simple adjustment resulted in an increased expenditure in the Public Assistance Grant from \$165.2 million to \$242 million. That we did, because we care, and we will continue to care for the people of this country.

The General Assistance Grant previously known as the Emergency Case Fund has been amended. This grant is for special needs, where the Public Assistance Grant does not really handle in scope and is typically used for victims of natural disaster, loss of property and things like that. In doing that, what are some of the things we have covered in this new grant? We covered housing assistance; household items; medical equipment; and one I am sure Sen. Dr. Gopaul-McNicol would like to hear; the education grant. This is to cover travel to secondary school. *[Interruption]*

Sen. Dr. Gopaul-McNicol: Who gets it?

Sen. L. Rogers: Those who require it, based upon a criteria. Education—*[Interruption]* now the story changes. I would like to inform the Senate that in 2009, approximately 4,500 grants were processed at a total cost of \$7.6 million. Tell those 4,500 persons that they got nothing. *[Interruption]*

Sen. Dr. Gopaul-McNicol: Fifty thousand applied and 4,500?

Sen. Gronlund-Nunez: I thought you did not know anything about it a while ago?

Sen. L. Rogers: Mr. Vice-President, the approach taken by this PNM administration to reduce poverty in Trinidad and Tobago is to partner and work with stakeholders to assist individuals and entire communities to help themselves and to provide the necessary support to build capacity and attain sustainability. This, we would also continue to do.

It is, to me, passing strange when the Opposition stands and calls all these numbers and says all these things but challenges all else. If they wish, I could go to the book and point them to it—*[Interruption]*

Sen. Dr. Gopaul-McNicol: The PNM book!

Sen. Piggott: That is an official document.

Sen. L. Rogers: This, I will suggest to you, is a Government book; it is not a manifesto by the UNC. However, this budget is people-centered, as this

administration continues to transform our beloved country to reach developed nation status on or before 2020.

With these few words, I commend the Minister for the budget and I fully support the budget and I ask all in this Senate to do so.

I thank you.

6.00 p.m.

Mr. Vice-President: Senators, again, we are having a lot of problems hearing what the Senators are saying. When Senators on the opposite side were making their contributions the behaviour was not like this. Let us give Senators the respect they deserve.

Sen. Dr. Rolph Balgobin: Mr. Vice-President, thank you. I rise to make a brief contribution on the matter before us. I want to confine my contribution to three broad areas, because Trinidad and Tobago has just been ranked 86th out of 136 countries in the world for competitiveness. When we look at some of the most critical factors affecting the country and what is listed, according to the research, would be crime and theft; the poor work ethic in our national labour force and inefficiency. What I want to do is just make a simple contribution on those three questions: work ethic, labour and competitiveness. I want to talk a little about crime, but I would start with work ethic.

It troubles me a great deal to hear the labour movement criticize the Government and say that it is seeking to punish the poor man, and then in almost the same breath say that they are willing to partner in order to drive an improvement in affairs. I find that position somewhat inconsistent with the labour experience of many organizations—state and private—in Trinidad and Tobago. What I find quite perplexing is the demand for higher wages, and how this could be justified without an increase in productivity. It does not make sense to me. If we are talking about just giving higher wages in the expectation of increased productivity—that has not been demonstrated to work anywhere—I find a great difficulty understanding how it would find any kind of traction there.

Sometimes I feel that we are in 2009, and I wonder if some of these ideas that we are hearing did not come from the last century. Here, we are talking about no retrenchment and higher wages. Presently, if you look at the United States of America, there are many companies that are agreeing to reductions in wages and retrenchment. So, there is a disconnect between what is being asked for here by the labour movement and what is the pragmatic on-the-ground experience in developed societies which is where we all say we want to be.

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Even the language tells a story. I hear us address each other as comrade. I wonder where that artefact of history continues to find its energy and its life. To my mind, that is really something that came from a political system that expired some time ago. Maybe I am wrong. I know they are very sensitive about these things, but I am sure the attacks that will come in due course will be straightened out in the days to come.

Mr. Vice-President, the simple equation is that productivity drives higher wages. It is not the other way around. High wages is really a by-product of excellence; a by-product of innovative capacity. If you are able to do a good job; if you are able to deliver performance, then higher wages must necessarily follow. That is the only way to have it in a sustainable way. You do not need a government to pass a minimum wage bill to ensure that. International competitiveness would demand that you pay your people well.

So, again, I would wish to emphasize that productivity is really not enhanced by giving more wages to people who are doing the same job in the same way. There has to be a commitment from everybody to do it differently and to do it better. This brings into sharp relief the notion of productivity. Attitudes toward productivity must absolutely change. The labour movement has gone, in some instances, from protecting the rights of workers, which is a perfectly valid and noble occupation. It seems to be sometimes that they are trying to extract blood from a stone. It is quite interesting to hear that accusation being levied at different persons who make their contributions.

My suspicion is that a mental adjustment is urgently required by some parts of the labour movement if we are to survive. It begs the inevitable question: What would you do? I am going to say to the labour movement that it has to stop supporting people—to use the vernacular—“tiefing time”. We pay you for eight hours so you ought to give eight hours. There are too many offices in this country where you can actually risk your life if you stand by the exit door at 3.55 p.m.—[*Interruption*]

Hon. Senator: That is late.

Sen. Dr. R. Balgobin: You just have to look at what happens on the roads when the congestion comes. It comes right after school and so forth, but a number of persons abandon their offices early.

Sen. Dr. Kernahan: They are afraid they would get kidnapped.

Sen. Dr. R. Balgobin: That might be a valid point, but we cannot be talking about productivity and improving people's salaries without the commitment from

everybody to get down there and pedal a little harder and a little smarter as well. Everyone has a role to play. I would say, as a labour movement, they need to consider not encouraging our people to manipulate overtime, sick leave and all of the other little things that we do when we play in grey spaces either afforded to us by the Industrial Relations Act or by collective bargaining agreements, because it does not help an employer. Of course, the logical counterpoint would be, well, it is for the employer to police his or her employees. Well, if you are running an organization and you are engaged in battle for the very life of the organization you are running, you do not have the bandwidth to police your people to the extent that you could fine, prosecute or deal with all of these things, you expect them to do what you pay them to do.

I think, in all of this, as we encourage tripartite collaborate approaches and so on, the other people who have to come to the table—the business community and labour—really have to think as well about what adjustments they are prepared to make in order for this whole economy to work better, and the proof of the pudding is always in the eating. In terms of labour cooperation, we ranked 129th out of 133 countries and in terms of pay and productivity we ranked 127th. By the way, the higher the ranking is, the worse you do. Mr. Vice-President, I would guess that you would agree with me when I say that is not good. We need to rethink some of the things that we accept, in fact, up until now.

We heard earlier from Sen. Annisette that Industrial Court judges need to be taken care of, but that is also an institution in need of attention and, perhaps, change; the institution itself and the mindsets of the people in it.

Somewhere in this country's economic history, we have gone and got confused about what are the rights of investors. An investor puts money in something with the expectation of a return. Somewhere in here an investor puts money into something, but I work there and I get a salary, so to any other thing that comes out of the business, I also have a legitimate right. That flies in the face of common sense. Funny enough, it is allowed to germinate here. There are people saying things like “you have paid a dividend, so we must get a bonus”. How that works exactly is—well, the upshot of that is that it significantly weakens the business where this kind of logic is permitted to thrive. Ultimately, the company is going to run out of the capacity to pay. We need people in the labour community and also the Industrial Court judges and so on to understand the logics of business organizations and the role of investors and to perhaps give greater consideration to those.

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I know that the movement can be sensitive, so I hope that they take my comments in the positive frame in which they are expressed. All I would like to see is for us to move forward as a country. In terms of moving forward now, I would just like to turn my attention to notions of competitiveness. Our GDP per capita says that we are now an innovation driven economy, but our innovative capacity is weak. So, we ranked 131st out of 133 countries for that. In terms of the nature of competitive advantage, of course, companies are also not doing as well as they ought to. We ought to be paying some attention to how we build the innovative capacity of companies and businesses in our economy, because that is going to pull us out, not a social safety net.

On that point, I would readily say that the budget is more about social stability than it is about competitiveness.

Sen. Browne: Please take note.

Sen. Dr. R. Balgobin: I am not endorsing or criticizing any particular measure. To my mind, that is okay, and I am going to explain why. It is okay for it to be a social stability budget at this point. Liken progress to a bunch of people lifting a piano and carrying it upstairs and, suddenly, some of the people who are carrying that piano, for whatever reason, fall away. What do the rest of the people holding the piano do? They only have two options. They could drop the piano, in which case it runs over everybody, or take some strain. So, the knees bend, the muscle in the legs tense and you start holding strain as you try to—*[Interruption]* Mr. Vice-President, I am just making my contribution. As we hold strain you are, of course, going to see a greater focus on avoiding serious injury and less contemplation about where you want to put the piano when you reach upstairs.

I could understand the logic here, because you have seen oil go from \$140 to \$30-something a barrel. Henry Hub has dropped to about half, so you have seen a sudden, rapid and continuous fall in foreign earnings. So, obviously, there is going to be some kind of adjustment that has to be made; not counting the collapse of Clico. Obviously, these things are going to help account for your deficit and some of your problems. Actually, I think that what is going to happen here is worse than what is being put forward. I think the current estimate is that the contraction will be minus 0.9 per cent this year.

6.15 p.m.

But the contractions for the first quarter were already negative 3.3 per cent. For the second quarter, I think the Governor of the Central Bank said it would be

worse, although I do not have figures yet. Unless something really, really exciting happens in the last half of the year, we are probably looking at a more significant contraction.

You have many people across the world trying to talk economies up. We heard that the United States economy is rebounding and we heard that for a number of months now. Almost since it went into sharp decline they have been saying that it is rebounding and it is coming back, but it is still not there. The world economy, our economy, I do not think that we are going to come out of this in a year. I just do not see where the fundamentals are.

So, it calls for a time of greater prudence. It calls for us thinking more critically about what we do, and of course, yes, there are, to my mind, implications for the exchange rate, because you are earning a lot less foreign exchange. I think this ought not to cause a panic. I think if panic comes from any notion of devaluation and so on, it actually comes from indiscreet commentary from some of our people, some of who, quite unfortunately, are employed at state enterprises that are large generators of foreign exchange.

I know of one lady, a senior finance person in Petrotrin, and what did she say, Mr. Vice-President? She said to all of her neighbours and so on, you know there is going to be a devaluation after Carnival. She said this in January. Carnival came and went; then she said, you know after the Summit, Summit came and went; then she said after summer, summer came and went; now is after CHOGM and then it would be after Christmas. [*Laughter*]

The problem with that is, people assume that these people actually know what they are talking about, and they do not. What they do is they cause panic and we ought to have stronger sanctions against people employed in state enterprises, particularly in the energy sector, who go and say those kinds of things. It is quite irresponsible of them to do that. They do not scare corporations, you know, they scare grandmas, grandpas, old and young into doing fairly irrational things. I think our people ought to be held to account and need to be more responsible.

To me, the thing about this in competitiveness terms is that development costs money. The property tax of course, the furore around that brings this into sharp focus. Out of those 133 countries, by my best estimate, about 18 of them can be considered developed countries, and as far as I have been able to determine, all have property taxes. I looked at tax rates and our tax rates are also relatively low.

So, the thing is, do we want to be a developed nation? More importantly, are we prepared to pay the cost of that? Because those costs come from somewhere,

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and so, it is a good time for the country to perhaps reflect on what Vision 2020 means, because it does not just mean benefits, it means cost. [*Desk thumping*]

I want to encourage the view that we ought to take a hard look at what development means for us, because I think this is only one aspect of it. Many of us have relatives living in the United States, Canada, England and so on, and we know what they have to pay, what obligations they have to the State. It is quite significant and you are going to see those things happen here as this country travels on that road. So, citizens ought logically to contemplate where we should stop or if we should. If they do not want to stop that is fine, but then we ought to be prepared to pay the cost associated with that.

Mr. Vice-President, I just want to turn briefly to the question of crime and that would conclude my contribution. I want to say that we heard plenty about crime. We heard a lot from many people about the problems of crime and so on.

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 the Senate continue to sit until the completion of this debate.

Question put and agreed to.

APPROPRIATION BILL (BUDGET)

Sen. Dr. R. Balgobin: Thank you, Mr. Vice-President. So, we are hearing a lot about crime, criminal activity, corruption in the police service, and so on, and the people compare us all the time to more developed countries, especially those living abroad, who now tap in on websites and post blogs and say, well, you know, I could never come back home, I am so sad for my country. Ok, fine.

But in our headlong rush to criticize a Minister of National Security, or a Commissioner of Police, I would like to suggest that we consider what the base building block of a lawful society is. The base building block of a lawful society, as best as I can determine, is law abiding people. [*Desk thumping*] And we have somehow become here, in whole or in part, a criminally tolerant society, and we ourselves, even us with shirts, ties and looking decent and so on, routinely break the law. This of course, over time has a snowball effect.

When you examine the confluence with the trend for the splintering of the family unit, in particular along the East-West Corridor and places like Laventille, that snowball becomes an avalanche. This is what we have to deal with now, and we blame national security and the police, but I will say this about them: They

are on the rear end of whatever the society is producing; they are on the receiving end; they are the bowl, they catch whatever waste we produce. They are the trash bins. They are the ones who have to deal with what is worst about us as a society.

So, what the society does is, it produces more and more and more, then one day, you know what? You keep filling a bin; it overflows. Then what do we do when it overflows? We get vexed, but we do not get vexed with ourselves, we get vexed with national security; we get vexed with the police; we get vexed with anybody but ourselves.

We also get surprised when we find corruption in the police service, without considering that the members of the police service are drawn from the same society that we have to police and we have to change. That makes their job, that makes the job of any leader of the police service, immeasurably more difficult. And putting a foreigner to do that is not going to make it any easier, because it is still the policeman and policewoman on the street, who is coming from that same society, that same environment, who has to go out there now and uphold laws, which they themselves might not have grown up respecting. *[Interruption]* Yes, there are selection processes for that, but it then begs the question, is the society producing enough people who can meet those criteria? *[Crosstalk]* *[Laughter]*

Mr. Vice-President, in my view, as a society, I think in a sense we should be ashamed to try to lay blame in one place for what is happening here. I think that we should be ashamed, because this could not have happened without our tacit consent, or our active involvement. So, it is our society and we all have a role to play in trying to fix it. And that does not mean just talking about it, but it means actively working to try to change attitudes towards crime and criminal behaviour, and you know that changes when we stop calling people stupid when they get caught. You know that changes when you see more and more high profile busts for fraud cases, for white-collar crime. We will know then that that is happening.

So, more laws, yes; more police, yes, but what about self-regulation? I lived in other countries for a number of years, and there were many times when you had the opportunity to break the law, but you did not. There is no policeman standing there watching you, you just do not do it. Unless we can achieve that with our citizens here; unless we can get away from that logic, that mindset that says, unless there is a law enforcement officer standing right there to make sure I do the right thing, I am going to do the wrong thing; unless we can get away from that mindset, we are going to continue to have this problem. The police cannot fix that; they really cannot. At least, no lawful society can function like this.

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Then of course, we have particular problems, and people are fond of speaking ill of people that come from certain communities. People are fond of talking about people from some communities and saying that these are disadvantaged communities and these people are somehow different. To an extent that is unfair, because there is nobility in all people, and they are all citizens of this country.

If, for example, the demands of Laventille or the East-West Corridor are different, then we ought to be able to invest the time, the energy and the resources to deal with those areas differently. I liked what I saw with the police service the other day when they went into Laventille and they backed off, because sometimes force is not the answer. Sometimes love is required. Sometimes understanding the pain these people are feeling is required. We should also ask ourselves, as a society, Mr. Vice-President, why that same thing is not happening in Penal?

Sen. Seetahal SC: Who say it is not happening?

Sen. Dr. R. Balgobin: Not to that extent. Why is it not happening in Princes Town? And if it is happening, why are we not hearing about it? Is it a question of media focus? Is it a question that we are treating some areas in this country as if they are low expectation environments? What is it that we are doing wrong? Certainly, the answer cannot be to run in somewhere and beat up people every time they have a problem. If we continue to arrest everybody that breaks every law, which is what some conservatives seem to want, then we really do not have enough jails to ever do that. I think that a different type of approach is required.

So, when I look at what is happening in police, I mean we hear a lot of criticism, and so on, but you know what, we criticize the police, but we are in here surrounded by police and nobody is feeling unsafe. If there is one colour that we all like is blue. We like blue, the flashing light blue, especially if we are in it or driving behind it and we feel safe, and those people are not corrupt. We do not look at them and say, boy, I wonder if he is going to do me something. At least I do not, and I have not heard those concerns expressed here.

So, there are good things happening and yes, there are rotten eggs; yes, there are bad people there and we ought to deal with them, but it is just the same as everywhere else.

6.30 p.m.

We should not magnify our problems. We need to deal with them constructively and progressively and invest that energy doing that, because there are people in our communities and in our society that need help. So, in making

this appropriation I think Government ought to be sensitive to that, pay attention to that and try to direct its spending there because good things are happening.

When you look at the Police Cyber Unit and what they are able to accomplish—Anti-Kidnapping Squad, now, it seems to have gotten better. There is community group partnering, outings with police, sporting events and so on that they are doing with young people in communities. This is stuff that is happening but it is very quiet, and of course, that is not interesting to report so our friends in the media, unfortunately, do not have as much fun reporting those things, but you know, that is very important work. That is not work the police should be doing alone; that is the work of the society and that is the work of the community.

Mr. Vice-President, when we talk about corruption, as I said before, you have it because officers are coming from a diseased society and frankly said, I think some of them are quite poorly paid. When you look at the Salaries Review Commission recommendation for the Commissioner of Police here, what is that? What is the recommended salary, \$31,250 or something like that to run a force of thousands of men covering two islands?

Sen. Browne: That is almost the same thing as a Minister.

Sen. Dr. R. Balgobin: Frankly I think Ministers are underpaid but I cannot fix that from here anyway. [*Interruption*]

The point I want to make is that you have an organization that is big. If you look at the organization it is big and you cannot continue to have a set of short-term leaders running something like that, it will just go from transformation to transformation and end up nowhere. I have been impressed by what I have seen of the current Commissioner and some members of his team, because, yes, there are a record number of officers being charged and being investigated and so on. But that does not mean that the place got corrupt overnight and I think we have got it wrong. I think it just means that for once we have somebody who is prepared to bring them to justice. [*Desk thumping*] I think that is an important thing for us to recognize. You are not going to fix this because the cancer has spread. You are not going to fix this thing in a day, but I think it is wrong to say that they are all criminals. I do not believe it. I think some of them are big criminals, but I believe that if you have a Commissioner like the one we have now, that we will deal with those people in time.

So, sometimes you hear comments from people who ought to know better and it really boggles your mind, so I have here the *Trinidad Guardian* for Friday—

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well I printed it on Friday I do not know if it is today's or yesterday's, but it says here:

“Commission”—I guess that is the Police Service Commission—“reads riot act to top cop”

It says here, “You're in charge”—and the article quotes the Chairman of the Police Service Commission Christopher Thomas as saying:

“We hope it never arise [sic] to the point where the commissioner is so inefficient in his function of his own doing that the commission will have to take disciplinary action.”

What is that? I marvelled when I read this—oh, of course he sort of gets diplomatic later on and said that:

“...the commission was not ‘envisaging’ such a situation.”—then he says—“According to Thomas, the resources available to Philbert may seem insufficient to carry out crime-fighting strategies. ‘If he doesn't have sufficient resources, he can only manage within the context of what he has...and the resources available to him are what the Government supplies.’”

I have no idea what that means, but it says here:

“We cannot tell the commissioner how to manage his resources”—but—“if the commission perceived that ‘things were not being done in a certain way’”—I would love for him to define what that meant—“which would result in an inefficient delivery of service,”—again definition required—“this would be immediately drawn to the commissioner's attention.”

And presumably he would be dealt with. If we have such random and routine public disrespect for each other, then how on earth are we going to get that in the rest of the society? [*Desk thumping*]

Mr. Vice-President, I got a little confused when I saw that. I think that I have seen good people all over this country and I have seen a rise in problems too, and I would like to quote here a book by Lt. Col. Dave Grossman, it is a 2009 book and it is called *On Killing*. The subtext is the psychological cost of learning to kill in war and society and what it says is:

“There is strong evidence that there exists a genetic predisposition for aggression. In all species the best hunter, the best fighter, the most aggressive male, survives to pass his biological predispositions on to his descendants. There are also environmental processes that can fully develop this

predisposition toward aggression; when we combine this genetic predisposition with environmental development we get a killer. But there is another factor: the presence or absence of empathy for others. Again, there may be biological and environmental causes for this empathic process, but, whatever its origin, there is undoubtedly a division in humanity between those who can feel and understand the pain and suffering of others, and those who cannot. The presence of aggression, combined with the absence of empathy, results in sociopathy.”

Sen. Dr. Gopaul-McNicol: There you go, an uncaring Government.
[*Crosstalk*]

Sen. Dr. R. Balgobin: Then from another part of the book it says:

“Numerous studies have concluded that men”—who kill—“are usually motivated to fight not by ideology or hate or fear, but by group pressures and processes involving (1) regard for their”—fellow members of their gang or team or group—“(2) respect for their leaders, (3) concern for their own reputation with both, and (4) an urge to contribute to the success of the group.”

So, we are dealing with a complex social phenomenon. It is not just, it is manifesting itself criminally, but the root of it is far more complicated, and it requires a holistic societal solution. In the short-term, yes, you need more policemen, because you know at carnival there is a suppression of crime because there are more men out there, apparently, so there seems to be a correlation so we need more men. We need better equipment; we need more training, yes. But that is only ever going to be a stopgap.

We need to get in there and fix our youth, particularly, youth in some critical areas where there seems to be a particular problem. Now, I have taken the time to go and spend some time with the police and various aspects of them, very quietly, to just try and understand what they do and I have seen men with young wives and young children leave their families in the middle of the night and go out there to keep us safe. Yes, we could say that they chose that profession, but I could tell you something, for the kind of money they get it is a labour of love. We ought to try to respect that, because their wives do not know if they will see them come back and their children do not know that and still they do that.

If you lifted one of the pieces of armour these guys have to wear, you could hardly lift it, and they have to run people down through drains, bush and all kinds of places while we sleep. This is what these people have to do. Yes, there are

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problems with the service, but there are good people too and I feel the good people are making a difference and I think we ought to give them time and we ought to show them more courtesy and respect. [*Desk thumping*]

Some areas of our country might demand unconventional policing, but more than anything else, I think what our problems require right now is courage. I look at the published criteria for a new Commissioner of Police, fine. Most of it, I think, is wonderful. I do not know how relevant it is, because to me the most important criteria is courage. You need a commissioner who has courage. I am sort of betting that some of the current crop we have there have some courage and the reason for my deduction would be simple. People like Mr. Philbert are on the eve of retirement, why would you want to go and persecute anybody? Why would you want to go and chase down a corrupt person or go and do any raids at 2 o'clock in the morning when you are about to retire?

So, I look at the Philberts, the Craigs, the Reyes, the Piggotts, the Martinezes. I have seen Castileo, Maharaj, Abraham, Ramdeen, Khan, Cummings. I have seen people who actually care and we ought to try to partner better with them and find a holistic solution for what is going on with our society, otherwise we will all, as we are now, pay a heavy price.

I thank you. [*Desk thumping*]

The Parliamentary Secretary in the Ministry of Health (Sen. Wesley George):
Mr. Vice-President, I rise in support of the Appropriation Bill, 2009/2010.

I wish to begin by endorsing the sentiments of the hon. Minister of Health, that the health of our nation's people is crucial to our nation's development.

I will attempt to elaborate on this in my contribution by seeking to inform this Senate and by extension the country of how we have treated with a special group of vulnerable citizens, those people affected by HIV and AIDS, and of the ministry's preventative care programme which marks the diversion/divergence from its being a manager of the public health sector to a transformative agent, and finally, how young people are educated on health issues and new careers for our young people in the health sector.

This Government has been aware and active in dealing with HIV and AIDS for several years. In 2004 the Government formulated a National Strategic Plan for HIV and AIDS which goals were simple and direct, to reduce the incidence of HIV infection and to help those infected and affected with HIV issues. Our annual spending in conjunction with international agencies and the local private sector

spending has gone from \$25.1 million in 2002 to \$86 million in 2006. I am pleased to report that we have made numerous strides in the education of our young people about HIV and AIDS, the treatment of those who are HIV positive and changing the attitudes of the national population and national institutions to those living with HIV.

The first cases of AIDS were reported in Trinidad and Tobago in 1983 and by the end of 2008, 16,469 persons in Trinidad and Tobago have been identified as HIV positive. Fully aware of the impact on loved ones and communities, this Government over the last three years have committed even more resources towards the development of HIV/AIDS programmes. As of March 31, 2009, 3,270 persons have benefited from free access to anti-retroviral therapy—treating persons living with HIV and AIDS.

Let me remind hon. Senators that these drugs are worth about \$2,000 per month in the United States and in Trinidad and Tobago they are distributed free of charge.

6.45 p.m.

The Ministry has also provided training for staff, and became involved in the distribution of HIV-related commodities. In addition, the HIV/AIDS programmes include the continuation of prevention of mother to child transmission programme. We are extremely proud of this programme, as it prevents the transmission of the virus from mother to her infant. There has been compliance with the HIV testing rate for new or expectant mothers of 95 per cent. This means, approximately 15,625 mothers were tested thus far, but we are aware that our efforts must target those most vulnerable to infection. Our research tells us that the spread of disease remains a problem for both sexes between the ages of 15 to 49. The gender division of infections is nearly even with some 47 per cent of reported infections being male and the other 53 per cent female.

Over the next fiscal year, the Ministry will continue to promote safe and healthy sexual behaviour among this group. We will, for example, increase the population's awareness of its HIV status through the expansion of same day visit rapid testing sites in all the RHAs. This would be complemented by an initiative to incorporate sexual and reproductive health in the curricula at all levels of education. This initiative will be supported by a programme to reduce HIV infections through the development of an HIV plan for the prison services, the promotion of abstinence among young people and fidelity among the sexually

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active, the development of a national sexually transmitted infections policy and guidelines, the implementation of prevention intervention strategies among youths, and the development of an integrated TB/HIV plan.

Mr. Vice-President, we at the Ministry of Health understand that the provision of drugs and treatment will not be enough without a fundamental change of attitudes about persons living with HIV. As Nelson Mandela said, if we draw away from people with AIDS, we can no longer call ourselves human. The Ministry seeks to remove the stigma and allay the fears of those who have not been affected. We seek to impress upon those who are HIV negative their responsibility to stay negative, and the responsibility of those HIV positive not to infect anyone. To this end, the Ministry is pleased to be part of the production of a National Workplace Policy on AIDS in 2008, which guarantees the rights of workers living with HIV. Our education programme is also aimed at awakening this awareness, that discrimination against people with HIV/AIDS is just as bad as any other form of discrimination.

Wellness and Health. Permit me now to elaborate on the Ministry's wellness initiative which the Minister of Health mentioned earlier. Our data tells us that the leading causes of death in the region and in the country are chronic non-communicable diseases, accidents and injuries. We now know that chronic diseases like hypertension, diabetes, heart disease and cancer can all be controlled and managed, allowing those afflicted to lead relatively normal lives. The key to this control are education programmes, which inform citizens that modest changes in diet, regular exercise and adjusting mental attitudes can have a disproportionately large positive effect on health.

We have begun to deal with this from the primary school level, with the support of the Caribbean Food and Nutrition Institute and the Ministry of Education. The Ministry of Health has completed the evaluation of school meals options in Trinidad. The evaluation tells us the nutrient content and possible risk in meals served to school children, and allows us to make necessary changes. This programme allows us to begin to inculcate healthy eating habits from childhood. The Ministry also hosted nutrition camps during the August period, Food and Nutrition Clubs and the National Primary School Nutrition Quiz. The 2009 schools nutrition quiz attracted some 100 schools and 400 students.

As a natural extension of this focus, the Ministry has established itself in the wellness movement. This includes partnership initiatives, an opening of mental health centres, such as the one on Pembroke Street in Port of Spain and Barataria. Moreover, wellness centres have been established in numerous health facilities

throughout the country. Our health centres offer wellness services, however, 12 centres in the North West Regional Health Authority, 12 in the South West, 3 in North Central and 2 in the Eastern RHA have designated wellness centres and resources. At these centres, patients are given advice and counselling on diet, stress relief and exercise, and encouraged to improve their lifestyles by moderating the use of alcohol and tobacco. The centres host public lectures relevant to adjusting lifestyles, exercise sessions and try to involve members of communities in improving their health status.

Mr. Vice-President, over the next fiscal year, the Ministry's health promotion and health education programme will continue in schools and communities. In addition to the highly successful hearing and vision screening of primary school students, education initiatives will include adolescent health screening, creating healthy school environment and adolescent mental health. At the community level, the Ministry has launched the healthy community's caravan, which will travel through the country with an emphasis on at least 20 underserved communities. Through this vehicle, the Ministry will implement health education programmes through village and community wellness councils. They will host adult education programmes and partner with local government and other partners to build health skills for prevention and control of chronic diseases.

Mr. Vice-President, I am pleased to report that more than 5,000 people joined us last Saturday, September 19, at our Annual Wellness Fest and 5-K Run/Walk. That, Mr. President, says something about the willingness of our citizens to do the right thing if they are properly informed and educated, and also encouraged. A workplace wellness programme would also be piloted at the Ministry of Health. It aims to create a supportive environment at the workplace, to promote the adoption and maintenance of healthy lifestyle practices, and we shall soon be approaching the Cabinet for a workplace wellness policy for the entire public health sector.

Mr. Vice-President, it should be clear at this point that the health sector in Trinidad and Tobago is growing. Indeed, it is growing into areas which not so long ago, did not exist. The growth was anticipated by the Ministry's strategic plan, covering the years 2009 to 2013. The plan identified as a priority, the development of appropriate programmes to supply the human resource and skills it requires to expand. One concrete example of this is the granting of managerial autonomy to the RHAs to control their human resources in a way that was not possible before. In effect, they can now hire and have managerial control over their own staff. This includes accountability and clarifies reporting arrangements, and in the end, quality and efficiency of public health delivery. The Government,

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as the Ministry of Health outlined, has increased the infrastructure of the public health sector. This means more facilities under the control of the RHAs, which means more doctors, nurses and administrators. Cabinet has already begun to address these needs. The Ministry undertook a human resources assessment for the period 2007—2010, and discovered these shortages and projected shortages, and took immediate steps to rectify them.

Mr. Vice-President, Cabinet gave approval for \$100 million in scholarships and bursaries to nurses and medical students, and to train administrators and other public health professionals. A number of basic and post basic training programmes were developed to address the shortages of nurses, and to augment the skills of the already qualified nurses. In all, 1,510 nurses were enrolled in training programmes. We anticipate that the needs of our institutions will be met by 2015.

In response to UWI's increased student intake in 2004, Cabinet agreed to increase the intake of medical interns from 76 to 176, an increase of more than 200 per cent. Notwithstanding UWI's increased intake, the Government in 2004 granted 124 scholarships to St. George's Medical School in Grenada. Several have already returned, and the rest of these graduates are expected to return to our institutions from this programme over the next four years—35 in 2010, 30 in 2011, 27 in 2012 and 25 in 2013. These long-term strategies will take some time to meet our needs. In the interim, the Ministry has resumed the recruitment of foreign nationals for the health care and medical positions that cannot be filled by nationals.

In 2007, the Ministry recruited 104 foreign doctors and nurses, comprising 21 doctors and 66 nurses from Cuba, and 17 nurses from the Philippines. In fiscal 2009, Cabinet has agreed to the recruitment on contract of an additional 450 foreign nurses and 119 foreign doctors. The first batch of 45 nurses and 15 doctors arrived in August 2009, but these initiatives do not take into account the other needs which might not be so apparent. These needs will be felt in the allied fields which include nutritionists, radiologists, speech therapists and pharmacists. The needs will also be felt in our increasing fleet of public sector ambulances, which will need drivers, emergency medical technicians and dispatch operators. Public health institutions at the RHAs now have only 57 per cent of the lab technicians they need; only 63 per cent of dieticians; 25 per cent of medical social workers and 89 per cent of radiologists.

Mr. Vice-President, the Ministry is presently, in conjunction with PAHO, preparing a manpower plan which projects needs from 2010 to 2020, which will

reveal in greater detail what the manpower needs of the public sector will entail, but even before that study is completed, some new needs are obvious. Our NHS e-health Card and National Health Information Service Programmes will require a virtual army of computer programmers, systems analysts, support technicians and engineers, as well as administrators. The inclusion of wellness in our strategic planning for health opens up yet more non-traditional areas, like physical fitness instructors, stress relief coaches, life coaches and counsellors.

As I close, Mr. Vice-President, I am sure the Members of this honourable Senate will agree that despite the challenges in other areas, the health sector in Trinidad and Tobago is poised on the brink of tremendous growth. We hope that within five years our need for foreign medical personnel would have been greatly diminished, our national health service and national health information system would have created an integrated state-of-the-art health care delivery system, which would give the citizens of this nation the health care they deserve.

I thank you. [*Desk thumping*]

7.00 p.m.

Sen. Dr. Adesh Nanan: Mr. Vice-President, I rise to make a contribution on the Appropriation (Budget) Bill. As I do so, I want to extend congratulations to the Leader of the Opposition for his excellent reply to the budget in the other place, and I also want to congratulate the Leader of Opposition Business in the Senate for his excellent response to this particular debate. [*Desk thumping*]

After \$292 billion, no water in our pipes; potholes on our roads; persons breaking into other people's homes; people cannot buy food; murders; in 24 hours, eight murders, and 10 days ago 15 murders in two days. We are a failed state. This evening we call upon the Minister of National Security to do the honourable thing and resign. [*Desk thumping*] [*Crosstalk*]

Sen. Dr. Gopaul-McNicol: And take General Ross with you!

Sen. Dr. A. Nanan: Sen. Rogers made reference to disability grants. I want to read from the 1998/1999 Budget statement, "A Platform for Progress, Security for All". This is the UNC:

"In 1996, we introduced the Disability Assistance Grant which brought relief to thousands. This year,..."—that was 1998—"we intend to alleviate the hardships that many of our physically challenged citizens face in obtaining health care equipment and accessories which are critical to their daily existence.

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Therefore, Mr. Speaker, I propose to exempt from both customs duty and VAT, items such as artificial joints, artificial limbs, pace-makers, hearing aids, crutches, surgical belts and trusses."

To go even further, in 2000, wheelchairs were exempted from customs duty and VAT, also prescription spectacles and contact lenses. I just wanted to inform the hon. Senator, with respect to that particular issue, if he was not aware.

Sen. Dr. Gopaul-McNicol: Six years ago.

Sen. Dr. A. Nanan: I listened to the Minister of Local Government's contribution in this debate and I was flabbergasted. I have to respond to the Minister of Local Government. The Minister could correct me if I am wrong.

Sen. Manning: Sure.

Sen. Dr. A. Nanan: I will read from the *Hansard*:

"With this in mind, we have put in place in collaboration with SWMCOL new waste disposal contracts for three years. Before it was one year and we have moved it to three years for the collection of waste in 13 municipal corporations. At this point in time, we are negotiating currently for new contractual arrangements for the city of Port of Spain which was not included."

Mr. Vice-President, we are speaking in terms of three years of over \$300 million for this particular arrangement. I am sure that is an approximate figure; it could be much more than that. We have moved from a situation of award by the Central Tenders Board to now contracts awarded by SWMCOL. Over \$300 million in contracts—no recommendations coming from any corporation in terms of input.

We have to ask several questions in terms of the tendering procedure of SWMCOL. We are not happy with how SWMCOL operates. Why bypass the Central Tenders Board, over \$300 million in contracts. We need to get some clarification from the hon. Minister, at some point in time. The Minister in the Ministry of Finance and the Minister of Trade and Industry, in his winding up, could bring clarity to that particular issue, the award of contracts by SWMCOL.

We also heard in this debate about conflicts with education and education statistics. I want to go to an article in the *Sunday Express* of July 05, 2009. This is Minister Hazel Manning speaking:

"I know that only about 33 per cent of the secondary school population... pass CXC with a full certificate, with five subjects. It means that 70 per cent of our children are leaving school not certified."

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That is what Sen. Mark said; I just want to put on the record that he was very accurate.

Mr. Vice-President, there is also an article in the *Daily Express* of Tuesday, September 15, 2009:

"One in five adults can read this"

I would just make reference to a particular statistic. In 2006 a progress in reading literacy survey was done in 45 countries and the top three countries in terms of literacy are Russia, Hong Kong and Canada. I do not know how the Minister in the Ministry of Finance would respond to this one:

"Trinidad ranked 39 out of 45 countries"

I could pass the article over to the Minister for clarification.

As I am on that particular issue, I want to deal with the infant mortality rate, because we have a situation here with the dispute of figures for this rate. This document, Vision 2020 Operational Plan that Sen. Rogers pointed us to, gives a figure for the infant mortality rate. It improved from 24.2 per 1000 live births in 2002, to 14.89 per 1,000 live births in 2005; target exceeded. But we have a report of the actual figure from the State of the World Children's 2009; Trinidad and Tobago's infant mortality rate under one year, was 30. So this particular bogus document, as I will continue to show, that we have been circulated with, this bogus Vision 2020 Operational Plan, with figures in here—[*Interruption*] I will come to you, Sen. Lezama. I will come there shortly. [*Laughter*]

As I am on the education topic, let me deal with Sen. Lezama with respect to what was said in this particular House. When reference was made to this particular area, I think it was a mistake by Sen. Lezama, to make a statement saying that the UNC—I will quote from the *Hansard*:

"I had to go back to the budget of 2000/2001, presented by the formerly hon. Brian Kuei Tung. When I looked at it, I saw nothing related to young people; nothing related to the seriousness of treating with the education of our people and improving literacy levels; nothing to really treat with poverty alleviation and nothing to really treat with agriculture."

I will leave agriculture; I will come back to it later. Let me deal with this particular issue. [*Crosstalk*] You mean her contribution made no sense? I thought that was what you were saying a short while ago. I mean, that is quite obvious. [*Crosstalk*]

Sen. Dr. Gopaul-McNicol: Do not let them distract you.

Sen. Dr. A. Nanan: No, they cannot distract me; they will try to, but I have spent a lot of time in this debate organizing my contribution. [*Laughter*] That is what happens when you speak last.

I want to deal with something in the same budget speech. I want to clarify another issue, as I am dealing with that:

"We are also moving forward on primary schools. We are reducing the class sizes from 30 students per teacher, to 24. This way, each student receives more attention and each teacher spends more time teaching. Therefore, we must hire and train more teachers, and build more classrooms.

In the last five years,..."—Sen. Lezama—"we have built 27 new primary schools. Seven more are under construction in communities like Santa Rosa and Fifth Company...we will begin construction of seven more primary schools, in Caratal, Maloney East, Iere, Nelson Street, Port of Spain, Couva South, San Fernando and Scarborough.

Mr. Speaker, we will ensure that every primary-age child has a place in school."

I could go on, but I just wanted to draw reference to this because when Sen. Mark made reference to 53 new primary schools being constructed under the UNC administration, someone from the Government side took issue with that. But if you add up 27 and seven, 34, and seven, that is 41, and we built other schools. That is why when Sen. Melville made reference to that Pentecostal school in Tobago, you see how we have moved away from that particular World Bank programme and did build primary schools on our own. I could quote the other primary schools that we constructed. Sen. Mark was absolutely correct in terms of his statistics. [*Desk thumping*]

Sen. Manning: That Pentecostal school is a secondary school.

Sen. Dr. A. Nanan: I want to condemn one document already, because I need to get away from that particular document; this one here. This Public Sector Investment Programme 2010—oh, and by the way I had so much time that I read all 339 pages of your Vision 2020 Operational Plan. [*Desk thumping*]

Sen. Dr. Gopaul-McNicol: There is nothing in there that is important. It is a waste of time.

Sen. Dr. A. Nanan: On page 67 of the Public Sector Investment Programme 2010—I want somebody to clarify here:

“The Primary School Programme has been allocated \$7.2 million of which \$6.7 million is final payment for...completion at two schools: St. Paul's A.C and El Socorro South Government.”

Listen to this, Mr. Vice-President:

"A Survey of Primary School Sites is also planned at Debe High School, Preysal High, North Eastern Educational District, Tabaquite Composite, Mayaro Composite, Fyzabad Composite, Gasparillo Comprehensive, Moruga Comprehensive, Cedros Comprehensive, La Pastora..."

What are we going to do? Are we going to put primary schools in the compounds of these government secondary schools? Is that the intention? Or is this a completely wrong placement in this particular document? On behalf of the UNC and the Opposition Senators, we condemn this document. [*Sen. Dr. Nanan displays document*] [*Desk thumping*] That is document one. “I leaving you for last, Attorney General.” [*Crosstalk*]

Sen. Jeremie SC: I must be first.

Sen. Dr. A. Nanan: No, we are leaving you for the special moment. [*Laughter*] [*Desk thumping*]

The other matter I want to deal with comes from this document. I do not know how credible it is, but I will still use it, because I read everything, so I might as well make reference to some of them. There is something that I have issue with, and I want to get clarification. Sen. Rogers and Sen. Melville said that they are building in Cove; both of you, I think, are correct. Because when I read this document, I was quite sure that what I had here was accurate. I do not know if there is some upgrade taking place that is not in this document.

This document says on page 275—of course, it is the Vision 2020 Operational Plan:

"Work is ongoing as scheduled on the new dual-fuel 48 MW generating plant at Cove Estate in Tobago, which is to be commissioned by...2009."

I heard from Sen. Melville that it was a 64-megawatt plant, and I heard from Sen. Rogers that it was a 64-megawatt plant that was being constructed. On that basis, I do not think two Senators could be wrong; so we will condemn this book even more in terms of information. [*Crosstalk*]

Sen. Mark: What is the book saying?

7.15p.m.

Sen. Dr. A. Nanan: It is saying 48 megawatts; that is one part. [*Crosstalk*]

So that is one part. I will go to another, page 194, Table 3.3. "The non-energy fiscal deficit is less than 10 per cent of GDP." I was absolutely sure that this Table was correct so I went on the Internet and checked what the actual oil and gas prices were.

The document goes from July 2008 to August 2009 and we see a price breakdown for oil, but when we go to natural gas on this particular Table, the July 2008 reads 11.067, August 2009, 11.067. Now that cannot be correct. It has to be somewhere between three and four. Even if the Minister of Energy and Energy Industries says that we are selling gas all over the world, I do not think we can reach 11.067.

Now I want to go along piece by piece in this particular document because it made very good reading. This is really perceptual management, and you know what is strange in this particular document, you can actually peruse Trinidad and Tobago completely with this document. It would have been beautiful if these things were real. It would have been perfect.

The Green Fund, of course, started under the United National Congress administration and that is a major hurdle with any fund. The unit commenced operations in September 2008 and provides financial assistance to non-profit community groups or non-governmental organizations registered with the Ministry of Community Development, Culture and Gender Affairs which are primarily engaged in activities related to the reforestation and conservation of the environment.

This particular unit was set up in 2008, at present, nine applications for grant funding were received and are being finalized, not one to date has been approved under this Green Fund. Are they keeping it to use in deficit budget financing? We have to ask that question. [*Interruption*]

The other area I want to deal with—I can go back to Sen. Lezama but I will leave that because I think she made a mistake when she referred to the Trinidad and Tobago Hospitality and Training Institute as the Trinidad Hotel— [*Interruption*] Okay, I knew that was an error on your part.

As I go along, I want to deal with a particular issue with the Minister of Energy and Energy Industries—I am sorry he is not here—because we heard in his contribution that they are going to use Trinmar to drill wells and we saw in one of these documents that there is a \$10 billion deficit. Trinmar needs at least

\$10 billion to stay afloat because Petrotrin allowed Trinmar to run down. All those ex-Trinmar workers who are pensioners can lose their pension because of that stance by Petrotrin. So we need some clarification from the Minister when he is winding up on that particular situation with Trinmar.

In this document also, we see a contract awarded for 50 Early Childhood Care and Education Centres to a foreign company. The Minister of Local Government can correct me if I am wrong. [*Interruption*] If one looks at 2002—2004 there are empty promises.

Mr. Vice-President, Sen. Dr. Kernahan made reference that the people in Point Fortin recognize that there is a lack of credibility with the Government. For them to protest yesterday and say budget after budget and there is no Point Fortin Hospital, they have no confidence in the Government. I do not want to digress, but I can go into health.

You promised that there would be a Burns Unit in a new hospital in the Central Regional Health Authority. This is now only going to be constructed if there is funding for it. When we are in the times of plenty, you could not do it then, we do not expect you to do it in the bad times.

The Oncology Centre, the bugbear in the PNM administration, \$100 million was spent and we only have grass on the site. If they had taken 10 per cent of that figure which is \$10 million, they could have put all the beds in the hospitals. We would not have to see the people suffering without beds, and the Minister would not have to come here and say that we are getting more beds. All those things would have been operational.

It took them seven years to build one health facility; we constructed the Princes Town District Health Facility and the Couva District Health Facility. So in terms of comparison and performance level, there is none between the PNM and the UNC. [*Desk thumping*] You had the allocation of \$292 billion; we did it with just under \$60 billion; that is the kind of comparison we are seeing.

You know what is very striking? When you give all these foreign contractors the jobs, our foreign exchange goes. For the Prime Minister's residence, if you find a nail utilized from Trinidad and Tobago you find plenty. Everything came from China. That is what happens when you hire these foreign contractors.

So we warn you in terms of that policy of bringing foreign contractors that you are stymying our local contractors, and if you have a fair share programme, it is supposed to be utilized in that direction, that is with the health sector.

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There is a small area in this particular document, I do not know how factual that is but I will go with the facts. This particular Emperor Valley Zoo, the Zoological Society are the ones that—[*Interruption*] I would not want to refer to you as an animal, Attorney General. We will come to you, we are leaving you for last, you are in the final act.

I just want to show in terms of the operational plan, you cannot even get that right. The contract was awarded for the expansion of the Emperor Valley Zoo, of course you want to take away the rights of the Zoological Society, and bring legislation for the Government to take over the Emperor Valley Zoo, but the contract was awarded in February and it is 25 per cent completed to date, that is the kind of implementation rate and you are telling the population that you will be spending \$39 billion, a large percentage in the PSIP and the implementation rate would be over 75 to 80 per cent. I am not preaching doom and gloom, I wish you can go to 90 per cent so the people can get the services, but because you have a track record, I know we cannot count on that in that particular area. I just mentioned that to compare the implementation rate in a little sector like that.

Do you know what is also ironical in terms of the tourism plan? On the Maracas Beach Restoration Project, the concrete project is \$212 million. I am not against that, but what about the North Coast Road to get there? So you are going to spend \$212 million to restore the beach and there are landslips right along the North Coast Road. If rain falls, one is cut off, that is the kind of planning and foresight.

I want to deal with the flooding and the way the Government handles it. When I was preparing for this, I made a little note which I always do. I wrote the word "tokenism" and I feel this is a budget of tokenism. Every time you see something on this particular document about an allocation, it is just there to fool the people and I will tell you why.

A fishing port is being built in Moruga for the fishermen and there is a \$20 million allocation. This document—before I bury it somewhere, or condemn it to the fire—says that particular fishing port has a problem with it because of the Certificate of Environmental Clearance. And you run through the smelter and give them the Certificate of Environmental Clearance through the back door and now blocking the people of Moruga from getting their fishing port, but you put \$20 million.

We hear of great plans by the Minister of Agriculture, Land and Marine Resources about jetty and so forth, but it is not being implemented and that is why there is a major problem in terms of putting the money there and getting the work done.

In times of plenty the people of Central are flooding. There is a Mamoral Dam and Reservoir Project which is another \$20 million, a figure everybody puts in. Nothing in 2008 and I was making reference to 2009. This Vision 2020 Operational Plan takes all the projects in 2008/2009, pushes them to 2010 and that is the new projected target. The rolling plan is now 2010.

I was talking with Sen. Dr. Kernahan when Sen. Rogers was speaking and we were talking about Tambu's song; "The Journey Now Start". That is what this is about. So you are pushing, pushing and I am sure next year we are still going up the road. The same target for 2010, 2011 going forward so it is a rolling plan; the projects are just rolling along.

In terms of the flooding, people from Central would be flooded out, and the dam will not be constructed because again in times of plenty it was not done, now we are in hard times. It is a pity the Minister of Finance is not here because if you compare us with the Latin American countries, you will see that Latin America has weathered this economic crisis.

Latin America as a whole was in a much stronger position to weather this crisis compared to other economic crises in the recent past. Specifically, unlike the financial crisis in 1997—1998, economic fundamentals in Latin America were strong prior to the onset of the present downturn.

The region's major economies had an overall fiscal surplus, public debt levels had fallen dramatically since 2002, international reserves were high and dependence on foreign currency debt holdings was low, and they were able because of that to introduce fiscal stimulus packages and lower interest rates in an effort to improve access to credit.

Do you know what is ironical? When the Government is coming with this tax reform, Jamaica was increasing their mortgage years; so they have moved from 30 to 40 years now. They are considerate; but you are taxing the people in hard times and Jamaica is making concessions for people so they would not lose their homes.

7.30 p.m.

You know this document talks about caring. I think they should write off that word. Jamaica recognizes that in a government it is very difficult to allocate resources. What is very interesting is that I am not against the gas optimization project at Petrotrin, but you are building an administration building to house 600 members of staff for \$325 million. That is the latest figure. It could go up. Right

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across from the highway, not too far inside. Caratal section 1, 2 and 3 the roads are in a deplorable condition. In Forres Park they are protesting for roads and you spend \$325 million. I am not saying not to build the administration building. Where is the equity? *[Interruption]* They were protesting just recently. Do you not look at the news? We know about Charles Street.

Sen. Rogers, as you open your mouth down there let me deal with you one time. In Bon Aventure you must remember a place called Cocoa Piece.

Sen. Rogers: Yeah.

Sen. Dr. A. Nanan: When last you went there?

Sen. Rogers: Last year.

Sen. Dr. A. Nanan: Okay. It has no water in Cocoa Piece. Did you not read the article in the newspaper? People are suffering in Cocoa Piece in Bon Aventure, for your information.

Let me get back to the administration complex. We are comparing a \$325 million administration building and people must protest in Forres Park, Caratal and elsewhere to get roads. That is the situation. Do you know what is also interesting? As you come off the overpass and come by Grand Bazaar, if for some reason you miss it—now the entrance is on the next side so you have to go on the other side, the next entrance is closed—you would end up making a turn inside Bamboo No. 2. You will come out from a smooth surface road, a four-lane highway and go into Bamboo No. 2 and you would cry. You would cry. You would think that you are somewhere in Africa or probably the back of Australia. Right behind Grand Bazaar the roads are in a deplorable condition and that is on a dry day. Could you imagine on a rainy day?

You had the Summit of the Americas and almost \$1 billion spent this year, a Commonwealth Heads of Government Conference with over \$2 billion, a total of \$3 billion would be spent. So far, all we have gotten is a handshake and congratulations for the Summit of the Americas. No rewards. We are going to spend \$2 billion again for this Commonwealth Heads of Government Conference and the people in this country are suffering. We are not saying not to have the conferences but you must have equity in the country. Give them water. We heard from Sen. Rogers in terms of the percentage of people who have water. In terms of the distribution of water, 95 and 97 per cent; in terms of people who get water 24 hours, seven days a week it is 25 per cent. *[Interruption]* You mentioned water in passing. You forgot? I took notes. I said in my opening that people have no pipe borne water.

We heard from the Minister of Energy and Energy Industries. We are not questioning the recurrent expenditure of the Government. We are querying the wastage and the alleged corruption out of the UDeCOTT enquiry. If that money could have been channelled into the infrastructure for the country, the people would benefit. That is what we are concerned about, the wanton wastage by the PNM administration.

I am still keeping the Attorney General for last. I have a few little items with which I want to deal.

Sen. Jeremie SC: I am waiting on you patiently.

Sen. Dr. A. Nanan: Have a little more patience. I want to deal with another issue. I am coming there because I reach national security now. I will quote from the *Newsday*, Sunday September 20, 2009. This is to agree with Sen. Wade Mark in terms of the position.

Why are we reportedly in the top five countries in the world with the highest murder rate per capita? My research tells me Colombia is the world's murder capital with six per 1,000. South Africa is second with five. Jamaica is third with 33. Venezuela is fourth with 31 per 1,000. Based on local statistics, Trinidad should actually be third since its per capita murder rate is reportedly 36.

However, Sen. Mark was generous. He ranked us as sixth. This article by Vashti Maraj is saying that we can be ranked as third. In terms of statistics, I have cleared all the areas of any concern with respect to Sen. Mark. He was not lying with statistics. He was giving the facts.

I want to go to a few little areas in this book because it is important for health. Let us deal with health for a brief moment and then I would get to the Attorney General. We constructed 43 health centres. I do not know what this document is saying with respect to what you constructed. I want the Attorney General to listen and I have now reached the Attorney General because it is important. Page 148—when I asked the Minister of Health—[*Interruption*] You have to investigate this because you said that you were going to do major investigations. You would let the chips fall where they may. I think that if I am wrong [*Interruption*] I could quote you from *Hansard* if you want.

Sen. Jeremie SC: Use it. No sacred cows.

Sen. Dr. A. Nanan: On page 148, Diabetes and Cardio Vascular Services Initiative. The diabetes and cardiovascular services initiatives are both being implemented and managed by the University of Trinidad and Tobago in

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collaboration with John Hopkins Medicine International under the Trinidad and Tobago Health Sciences Initiative. These are complementary to the Special Programme for Chronic Diseases. The drive to encourage proper management of diabetes among citizens is receiving special attention through the Diabetes Services Initiative.

It is my information that there was a proposal to the Ministry of Health for a programme in terms of stratification of the population. What do I mean by stratification of the population? It is primary health care. You will target all the asthmatics and diabetes. You would know at a glance in terms of the various communities where these people are located, so you could treat them in their communities. That programme was being offered to the Ministry of Health over a four-year period for TT \$20 million.

This John Hopkins Medicine International is a private organization. I do not know if it is a government-to-government arrangement. They have given a programme for US \$25 million when we could have had a programme similar or better for \$20 million over a four-year period.

Sen. Jeremie SC: Who offered the \$20 million programme?

Sen. Dr. Saith: Nanan and Associates?

Sen. Dr. A. Nanan: I will give you all that information if you want it. Nanan and Associates? [*Laughter*] This is no laughing matter. This is serious business. I will give you the information. The Ministry of Health hired a consultant from Argentina to assist them with this particular programme. This is what I am told. The man had great difficulty. We do not know if the programme they have for US \$25 million is functional. That is one issue that the Attorney General needs to investigate. Attorney General, while I am on that particular issue in terms of investigation, I saw that you received the T&TEC Report two weeks ago. I do not know if that is correct. More than two weeks ago. I do not know why it is still with you in terms of if you want to do like the Biche enquiry and sanitize the report.

Sen. Jeremie SC: I do not sanitize reports.

Sen. Dr. A. Nanan: I do not think that I have to retract anything. We will get the report in Parliament?

Sen. Jeremie SC: The report required some further study. There are some areas which need clarification and if criminal investigation is warranted because this is an audit report, it would go to the police. That is how these things operate.

Sen. Dr. A. Nanan: I thank the Attorney General for clarification. As you are dealing with no sacred cows, the other area is the Labidco Report.

Sen. Jeremie SC: I know everything about the Labidco Report. That is an old report. It went to the DPP four DPPs ago. As far as I can see they found that there was no evidence on which they could go forward. You want me to rewrite the report?

Sen. Dr. A. Nanan: I do not know if to go further to ask you another question with another report? The other report is the report on the Scarborough Hospital and certain recommendations were to be followed. We have not seen anything with that particular report. I give way.

Sen. Jeremie SC: I could see no discernible progress in relation to that matter and that is a matter that I think requires some further work. I was not here for a couple years so do not lay it on my doorstep. I have been here for four months.

Sen. Dr. A. Nanan: And there is another report. The Auditor General's Report, the CEPEP Report.

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

Motion made, That the hon. Senator's speaking time be extended by 15 minutes. [*Hon. J. Jeremie SC*]

Question put and agreed to.

7.45 p.m.

Sen. Dr. A. Nanan: Mr. Vice-President, I thank the Attorney General for extending my time. I do not want the Minister of Energy and Energy Industries to jump up and say improper motives, so I would be very glad if you listen to what I have to say. It comes from this particular article in the *Daily Express*, Friday, September 25, 2009, page 3, which reads:

"AG: Henderson ignored QC's advice to charge"

Sen. Jeremie SC: That is the headline of the article; I never said that. You know that.

Sen. Dr. A. Nanan: Well, I know that. I am just reading here.

Mr. Vice-President, we have a situation where the Attorney General, under parliamentary privilege, has attacked the President of the Law Association. I know the Attorney General cannot deny that because that took place here, if you call what you said an attack.

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Attorney General, we also have to ask the question: What about Rajendra Narine, a sitting judge, and another sitting judge, Henderson, a former DPP? This article points to the attack—that the Attorney General put pressure on the former DPP, Henderson, to charge our Basdeo Panday and Lawrence Duprey.

Sen. Jeremie SC: Let me just clarify for the records. I do not know where the headline came from; I did not write that headline; I do not know who wrote it; I disavow all knowledge of that. It is my job to make sure that the Ministry of the Attorney General runs efficiently. I do not take charging decisions. Those decisions are taken by the Director of Public Prosecutions. I provide him with resources. If he wants an opinion done, I provide him with that. It is wrong to say that I said that I attacked Henderson. That is wrong. You said you had my *Hansard*. Did you see anywhere in the *Hansard* where I attacked Henderson?

Sen. Dr. A. Nanan: Mr. Vice-President, I will give way to the Attorney General because I think the society needs to know. In terms of the prominent person and the chief legal officer, who are these people?

Sen. Jeremie SC: That I will not say. I am not going to abuse parliamentary privilege. I went as far as I could have gone in this Senate and I will go no further. You will not bait me to do it.

Sen. Dr. A. Nanan: I will say that the Attorney General is imputing improper motives to me. I will never bait him. I want a ruling in terms of the Attorney General and this particular article and the assumptions made about him and the sitting judge and former DPP Henderson, hon. Basdeo Panday and Lawrence Duprey—

Sen. Dr. Saith: So that is written there?

Sen. Dr. A. Nanan: No. But it is in the public domain, and we need to clarify that just as we need to clarify all this speculation with respect to UDeCott. We heard in this Senate today about judicial review and the right of a state company to judicial review against the Government. We think it is a diabolical plot by the Government and UDeCott to stifle the enquiry. We want the Attorney General to investigate that matter with respect to the State in collaboration with UDeCott. You are supposed to have an independent office and you are supposed to advise the Cabinet if they are ultra vires the Constitution. *[Interruption]*

I am not baiting you; I will never bait you. You are a man of honour and you left your ambassadorship to come here to serve the country. You have been

embroiled in controversy for a long time and I thought that this would have been the opportunity to clear the air and get some peace with respect to the various members of the Judiciary.

As I am on the Judiciary, we need to know about a particular criminal court which is supposed to be set up for firearms and kidnappings. Please give us some clarification. This document did not give us much.

Sen. Jeremie SC: You teased me by saying you were coming to deal with me, but you are not dealing with me, you are just asking me nice questions. I am not accustomed to this kind of behaviour. [*Laughter*]

We have plans to bring legislation for special courts and I said so in my contribution. You said you had the *Hansard*; I said that Cabinet had approved plans for a Diplock court, that is, judge; no jury, and we were doing away with the preliminary enquiries.

There are plans afoot and since I left office there was a special criminal court committee to deal with kidnapping which, at that time, was more prevalent than now. It was one a week, now it is down to four or five a year. There is a Gun and Kidnapping Court Committee to set up criminal rules, similar to the rules we have on the civil side, to expedite trials in respect of criminal matters. If you abolish the preliminary enquiry, that will allow for speedy criminal trials.

Sen. Dr. A. Nanan: Thank you. I would not deal too much more with the Attorney General's Office. I will move on because I need to deal with another matter very quickly before my time runs out. It came from this Vision 2020 document. It is the bugbear of the Institute of Marine Affairs.

I was on the East Coast for a day of relaxation and I saw members of the Institute of Marine Affairs. I was wearing a straw hat, but I was recognizable, I think. The members walked past me like I had leprosy; like they were afraid to see me in that particular area. I asked what they were doing on that beach. I had to push them and they realized that if they did not tell me, I would probably reveal it in the Senate. They said they were doing water quality testing of the beaches.

We have to ask the question: Did they do the water quality testing because they were forced to, because of the budget? Was it a project where they had to do something because they were not doing anything, so they went and did something and they came up with the water quality testing of beaches? For years Maracas has been polluted and the Institute of Marine Affairs did samples and did nothing about it and now they are going on the East Coast to test water quality. That is another area of concern.

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As I am on that particular issue, the building of the Institute of Marine Affairs was supposed to be finished a long time ago. The plans were on the drawing board since 2001. We are in 2009 and the building is not finished. In times of plenty, it was not constructed and I cannot say if it will ever be finished.

The other area we need to clarify is this mysterious Tamana Park. That is over \$3 billion in terms of allocation. All they have done so far, according to this book—and I think that this book needs to be put in the dustbin, but we will make a quick reference to that—they built a generator and put lighting in the area and they are working on some one building, but they are going to expend over \$3 billion. I am sure I can be corrected in terms of the expenditure for that particular park and all the other parks.

Do you know what is strange? We have heard, in this debate, about the diversification of the economy and the Government being in a mad scramble to diversify the economy and come up with all different plans to diversify the economy and to reduce the non-energy deficit. What is interesting in terms of diversification—and I want to read from this particular section of the same budget speech of August 2000 by Minister Kuei Tung. He said:

"...60,000 new jobs"—take that in your pipe and smoke—"created since December 1995...roughly twice as many as we saw from 1991 to 1995."

What is ironic is that there was negative growth for two years under the PNM. Now, again, under the PNM, we have negative growth—

"These 60,000 new jobs were created over a range of sectors demonstrating the progress we have made to diversify our economy. Nine thousand of these new jobs were created in the construction sector. Ten thousand of the new jobs are in wholesale, retail, restaurants and hotels."—There was nothing about the side of the road.—"You can see them at the Tobago Hilton or while you walk the streets in Port of Spain, San Fernando and other areas, past all the new shops and restaurants.

Eleven thousand of the new jobs arose in finance, insurance, real estate and related businesses while twelve thousand of the new jobs are in transport, storage and communications.

Mr. Speaker, community, social and personal services sector, which includes teachers, police and the self-employed, produced 19,000 of these 60,000 new jobs. All of these jobs have been created in the non-oil sector. That is because we have succeeded in our efforts to diversify the economy." [*Interruption*]

The economy was diversified. We gave it to you on a platter in 2002; all the plans and programmes. Do you know what? The National Solid Waste Management Plan was left on the table in the Ministry of the Environment. We worked night and day to produce that plan and now we are seeing in that document that they are going to the National Solid Waste Management Plan in 2009. I condemn this document to any bonfire I can find.

I thank you.

The Minister of Trade and Industry and Minister in the Ministry of Finance (Sen. The Hon. Mariano Browne): Thank you very much, Mr. Vice-President, I want publicly to say thank you to all who contributed to the debate, for the comments critical and uncritical. I also thank Sen. Annette for reminding me that on Republic Day—he said it very well and I need to finish the first verse for him:

"Trinidad is my land and of which I am proud and glad
But I can't understand why some people does talk it bad
But all of dem who just running dey mouth
Don't know what dey talkin 'bout
And they would paint here black every day
And the right things they would never say."

8.00 p.m.

Let us start with Wade Mark. [*Interruption*] I apologize, Sen. Mark.

Hon. Senator: Honourable.

Sen. The Hon. M. Browne: Hon. Sen. Mark. Brutus was an honourable man. I am not going to carry him there; he behaved a little better this time. He made many, many statements:

"In two short years the Government has increased the public debt by some 30 per cent."

I do not know. I kind of read the Review of the Economy 2009 and I sort of looked at the central government's fiscal operations and I looked at the debt borrowing structure on page 67, Appendix 23 and I noted that the debt is estimated to increase from 25 per cent of gross public sector debt and that includes contingent debt, guarantees and everything else. It is meant to go up 31 per cent. [*Interruption*]

Sen. Mark: That does not include open market operations.

Sen. The Hon. M. Browne: Open market operations, as you would have realized after we came to Parliament last year, are fully financed. The moneys were isolated. I think we made that abundantly clear. The funds were fully financed and isolated.

A point was also made by himself and Sen. Ramkhelawan. I would have expected better from Sen. Ramkhelawan, in as much as he is in finance:

“...a cataclysmic fall in revenues...”

Once again, if I were to just simply turn to the Review of the Economy 2009, I would expect an analyst to do that, when you look at the years from 2006—2009, and the projections for 2010, really we have one problem here. The problem is that there was a year in which there were bumper revenues and bumper prices in the world. Our revenue and original projections were increased twice. We came back with the supplementation and it went up to \$56.8 billion. In actual fact, if you were to take off the extra revenue we earned as a result of the increase in prices, revenue for 2006 was \$38.9 billion; 2007, \$40.1 billion; and 2009, was roughly \$38 billion. The projected revenue for 2010 is \$37 billion. Those numbers are in sync. The only aberration we have is 2007/2008 and that is as a result of a world market situation which escalated. Food prices; all commodity prices; corn; soya; steel; aluminium; oil; gas; everything went up. So, there is no cataclysmic fall, none. In fact, what we have is a return to trend line. Let us get that abundantly clear. There is no structural change or adjustment. This is completely in keeping with the normal long-term trend. I want to get that clear. It is not cataclysmic.

In addition to which, the point was made that I had come to this Senate and replied to a Motion, which was filed somewhere in June and we said that we expected to achieve our revenues; our revised revenues. The point of fact is that the prices went down a little further than we anticipated, but we achieved 90 per cent of the \$42 billion. I just want to get that clear. I was not, in any way, misleading this Senate. Things did change in the last four or five months of the year when our revenue did not—our prices came down faster than we had expected, but as has been pointed out by the hon. Minister of Energy and Energy Industries, the long-term prognosis is clear. Gas has a place and gas prices are expected to rebound. We do expect a period of short-term volatility and we have taken that into consideration, in terms of the price that we have generated, but for every day this week, the gas price has exceeded the price we have used in the budget. I want to make that clear again.

There is nothing in the budget about the ravishing effects of inflation; the long-term rate of inflation. This is according to Sen. Mark, who, as the *Newsday* correctly pointed out in November last year, is more often wrong than right. I did in fact pull out the long-term inflation rates. Well between 1992 and 2008, the rate of inflation went into double digits twice, 10.8 per cent in 1993 and 12 per cent in 2008; average rate of 10 per cent. Between that period of time, it has generally been around 5 per cent. In fact, there were several periods when it was much below there, 2001, 5.6; 2002, 4.1; 2003, 3.7; 2004, 3.7; 2005, 6.8; and 2006, 7, 8.3 and 7.9. What is the rate for this year so far? Well, the RPI Index suggests that the rate, up until June, was less than 1 per cent. If you would permit me, there was a press release which was made earlier on today by the Central Bank. I think I would like to read the first paragraph of that press release.

“According to the latest data received by the Central Statistical Office, inflation continued...”—to decline.

This is an important point. What do the numbers look like?

“...the Index of Retail Prices, fell to 4.3...in August 2009, from 5.9...in the previous month and 11.6... at the start of the year. Over the first eight months of the year, the Index of Retail Prices has increased by 1 per cent compared to 10.8 per cent over the corresponding period”—for September—” of 2008.”

The overall inflation rate is 1 per cent. I cannot—sorry I am struggling to read the text on the size of my Blackberry. I take the point that food inflation has been an issue, but food price inflation has been coming down. The real difficulty that we have in inflation has been imported price inflation on the basis of food prices. That has to do with our staples, where we had more than over 100 per cent increases in the price of corn and wheat and a lot of the food stuff we import. We have had that difficulty. It is a world problem.

Let us understand that and we need to treat with that. We have done what is required. We have suspended CET and we have dropped VAT on foodstuff. We have done a number of measures along those lines; the intention being to reduce the price. We have also done what is required on the monetary side. Notwithstanding the deficit, inflation is down and is expected to go down further. We do have an issue, in terms of managing food and we recognize that. There are a number of initiatives which we have designed and we are in a position to deal with that.

With respect to the issue of the number of people who are below the poverty line, 16.6 per cent, I think the point was already made that it is halved. I also think the current statistical data has not taken into consideration the substantial changes

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that have been made in the social infrastructure. I think the point was made again by the Minister of Energy and Energy Industries that a substantial percentage, approximately 40 per cent, of the budget of 2006, 2007, 2008 and 2009 is spent on subsidies and transfers which are designed to deal with that.

Statistical data: We need to do a full investigation in that particular area, particularly to address Sen. Dr. Gopaul-McNicol on some of her comments. There are all manner of grants and subsidies which have been put into position: the Education Grant; the Textbook Loan Rental Programme; the School Transportation Programme; the School Nutrition Programme; CDAP; Smart Card; Old Age Pension; Public Assistance Grant; Disability Grant; and fuel subsidy. When you take that into consideration and all the other Government programmes by individual support, family support, community support—let me call out a few of them: the Adult Education Programme; Civilian Conservation Corps; export centres; Geriatric Adolescents Partnership Programme; Helping You Prepare for Employment, Multi-sector Skills Training Programme; National Energy Skills Centre; National Skills Development Programme; Non-traditional Skills Training Programme for Women; On-the-Job Training Programme; Retraining Programme; Women in Harmony; Community Environmental Protection and Enhancement Programme; Patient Care Assistants; Community Action for Revival and Empowerment; Community Development Fund; Community Education Programme; and Community Safety and Enhancement Programme. Do not say that this budget and Government expenditure has not taken into consideration the poor.

With regard to food price inflation, for the month of August, it was 10.1 per cent and it is now down to 5.2 per cent. I just want to put it in context. [*Interruption*]

Sen. Dr. Gopaul-McNicol: That is just on paper.

Sen. The Hon. M. Browne: I do not think you should talk too much about paper, because I have been told, especially in social sciences—rant is the word that comes to mind and the phrase that comes to my mind, no offence meant—when social psychologists speak so loudly of their commitment to the poor and speak in that tone, it reminds me very much of what Mr. Rudder said: “A mad man’s rant.”

With respect to the issue—[*Interruption*]

Sen. Mark: On a point of order.

Sen. Joseph: What is the point of order?

Sen. Mark: I believe that he is imputing improper motive to one of our Senators. He said when he heard this thing it is like a mad man's rant. He cannot be referring to a Senator in that way. He was referring to Sen. Dr. Gopaul-McNicol. [*Interruption*] He said so.

Mr. Vice-President: He said what comes to mind is what Mr. Rudder said, a mad man's rant. He did not, no. Minister, continue.

Sen. The Hon. M. Browne: Thank you. Just to clarify the issue, no disrespect meant to you; it was a general comment.

World Bank's Migration and Remittances Factbook stated that some 28 per cent of the population had migrated to other countries and that more than 75 per cent of the population, one in three or four persons with tertiary education, had left Trinidad and Tobago. I did take the opportunity to look at the statistics provided by this particular document and it is interesting, the basis for the same document that was quoted by Sen. Mark. The World Bank's Migration and Remittances Factbook, well it does talk about the stock of emigrants, but that immediately puts us in trouble, because, as it turns out, there are no emigration statistics for Trinidad which have been kept by CSO, so they would have to make a whole number of inferences on the basis of the stock of emigrants which exist in any one particular country at a particular point in time. That particular survey did indicate that 78 per cent of the stock of emigrants, which existed at that time, had tertiary education. In other words, this is not a flow or evaluation of the people who have left Trinidad and Tobago, on the fact that we are losing them. This is a statistical inference, based on the basis of the people who are living in other countries and the percentage of them that have tertiary degrees. That is what it says. It does not say that three-quarters of the people that we educate are leaving; it does not say that. There is a book called *Lies, Damn Lies and Statistics*. This information and that inference are completely wrong. [*Interruption*]

Sen. Mark: He has his interpretation and I have my interpretation.

Sen. The Hon. M. Browne: I guess that is an interpretation. You are perfectly correct; it is an interpretation.

With respect to the issue of a percentage, the number of people—I forget what it said—58 per cent of the youth are unemployed. The CSO statistics says with respect to the group 18—30, the unemployment rate is 8 per cent, Sir. [*Interruption*]

Sen. Mark: I got it from your Vision 2020 document.

Sen. The Hon. M. Browne: At today's date, the rate is 8 per cent.

Sen. Mark: "Mariano, ah get it from here!"

Sen. Joseph: Mariano? Who is Mariano?

Sen. The Hon. M. Browne: Sen. Browne. It cannot possibly say that the 48 per cent is the unemployment rate at today's date. It could not say that. *[Interruption]*

Sen. Mark: This is the latest one.

Sen. The Hon. M. Browne: There is no safety net in this country. On the basis of the statistics that we have seen, it said that there is no safety net to cushion the burden of dislocation and retrenchment of workers and families. The evidence suggests quite clearly that the total number of poor persons receive—that the average amount—is approximately \$800 a family. That is what the numbers work out to be. On the basis of inflation, Sir, and on what the numbers are, it is pretty clear that there is no structural adjustment here, there is no need for a structural adjustment either and the negative that certainly connotes.

8.15 p.m.

What it clearly demonstrates is that 2008 was an aberration. Let us see how we treated with that aberration. I think when we returned to Parliament to close the accounts for 2008 we disclosed that our revenue position had moved from our initial estimate of \$53.2 billion to a total of \$56.8. What did we do? We transferred \$8 billion to the Heritage and Stabilisation Fund; \$5 billion to the Infrastructure Development Fund; and \$3.6 billion went toward the Consolidated Fund. So, the total expenditure was about \$40 million.

So, when Sen. Prof. Deosaran says that to have trust in the population, we cannot just raise the expenditure, I would have thought that given the number of years he has been in this Senate, he would have understood that the way our accounts work, is that it is done on the basis of cash. So, by definition, if you transfer money to the Heritage and Stabilisation Fund or if you transfer money to the Infrastructure Development Fund it is treated as an expenditure. That does not mean to say that it was spent or wasted or it was willy-nilly. We count part of our cash savings that go into funds as part of our expenditure profile. That is how we account for cash. If we received it then, by definition, we have spent it by means of allocation into various funds, quite apart from spending on various programmes. That is a fundamental point. So, of the \$56 billion, approximately \$16 billion was isolated.

When we take up the \$16 billion, actually our expenditure programmes are about \$40 billion. So, we are in line with what we did in the previous year. So, there is no cataclysm. What is quite clear is that in terms of budgeting, we made an error by projecting that the figures would have lasted longer than they did. We came to this Parliament on two occasions and revised our numbers downwards. That \$37 billion revenue in 2009 is a return to the more normal trend in terms of prices. That is where we are.

Sen. Prof. Deosaran: Sorry to interrupt you, but I appreciate what you say and thanks for the assistance for the general public. You have an appendix XXI in the Review of the Economy and there is a heading—I was trying to work it out with my colleague and he could not understand. We thought, in such publications, under the heading “total expenditure net lending” you have the figures to which I referred with no other qualification or subheading to indicate. So, I am grateful for your explanation and I promise I may not make the same error on another occasion. You have to understand that if you put the headings here, without further qualification, we are entitled to use them.

Sen. The Hon. M. Browne: I take the point, and I understand the point that you were making. I just simply want to make the point again that from the level of mistrust, you are also starting off with that presumption; an incorrect one.

I thank the Minister of Energy and Energy Industries for making the point with respect to the issue of our energy flow. I think the point was also being made that we may have to make some short-term concessions in order to encourage exploration, and that is the revenue conundrum that you are going to face. It is faced in any business. In any business, you have to make a decision between investments, reporting revenue today or making investments to allow or to generate further revenue down the road. We always have, in a sense, to cut and contrive to manage our cash flow in such a way that would allow us to generate a sustainable level of income.

For the record—this is for a number of commentators who did not understand it last year, but I think I have come to the conclusion that it is amply reflected in terms of the comments made by the Minister of Energy and Energy Industries, and that is 86 per cent of our revenue earnings come from natural gas, and that 86 per cent is further broken down. The majority of it goes into LNG—roughly 61 per cent of the total natural gas which is generated goes in LNG; approximately 24 per cent goes into ammonia and methanol—those are the two critical ones—and only about 8 per cent is actually used in the local economy by way of electricity generation, provided by way of support for the manufacturing sector, as actual

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support to industry, one example of which is cement. A number of companies actually use it as fuel stock. I say that because a lot of arguments have been made about how we treat with natural gas, and the answer is that in terms of diversification of the economy, we have to face the facts.

If we do not want the Government to become more involved in business, it really remains with the private sector to take up the opportunity. We have endless incentives on our books and programmes and the real requirement is for the private sector to take up that challenge and help in the diversification of the economy. From the time the Government gets into it and starts to look at a big project, there are a whole series of question marks: how long it is going to take? Who is in it?

Hon. Senator: Cost overruns.

Sen. The Hon. M. Browne: [*Interruption*] Do not get me started. Over the last two years, all private sector projects in Trinidad and Tobago have had cost overruns. Every private sector project has had cost overruns without fail—[*Interruption*—including the Government, because we have been in a very difficult situation where fundamentally in construction, the prices of many resources and many important inputs have gone up. The Minister of Energy and Energy Industries said it very clearly. The price of input, particularly with regard to steel and certain segments of the energy sector have all gone up.

Sen. Dr. Nanan: I understand what the Minister of Energy and Energy Industries said, but this document points to overheating of the economy by the Government, and that was a factor in terms of prices going up. I do not know if you want to make any comment on that.

Sen. The Hon. M. Browne: Overheating of the economy by the Government is a judgment call. Well, if the Government has been overheating the economy—certainly in the rapid decline, given everything else that has taken place, whilst we have managed to maintain our expenditure—I think Sen. Subhas Ramkhelawan was making the point that deficits are, by definition, expansionary and then, by definition, inflationary. But notwithstanding the existence of the deficit, the inflation rates are coming down; that is clear. Notwithstanding that, the foreign exchange reserve position remains robust, and that is the reality. [*Interruption*] I am going to deal with property tax in good order. I am going to get to that.

Economic fundamentals: I know the public does not want to hear about economic fundamentals; they want to see how things hurt them in their pockets. I must thank Sen. Dr. Rolph Balgobin for many of the points he made in general

about the issue of national security and the social dynamics that exist, and what we must face as citizens. I was also particularly glad when he brought up the issue of the Global Competitiveness Index.

Now, the Global Competitiveness Index is a mixture of hard data and soft data. The hard data is compiled using external reports; IMF reporters, World Bank reports and the European Development Bank reports. It is important to look at where we are counted on the hard data.

Budget balance: How did we rank. We ranked 14th—

Hon. Senator: That is PNM statistics.

Sen. The Hon. M. Browne: This is PNM statistics. Is the World Economic Forum PNM statistics? We ranked above Korea, Canada, China, Italy, France, Spain, the United Kingdom and the United States of America. [*Interruption*] This is available on the Internet.

National savings rate: Global Economics Competitiveness Index, 2009/2010, published by the World Economic Forum was copiously quoted by the Leader of the Opposition in the other House. Where did we rate? We rated 18th. How many countries were rated? There were 133 countries and we were rated 18th. [*Interruption*]

The total tax rate: A combination of profit tax, labour tax and the contribution of other taxes; how did we rank amongst the rest of the world? Well, the answer is 34th. Trinidad and Tobago ranked higher than many developed countries in this sub-index including, Malaysia, Ukraine, New Zealand, Netherlands, the United States of America, Germany, Sweden—these are the countries we like to look at.

Tariff barriers: Well, we did not rank so good there. We ranked 62nd; mid range.

Rigidity of Employment: Where did we rank? This is hard data from the ILO—we ranked 9th. It is a pity Sen. Anisette is not here. By the way, this is on the basis of data coming from the ILO.

Strength of investor protection: This is from the World Bank. We ranked 18th.

Mobile telephone subscriptions: Well, Sen. Rogers spoke about this and everybody queried him in terms of the number he quoted. This is data used from the International Telecommunication Union and the World Telecommunication Indicators, and we ranked 35th.

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Under personal computers and other index, we did not do so well. We have some improvements to make. We ranked 57th.

In terms of export as a percentage of GDP, we ranked higher than many countries. We ranked higher than Austria, Switzerland, Denmark, Sweden, Korea, Germany, China, Canada, Russia, United Kingdom, Italy, India, Japan and the United States of America; we ranked 26th.

The reality is the reason our competitiveness index rating is so low is that on the perceptual indicators—in other words, how we rate ourselves—by the way the index is administered by the Arthur Loc Jack School of Business on behalf of the World Economic Forum. In all the hard data we ranked well. *[Interruption]* It is on the perceptual indices; how we look at ourselves. That is the point that was being made by Sen. Dr. Rolph Balgobin. It is how we rate ourselves. There is room for improvement. The rating that was used here rated us on a scheme of 12 pillars.

The rating on that scheme actually identifies whether you are a first stage economy, an economy in transition or whether you have moved from a second stage or you are counted amongst the innovators. Where does Trinidad and Tobago rate? As an innovative country! In other words, at a stage of development, where we need to do a lot of other things—where do we rank? What are the kinds of comparator countries we ranked with? Mr. Vice-President, Australia, Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Malta, Netherlands, New Zealand, Norway, Portugal, Puerto Rico, Singapore, Slovenia, Spain, Sweden, Switzerland, United Arab Emirates, United Kingdom and the United States of America.

In other words, just to continue from the words of that calypso, “Our people are daily making progress without any form of stupidity”. *[Interruption]* I cannot help with whatever problems you have. The point about it is that we are hard on ourselves, because we want to see ourselves do better. We are dissatisfied at the pace at which we are moving. Implicitly, we compare ourselves with the people who are better than us. That is not a bad thing at all. We must be very careful—that is the point that Sen. Dr. Rolph Balgobin made—that we judge ourselves too harshly and, in the process, miss the point. That is one of the reasons the theme of this year’s budget is that there is room for improvement.

8.30 p.m.

We recognize that, we understand that and we must make those steps and those decisions to help us to move forward. We understand that and we will do what

is required to help us move forward. *[Interruption]* I did not attack you directly, you know, but if you want, I will. *[Laughter]* *[Crosstalk]*

You know, we did make a mistake in the budget. We made the mistake of saying 1.2 kilometres of road; I apologize. At 4.00 a.m. and 5.00 a.m., sometimes you do the wrong thing and say the wrong things. What is the correct number? It is 61.5 kilometres. *[Interruption]* "No, no, that is roads." Twenty-eight agricultural access roads with a total length of 26 kilometres serving approximately 2,500 hectares of agricultural lands for the benefit of 1,200 farmers. Areas that benefited from these areas were: Sans Souci, Caigual, North Manzanilla, Wallerfield, Maloney, San Raphael, Chin Chin Road, Freeport, Cunupia, Aranguez, Cedros, Penal, Quinam, Palo Seco, Guayaguayare, Erin, Manzanilla, Blanchisseuse, Maracas and Mayaro, at a total cost of approximately \$40 million. That, really, is what was done.

We understand that there are improvements that have to be made in agriculture. Many improvements are to be made in agriculture and we understand that there are improvements to be made in Tobago's agriculture as well. I think the Minister is on record and I want to quote him:

"We need to encourage all around us to begin to think about a value chain"—added value, agro processing, agri-business—"not just growing the product but beginning to process it..."

By the way, I think that the Tobago House of Assembly has some responsibilities, it does not only fall to the Ministry of Agriculture, Land and Marine Resources. So, when you are pointing and telling him, Sen. Nicholson-Alfred, the Tobago House of Assembly has some work to do. Start from the top and come down and we understand that. So, the work is taking place and I just want to say that maintenance work has been done on 61.5 kilometres of road last year, not 1.2 kilometres. That is an error and I know we took some licks for that error, but it is not 1.2 kilometres, it is 61.5 kilometers and the additional resources, engineering resources—*[Interruption]* It is 61.5 kilometers. Am I correct Minister?

Sen. Piggott: Yes.

Sen. The Hon. M. Browne: That is where we are. *[Interruption]* That is wrong; that is a second wrong. *[Crosstalk]* Yes, and we have to do a better job in co-ordinating that in the future. Point absolutely made; I take the point, better job. You are right in that one.

Sen. Mark also made certain claims with regard to our performance in education. Claim one: Less than 35 per cent of students who sit CXC exams are

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able to obtain a full certificate. In 2007, students achieving a full certificate with mathematics and English was 41.3 per cent; 2008, 42.6 per cent; 2009, 46.8 per cent. Just for the record, for GCE in England, 47.6 per cent, up from 46.3 per cent in the previous year.

Claim two: Some 12 per cent of the population, represented as 150,000 citizens, is still unable to read or write in this country. I would not go back to the Global Competitiveness Index, because the number inside of that, on that particular rating was actually very high. We came certainly within the top 30. I do not know what age of population Sen. Mark is referring to, but the statistics for April 2007, under the UNESCO's assessment of Trinidad and Tobago literacy rate is 98.4 per cent.

Claim three: Less than 50 per cent of the adult population possesses literacy levels essential and critical in a modern society. Again, this is the point that is made by Sen. Mark. I am not certain where Sen. Mark got this number from. I do not know where this number came from.

Sen. Mark: That is the *Trinidad Express*. [*Laughter*]

Sen. The Hon. M. Browne: You also said that the oil price under your regime had fallen to \$9. Well, I checked. The lowest it went to was \$14.

Sen. Mark: No.

Sen. The Hon. M. Browne: All right, it might have gone to what you called, but the lowest average price for every year, the lowest price it went to was \$14. The average price in any one year for you is \$14. [*Crosstalk*] Those are the numbers I have. Do not talk about you never introduced any new taxes; do not give me that one. Mr. Kuei Tung introduced quite a few, and by the way, motor vehicle taxes too. The Asa Oil price for 1996, \$22.12; 1997, \$20.61; 1998, \$14.42; 1999, \$19.34; 2000, \$30.38; 2001, \$25.98. [*Interruption*]

We are not talking about what you call it, that WASA debt and so on, as I am reminded. I think the Minister of Finance did a wonderful job on you in that regard, so I am not going to repeat the numbers.

Madam Baptiste-Mc Knight asked me a question—Senator, Senator, sorry Senator, otherwise the Vice-President will pull me up, so I am correcting myself before he does. [*Laughter*] The answer is 50 schools are under construction; 50 have been tendered and sites are being evaluated for 100. Those are the numbers: 50, 50 and 100. We are not clear about how many we would build but essentially we are raising the money to work it through, and by the way, this is with no regard to constituency.

With respect to 340 schools having Internet service, the target is achieved relating to Phase One of the programme, from the previous budget, and you are right, but it is unclear, it should be made clearer in the document. The language is loose and as a result of which it leads to some difficulties. One hundred and eighty primary and secondary schools have access to the Internet programme; 340 is an improvement over what existed. Our targets are set as needed and the budget would need to be reviewed and recalibrated to basically arrive at some of the numbers.

With regard to scholarships, you made a point over that one. The Government of Trinidad and Tobago chooses to award its national scholarships on the basis of 'A' levels, on CAPE. We choose to do that. Now, with regard to Science, we have also made a conscious decision to allow or to award a significant number of the national scholarships to Science. That is also a conscious decision. Of course too, we need to train our children in humanities, but given where we are and what we are doing, we also need to have a sufficiently strong cadre of our graduating class trained in the sciences.

Sen. Baptiste-Mc Knight: Thank you, Mr. Minister. Could you just clarify for me when you say you made a conscious decision to award scholarships to Science. What I understand you to be saying is, in addition to the national scholarships that people win on the basis of the CAPE results.

Sen. The Hon. M. Browne: Well, 270 scholars to be precise. The participation in tertiary education, previously 8 per cent, in 2009, in excess of 42 per cent and 45 per cent is achievable if we prepare students sufficiently and we will increase that process through GATE and all the other programmes that we are using with it.

We regard to the issue of Corinth and the question of a shortage of sixth form places. The closure of Corinth was to—let us put it this way, all the students that were located at that particular location have been absorbed in the system, into other schools in the region. Further, students are only placed in private sixth form schools and funds paid for this support if they cannot be accommodated at state institutions and there is no other basis of providing funding to private schools. And the teachers were also absorbed too, I am also reminded.

I think also on this particular point, Sen. Prof. Deosaran raised the issue of inequality in the educational system. One of the fundamental issues is that, I guess there is a meritocracy in position, and it works this way. The denominational schools, for whatever reason, have come to represent a paragon of excellence. People choose to put their children in that school and as a result of which, the pass marks and the grade

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structures for those schools go up, so they tend to get better students or alternatively, the grade structure moves up, so that there would always be a trend towards getting all of your top notch students going towards that particular school.

Any attempt on the part of the Ministry of Education to deal with the issue by zoning, to correct that issue, Sir, has met with howls of derision—I think that is the only way I could put it—any time it has ever come into the public domain, that you want to create a certain degree of equality between the schools. That is not a function of conscious policy, unfortunately it is what happens when you have a meritocracy. People would gravitate towards the ones or the best would go to the best schools and the best schools would have the best results; that is the reality.

So, to correct that will require a matter of conscious social policy to redistribute, not only income, not only resources, but pupils, and redistribute pupils without—how shall I put it—against the wishes of their parents. And anytime an attempt has been made to zone, that has caused no end of trouble in the public domain. So, I just make the point.

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

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

Question put and agreed to.

Sen. The Hon. M. Browne: Thank you very much, Mr. Vice-President and thank you very much, colleagues for the extension of time. You were going to make a point, Sir.

Sen. Prof. Deosaran: Sorry to interrupt you and thank once again, but this is a very fundamental question for the whole society, if you would allow me one minute. The issue really is what you are saying, but it is much more fundamental than that in that, why over the years, about 70 per cent of our working class students go to these government schools, which along the East-West Corridor have such a relatively high failure rate and the other percentage, 70 per cent of the upper and middle classes go to the so-called assisted denominational schools, and that disparity and perpetual cycle of poverty is a troublesome issue.

I know there are some possible solutions. So, it is not a political issue, it is a deeply sociological and worrisome issue, which a government must attend to in that macro sense. The schools have differential output, apart from the choices and so on, and it is a very complicated issue. I do not want to go into it now, perhaps in another debate we will revisit it.

Sen. The Hon. M. Browne: Thank you very much for that point and I am familiar with the work of Bacchus going back to 1972, the work of Gocking and a number of other comments and Mr. Deosaran. [*Laughter*] I did not think you were a professor at the time. I may not have read you in the process.

8.45 p.m.

The point I am making, it is a sociological issue that automatically feeds into a political issue, so it is a difficult issue. It is a difficult one and it is not an easy one but I understand the point that you are making and that is one of the reasons why the deshifting took place. The deshifting was a mitigant to that difficulty, so we have gone back, we have moved backwards and we do have to make a number of other increments but as you are aware it is going to take time for us to get into it.

The point also made by Sen. Dr. Balgobin on this one is also very important. It does require a social construct in which we agree on the things which are required to be changed. That is why when I talked about the level of mistrust that exists; sometimes we have to come to the table without the—in a sense—perceptual baggage and the acrimony if we are to deal with what are difficult and deep-seated issues. [*Desk thumping*] In the process that is why some other schools, for example, in Barataria—

Hon. Senator: St. George's College.

Sen. The Hon. M. Browne:—St. George's College was not always where it is, but it has risen, and a number of schools along the East-West Corridor have also risen, most of them denominational. But we need to have more changes along those lines and we need to have more constructive dialogue of how we bring the resources to bear and the changes to be made in those areas for us to achieve the results that you are talking about, because it does not help the society for us to continue to have that—if you want—inequality and we understand that. We take the point.

So, I do not know if I answered all the questions, but I know the most important thing I have to deal with is this issue of property tax. Everybody dealt with the issue of property tax. Everybody raised the issue of property tax. The issue of property tax became a vexed question. Let me make the point to start that most of the commentators are alarmist; they have not actually sat down to do the calculations; they have not thought it out. I take the point that it may be politically insensitive to raise property taxes at this stage of the game, but this is a policy which has been long in the making and suffice it to say, what the budget speech attempted to do was to point out to the community that this is an area of reform, of change, and that in terms of a legislative agenda, this legislation would have to be brought to Parliament and debated.

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That is why it is not listed as a fiscal device. It is not a fiscal measure. It is listed as part of a reform measure, actually, to bring some equity to the situation. Because as we speak—and all of this noise that has been taking place that we are pauperizing the middle, well, the people in Arima have been paying tax [*Interruption*] at 10 per cent on 2004 valuations without a whimper. We have not had the consolidation that people have been talking about; Arimians have not sold their houses or no one person has come in and bought up all of the houses because the middle-class or the pensioners are unable to deal with it; the same thing in San Fernando; the same thing in Point Fortin. So we have inequalities in the system and we have people who are paying much higher rates of tax than people in Port of Spain and people in Goodwood Park, in San Fernando, in Point Fortin, in Arima and in Chaguanas. That is a reality. That is exactly what is taking place right now, and nobody is selling their houses as a result of it.

So all this noise that we are hearing misses the point. We need to have rational dialogue and rational reflection. A simple example, \$3,000 a month annual ratable value turns out to be \$36,000 minus 10 per cent for voids and losses. In other words, you will be paying tax on, essentially, \$33,400 at 3 per cent; 3 per cent of \$33,400 is what, [*Interruption*] about \$900 a year? That is what we are dealing with. I calculated for one of my attorney friends who is moving in to a new property—the same argument that was being made about she now has to pay this mortgage on a new property, she bought the property at x, y and z; it is located in one of the upstanding areas, how are they going to rate me? Well, what are you paying in rent now? Well, I am paying \$6,000 in rent. Okay, so is your property better than the \$6,000? Yes. How much better? I do not know. Twice better, three times better or four times better?

Let us take \$20,000. It turns out that on a property which is valued about \$4 million or \$5 million if you use—this is completely hypothetical, because I was actually trying to work out what revenue number you think you could get for your house, because if she has to rent it out at \$20,000 a month, her tax was less than \$7,000 a year. Her level of income, as I was making the point, on one dinner you spend more than \$600. So, when you are talking about \$600 a month, that is a worse case situation. Under our existing tax—and this is just to make the point for another Senator on the other side who raised this question with me—regime, churches do not pay tax, educational establishments which are registered with the Ministry of Education do not pay tax, so that means all the nurseries and everybody else as long as you are registered you do not pay tax. As long as you are a charitable institution you do not pay tax, so that falls out.

The point that was made by the Minister of Finance and it was a very important point. Under the existing legislation there is no relief or very limited relief. The only way there is relief is if you knock down your house. Under this, what we are proposing is under the new regime—and by the way this is just simply to upgrade legislation, so it has to come back to the House; we have to involve ourselves in a dialogue in this Parliament. In this Parliament it is going to come back. All we have signalled is an intention to reform the process. Data has been collected for the last six years. There is data in position, and if we were to bring it up to date at this stage and to say we leave the tax rate and we leave the tax regime in position as it stands, we will be paying 10 per cent on 2008/2009 valuation. That is what would happen. What we have said instead is that we propose to revise the legislation, come back to Parliament and consider the rate at 3 per cent; 3 per cent is one third of 10 per cent, so we are actually dropping it.

What has happened is that the prospect of an increase in price, has, in a sense, as you put it correctly—when you looked at North America and you gave me the quotation for North America—has made everybody jumpy, because at the end of the day—

Sen. Nicholson-Alfred: Mr. Minister, in the case of Tobago where the cost of living is so much higher than everywhere else and anywhere else in the country, would special consideration be taken in the assessment of the type of property taxes that would be charged there?

Sen. The Hon. M. Browne: That is a design consideration that would have to be taken by the Valuations Division. The idea was to achieve efficiency, to ensure that we had one regime, that everybody understood what the regime was and we created mechanisms for taking into consideration age, indigence and financial consideration. Considerations, for example, which do not currently exist under our existing legislation. So, it is a reform process. What we attempted to do, is reform the Act to make changes that would make the system more equitable. The equity in the case of Tobago, it will have to be considered from a design consideration as well.

One of the arguments made by Sen. Rahman was the issue that we make it untidy and people would have to come and apply. There is no one size fits all. In my own limited knowledge, for example, using a place where I lived, which everybody talks about, Barbados. I had a lot of land, BDS \$150,000 was the cost, my land tax was Barbados \$1,000 a year, because it was an improved site value. One thousand dollars for an empty lot of land and I paid water rates every month.

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My standard water rate bill was approximately TT \$240 every month, so at the end of the year I paid \$2,800. That is standard and it was metered.

The reason why everybody is getting jumpy over this, the intention is at the end of the day to move to a metering situation, so that with the issue of rates, water rates, land taxes and property values will be decoupled and you move to a situation where you will pay for what you use. If you do not use it, you do not pay for it. That is the reality and that is what is intended. So, a lot of energy has been burnt up.

So, I take the point and I start off from where the Minister of Energy and Energy Industries was making, that perhaps we have failed to communicate what we intend to do properly, but there is time for us to continue a dialogue and a discussion in the public domain in terms of how we will reform the property tax. That is the reality. So there is time to do this and this will merit separate legislation. People are not going to get up and pay x, y and z tomorrow. A document has to come to this House, it has to be weighted, it has to be argued, it has to be valued and we have to engage with the nation in a conversation in terms of what we require moving forward.

So I just simply want to say to those who have put a whole set of Arimians into this, that they have not considered the situation properly and they have not looked at what the facts are. Because all of the negative consequences that they are anticipating would have happened in San Fernando, would have happened in Point Fortin, would have happened in Chaguanas and would have happened in Arima and it has not. If it has not happened in those four instances, it will not happen, if and when this legislation is changed. That is fact! But no amount of argument at this stage of the game is “gonna” change that we need rational discourse and we need a certain level of trust. The purpose here is to reform the system; it has been in position for quite some time. It is antiquated, it is backward and we need to improve it.

The reality is hon. Senators, 2008 was a difficult year. It was a difficult year for the world and we found ourselves in a situation in which some of the game plans have changed. We have a long-term objective and the long-term objective is to move this country forward and to move this country forward positively. We must make decisions and we must manage. With regard to diversification, it is something that we all need to think of and we all need to work at. The private sector, in particular, it is not that Government, has to diversify. We all know that Government does some things good and we know that Government does some things badly. If we want the economy to run well, the private sector must do its work and the incentives exist for it to do so.

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I would like to leave you all with a comment and it is attributed to Johann Wolfgang Von Goethe:

“Until one is committed, there is hesitancy, the chance to draw back— Concerning all acts of initiative (and creation) is one elementary truth that ignorance of which kills countless ideas and splendid plans: that the moment one...definitively...commits oneself, then Providence moves too. All sorts of things occur to help one that would never otherwise have occurred. A whole stream of events issues from the decision, raising in one's favor and all manner of unforeseen incidence, meetings and material assistance, which no man could have dreamed would have come his way. Whatever you can do or dream you can do, begin it. Boldness has genius, power, and magic in it. Begin it now.”

The business of building a country is for us all and as citizens we must work at it, thank you.

Mr. Vice-President, I beg to move. [*Desk thumping*]

Question put and agreed to.

Bill accordingly read a second time.

Sen. The Hon. M. Browne: Mr. Vice-President, in accordance with Standing Order 63, I beg to move that the Bill not be committed to a committee of the whole Senate.

Question put and agreed to.

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

Bill accordingly read the third time and passed.

ADJOURNMENT

The Minister of Energy and Energy Industries (Sen. The Hon. Conrad Enill): Mr. Vice-President, I beg to move that the Senate do now adjourn to Monday, September 28, 2009 at 1.30 p.m., where it is our intention to debate to its finality Motions 1, 2 and 3.

Just by way of additional information we would return on Tuesday, September 29, 2009 at 1.30 p.m. for Private Members' Day. It is also our intention to return on Thursday, October 01, 2009 at 1.30 p.m. to deal with the validation of the Commission of Enquiry legislation that we introduced this evening. It is also our intention that we would do two things.

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[SEN. THE HON. C. ENILL]

There are two Bills that I spoke to you about that require passage; the Proceeds of Crime (Amdt.) Bill and the Financial Investigations Unit. What we would propose to do is to have those Bills debated, if it is possible on Tuesday, October 06, 2009 or if not on Friday, October 09, 2009, but we would try to make sure that during that week we only have one sitting in recognition of—but it depends on whether or not it is passed in the other place and the time frame within which and we are working through those. So that is the kind of timetable that we are looking at.

Question put and agreed to.

Senate adjourned accordingly.

Adjourned at 9.02 p.m.